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Institiúid Teicneolaíochta Leitir Ceanainn
Letterkenny Institute of Technology

Letterkenny Institute of Technology
Annual Financial Reporting Pack
For the year ended 31 August 2020



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Institiúid Teicneolaíochta Leitir Ceanaínn
Letterkenny Institute of Technology

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**Part 1: Letterkenny Institute of Technology: Annual Corporate Governance Statement for the year ended 31 August 2020**

We are pleased to present the Annual Corporate Governance Statement for Letterkenny Institute of Technology (“LYIT”). A new Code of Practice for the Governance of State Bodies was published in August 2016 with effect from 1 September 2016. A Code of Governance for Irish Institutes of Technology in line with the new requirements of the State Code, was published in January 2018 and updated in June 2019 by THEA. The Institute adopted the 2019 Code of Governance (referred to as the Code of Governance) at their September 2019 Governing Body meeting.

1. Governing Body (THEA Code of Governance 2019 Section 1.18 and 6.3)

The Governing Body was established under the Regional Technical Colleges Act 1992 to 2001 and additional functions were assigned under the Institutes of Technology Act 2006. The Governing Body is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance.

The Governing Body is collectively responsible for leading and directing the Institutes’ activities and fulfils key functions, including: reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and Institute performance, and overseeing major capital expenditure and investment decisions. The Governing Body acts on a fully informed and ethical basis, in good faith, with due diligence and care, and in the best interest of the Institute, having due regard to its legal responsibilities and the objectives set by Government.

2. Code Compliance and Statement of Agreement with the HEA (THEA Code – 8.1 and Appendix G, Paragraph 1)

Letterkenny Institute of Technology confirms that it has formally documented and reached agreement with the HEA, on its adaptation of and compliance with the requirements of the THEA Code of Governance for Institutes of Technology. This compliance includes both the internal practices and procedures of Letterkenny Institute of Technology and the external relations with Government, the Minister for Further and Higher Education, Research, Innovation and Science and the Minister for Public Expenditure and Reform.

3. Strategic Plan, Annual Programmes and Budget (THEA Code – 1.17 and Appendix G, Paragraph 2)

The Institute’s Governing Body has formally undertaken an evaluation of actual performance, by reference to the Institute’s Strategic Plan and Budget and has subsequently approved an Annual Programme and Budget for the Institute.

**4. Governing Body Operation, Reserved Functions and Decisions Delegated to Management (THEA Code – 6.3 and Appendix G, Paragraph 5)**

The Institute's Governing Body are collectively responsible for leading and directing the Institute's activities in compliance with the THEA Code of Governance. All function and decisions that are not specifically listed within the Code of Governance (Appendix B, Reserved Functions, Statutory Functions and Regulatory Requirements), are functions and decisions of management.

5. Compliance with Public Spending Code (THEA Code – 6.10 (viii), 8.22 and Appendix G, Paragraph 11)

The Governing Body confirms that Letterkenny Institute of Technology adheres to the relevant aspects of the Public Spending Code and that the Governing Body has ensured robust and effective systems and procedures are in place to ensure compliance with the relevant principles, requirements and guidelines of the Public Spending Code. Letterkenny Institute of Technology confirms that its policies and procedures in the management of capital projects are compliant with the relevant principles, requirements and guidelines of the Public Spending Code and the Capital Works Management Framework.

6. Governing Body Meetings (THEA Code – 4.9, 6.4 (iv) and Appendix G, Paragraph 8)

During the period from 1st September 2019 to 31st August 2020 the Governing Body met on seven separate occasions on the following dates:

| Figure 1.1 | | | |
|---|-------------|---|--|
| Schedule of Governing Body Meetings and Governing Body Member's Attendance | | | |
| GB Members | Role | Number of Governing Body meetings attended | Number of Governing Body meetings during the year |
| Pat Campbell | Member | 7 | 7 |
| Joan Crawford | Member | 5 | 7 |
| Siobhan Cullen | Member | 5 | 7 |
| Grainne Devine | Member | 6 | 7 |
| Paul Hannigan | President | 7 | 7 |
| Siobhan Howe | Member | 4 | 6 |
| Seamus Hughes | Member | 5 | 7 |
| Cllr. Niamh Kennedy | Member | 5 | 7 |
| Seamus Kilgannon | Member | 7 | 7 |
| Adam O'Flaherty | Member | 0 | 6 |
| Philip Maguire | Member | 5 | 7 |
| Fintan Moloney | Chairperson | 7 | 7 |
| Cllr Michael McBride | Member | 7 | 7 |
| Linda McGlinchey | Member | 7 | 7 |
| Anne McHugh | Member | 6 | 7 |
| Bernie Mulhern | Member | 6 | 7 |
| Cllr. Paddy O'Rourke | Member | 6 | 7 |
| Meadbh Seoighe | Member | 3* technical issues with link for Nov meeting | 7 |
| Marie Slevin | Member | 4 | 7 |



The Governing Body met without management present on two occasions during the period in December 2019 and June 2020. The Governing Body also met without any members associated with the Institute on these two occasions in December 2019 and June 2020 in line with Section 4.9 of the THEA Code of Governance 2019.

7. Fees and Expenses (THEA Code 6.4 (iv) and Appendix G, Paragraph 8)

Fees and/or expenses paid to members of the Governing Body are in accordance with the guidelines from the Department of Finance. LYIT affirms that Governing Body members do not receive fees in respect of this membership of the Governing Body. Governing Body members may receive expenses for attending Governing Body meetings and may receive fees and expenses for facilitating the Institute in respect of Interview Boards. All such fees and expenses are paid in accordance with the guidelines issued by the Departments of Finance and included below.

| Figure 1.2 | | | |
|--|-----------------|------------------------|-----------------|
| Governing Body Expenses from the period 1 September 2019 to 31 August 2020 (THEA Code – 9.17 and THEA Code – Appendix H, Paragraph 3) | | | |
| GB Members | Expenses | Fees (Interviews etc.) | Total Paid |
| Patrick Campbell | 68.53 | | 68.53 |
| Linda McGlinchey | 81.86 | | 81.86 |
| Bernie Mulhern | 221.70 | 1,200 | 1421.70 |
| Paddy O'Rourke | 142.43 | | 142.43 |
| Seamus Kilgannon | 940.44 | 450 | 1390.44 |
| Marie Slevin | 110.63 | | 110.63 |
| Total | 1,565.59 | 1,650 | 3,215.59 |
| | | | |

8. Risk Management (7.2 and THEA Code – Appendix G, Paragraph 10)

The Governing Body approves the Institutes risk management framework and monitors its effectiveness, approval and oversight of Letterkenny Institute of Technology Risk Management Policy including structured and periodic reviews and updates to the Institute Corporate Risk Register by the Executive Board. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the Institute Corporate Risk Register.

**9. Audit and Risk Committee (THEA Code – 1.13 and Appendix G, Paragraph 6)**

The Terms of Reference for the Audit and Risk Committee are set by the Governing Body of the Institute and include provision regarding:

- Membership
- Reporting Requirements
- Authority to investigate
- Meetings – timing, conduct and frequency
- Information requirements
- Value for money
- Governance and responsibilities regarding:
 - Risk Management
 - Internal Control
 - Internal Audit
 - External Audit
- Review of its own effectiveness

The Chairperson of Governing Body is satisfied that the Audit and Risk Committee has discharged its role effectively and efficiently and has met the requirements with regard to frequency of meetings in this academic year. The Audit and Risk Committee met on five occasions during the year 1 September 2019 to 31 August 2020.

See figure 1.3 below for details of meetings held during the year.

| Figure 1.3 | | | |
|---|-----------------|--|---|
| Schedule of Audit and Risk Committee Meetings and Member attendances | | | |
| GB Members | Role | Number of Audit and Risk Committee meetings attended | Number of Audit and Risk Committee meetings during the year |
| Philip Maguire | Chairperson | 5 | 5 |
| Seamus Hughes | Member | 4 | 5 |
| Anne McHugh | Member | 5 | 5 |
| Cllr Niamh Kennedy | Member | 3 | 5 |
| Deborah Nolan | External Member | 5 | 5 |

10. Other Committee Meetings (THEA Code – 4.9, 6.4 (iv) and Appendix G, Paragraph 8)

The Gender Equality Committee met on one occasion during the period 1 September 2019 to 31 August 2020. See figure 1.4 below for details of meetings held during the year.

| Figure 1.4 | | | | |
|---------------------------------|---------------------------|-------------|---------------------------------------|--|
| Other Committee Meetings | | | | |
| Governing Body Member | Committee Name | Role | Number of Committee meetings attended | Number of Committee meetings during the year |
| Grainne Devine | Gender Equality Committee | Chairperson | 1 | 1 |
| Pat Campbell | Gender Equality Committee | Member | 1 | 1 |
| Bernie Mulhern | Gender Equality Committee | Member | 1 | 1 |
| Adam O'Flaherty | Gender Equality Committee | Member | 0 | 1 |



11. Performance Evaluation of the Governing Body and its Committees (THEA Code- 4.6, 6.10 (xxii) and Appendix G, Paragraph 4) (DPER Code – 4.6) (THEA Code – Appendix I, Paragraph 26)

The Governing Body conducted a self-assessment of its own performance and the performance of its committees during the period 1 September 2019 to 31 August 2020 which was concluded on 18 February 2021. The Governing Body utilised the self-assessment evaluation questionnaire contained within the THEA Code of Governance for this purpose / engaged an independent external provider to take a review once per term. The external review that was carried out on the governing body and its committee's performance was on March 2019. This was carried out by Mazars and a presentation was made to the Governing Body in May 2020.

12. General Governance and Accountability Issues (THEA Code – 6.9 (xxviii) and Appendix I, Paragraph 32)

Letterkenny Institute of Technology can confirm that there are no governance and accountability issues that the Institute wish to bring to the attention of the Minister for Further & Higher Education, Research, Innovation & Science and the Higher Education Authority.

13. Asset Disposals (THEA Code – 8.39)

Letterkenny Institute of Technology can confirm there were no disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process during the financial year.

14. Commercially Significant Developments affecting the Institute (THEA Code – 6.10 (ii) and Appendix I, Paragraph 3)

Letterkenny Institute of Technology can confirm that there were no commercially significant developments that affected the Institute in the preceding year. There are also, to the Institute's knowledge, no major issues likely to arise in the short to medium term that will affect the Institute.

15. Summary of all Off-Balance Sheet Transactions of the Institute (THEA Code – 6.10 (iii) and Appendix I, Paragraph 4)

This is not applicable for the period 1 September 2019 to 31 August 2020.

16. Code of Conduct for Members and Employees (THEA Code – 6.10 (vi) and Appendix I, Paragraph 6)

Letterkenny Institute of Technology can confirm that a Code of Conduct for both Members and Employees has been implemented. This includes clear conflict of interest and ethics in public office policies.

**17. Compliance with Government Policy on Pay of the President and Institute Employees (THEA Code – 6.10 (viii) and Appendix I, Paragraph 7)**

Letterkenny Institute of Technology can confirm that the Institute has complied with its obligations under the Government policy on the pay of the President and all other Institute employees.

Please also refer to financial statement's disclosure note 9.

18. Statement of Compliance (THEA Code – 9.17 and Appendix I, Paragraph 9)

The Chairperson of Letterkenny Institute of Technology confirms that Government Pay Guidelines are being complied with in respect of such appointees who serve on the Governing Body and any subsidiaries of the Institute. Figure 1.2 above includes a schedule of all fees and expenses paid to Governing Body members.

19. Confidential Disclosure Reporting - Protected Disclosures Act 2014 (THEA Code – 6.10 (xiii) and Appendix I, Paragraph 13)

The Governing Body confirm that procedures for Confidential Disclosure Reporting have been implemented in Letterkenny Institute of Technology. These procedures allow employees, in confidence, to raise concerns about possible irregularities in financial reporting or any other matters, as well as ensuring that meaningful follow-up of matters raised this way takes place. The Confidential Disclosure Reporting in place at Letterkenny Institute of Technology is in line with the Protected Disclosures Act 2014.

The Governing Body also confirm that the annual report, as required under section 22(1) of the Act has been published on the Letterkenny Institute of Technology website.

There were no protected disclosures received from employees of Letterkenny Institute of Technology during the year.

20. Tax Laws (THEA Code – 6.9 (xvi) and Appendix I, Paragraph 15)

Letterkenny Institute of Technology can confirm that the Institute has complied with its obligations under tax law.

Please also refer to financial statement's disclosure note 11.

21. Legal Disputes (THEA Code – 8.45 and Appendix I, Paragraph 16 and THEA Code 8.45)

A breakdown of the legal costs/settlements is included in the financial statement's disclosure note 11. Letterkenny Institute of Technology has no legal disputes involving other State Bodies.

**22. Institute Subsidiaries (THEA Code – 6.10 (xviii), 6.10 (xxviii) and Appendix I, Paragraph 18 and Paragraph 31)**

This is not applicable for the period 1 September 2019 to 31 August 2020.

23. Intellectual Property (IP) and Conflict of Interest

The Institute confirms that the Institute has in place a single IP policy, published on its website, which reflects the National IP Management Requirements of the national IP Protocol.

The Institute confirms that the Institute has in place a single Conflict of Interest Policy, and that this is published on its website. The Institute confirms that the Governing Body reviews all IP commercialisation and conflicts of interest on an annual basis.

24. Gender balance, diversity and inclusion (DPER Code Annex, Circular 14/2020)

Letterkenny Institute of Technology recognises the importance of diversity and inclusion for all staff and students of the Institute. To that regard the Institute has implemented a number of initiatives aimed at further promoting an inclusive environment, including applying for an Institutional Athena SWAN Bronze Award under the Expanded Charter in December 2020. During the period 1 September 2019 to 31 August 2020 the Athena SWAN Gender Equality Steering Group and the Athena SWAN Self-Assessment Team (SAT) were established.

With respect to the membership of the Governing Body, while the Institute can, and has, engaged in the appointments process, the appointment decisions are made by the Minister. As at 31 August 2020 the Governing Body had 10 (53%) female and 9 male (47%) male members. The Governing Body therefore meets the Government target of a minimum of 40% representation of each gender in the membership of boards of state bodies.

Please refer to Figure 1.1 for the listing of Governing Body members and their roles.

25. Additional Disclosures

The Governing Body adopted the 2019 THEA Code of Governance for Institutes of Technology at its meeting in September 2019. The Code requires additional disclosures in relation to a number of matters and these disclosures have been made as follows:

- Travel and Subsistence (THEA Code – 6.3 and Appendix H, Paragraph 8) is disclosed in Financial Statements Note 11b
- Hospitality Expenditure (THEA Code – 6.3 and Appendix H, Paragraph 9) is disclosed in Financial Statements Note 11 b
- Legal Costs/ Settlements (THEA Code- 6.3 and Appendix H, Paragraph 10) is disclosed in Financial Statements Note 11
- Consultancy fees (THEA Code – 6.5. Appendix H, Paragraph 4 and Appendix I, Paragraph 23) is disclosed in Financial Statements Note 11b



26. Annual Report and Financial Statements (THEA Code – 1.18 and Appendix G, Paragraph 3)

The Governing Body has reviewed and approved the Annual Report and Financial Statement and considers the Financial Statement to be a true and fair view of the Institute's financial performance and its financial position at the end of the year.

27. Statement of Responsibility of the Institute


The Institutes of Technology Acts 1992 to 2006 require the Institute to prepare Financial Statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these Financial Statements, the Institute is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

The Institute is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enables it to ensure that the Consolidated Financial Statements comply with the Institutes of Technology Acts 1992 to 2006.

The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairperson:


Fintan Moloney

President:


Paul Hannigan

Date:


9/12/2021



Part Two: Letterkenny Institute of Technology: Statement on System of Internal Controls

1. Scope of Responsibility (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 1)

On behalf of the Governing Body of Letterkenny Institute of Technology, we acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated in the Institute and for putting in place processes and procedures for the purpose of ensuring that the system is effective. This responsibility reflects the requirements of the Code of Practice for the Governance of State Bodies (2016) as encapsulated by the THEA Code of Governance for Institutes of Technology.

2. Purpose of the System of Internal Controls (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 2)

The system of internal controls is designed to manage risk to an acceptable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal controls, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in Letterkenny Institute of Technology for the year ended 31 August 2020 and up until the date of approval of the financial statements.

3. Annual Review of the Effectiveness of Internal Control (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph i)

A full review of the Internal Control Framework was carried out by the Audit and Risk Committee in June 2020. The annual report of the Audit and Risk Committee for the year ended 31 August 2020 was reviewed by the Governing Body in September 2020. A review of the effectiveness of the system of internal control for the year ended 31 August 2020 was completed and the Governing Body was appraised of this review as they conducted an annual review of the effectiveness of the system of internal control for the year ended 31 August 2020 at the February 2021 meeting.

4. Disclosure of Breaches in Internal Control, Weakness in Internal Control and Material Losses or Frauds (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3 (ii), Appendix I, Statement on System of Internal Controls Paragraph 3 (iii), Appendix I, Statement on System of Internal Controls Paragraph 5 and THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 6)

- No breaches or weaknesses in internal control were identified which required disclosure in the Institute's Statement of System of Internal Controls.
- There were no material losses or frauds during the period.

5. Review of Statement of Internal Control (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph iv and Sub Paragraph v.)

We confirm that the Statement of System of Internal Control is reviewed by the Audit and Risk Committee and the Governing Body to ensure it accurately reflects the control system in operation during the reporting period.

**6. Appropriate Control Environment (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph vi)**

- The Governing Body has taken steps to ensure an appropriate control environment is in place by:
- Clearly defining management responsibilities.
- Developing procedures and regulations which are reviewed regularly and are documented, implemented and up to date.
- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation.
- Developing a strong culture of accountability across all levels of the organisation.
- Establishing procedures for reporting significant control failures and ensuring corrective action is taken.
- Adopting and adhering to the Code of Practice for the Governance of State Bodies as encapsulated by the THEA Code of Governance for Institutes of Technology.
- Ensuring the control environment includes an active Audit and Risk Committee, internal audit function and regular reporting to the Governing Body on financial results.

7. Business Risks (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph vii)

Letterkenny Institute of Technology has developed processes to identify and evaluate business risks. This is achieved in a number of ways including:

- Adoption of a Risk Management Policy.
- Identifying key risks, risk owners and the controls to mitigate these risks.
- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body.
- Regular reviews by the Governing Body and its committees of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performances.
- Clearly defined capital investment control guidelines.

8. Information Systems (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph viii)

Letterkenny Institute of Technology has implemented a number of Management Information Systems to provide a means of comparing actual results to targets and forecasts. These systems include:

- Financial Management – Agresso
- Human Resources and Payroll Management – CoreHR
- Travel and Expenses – CoreHR
- Student Administration – Banner
- Library Management System – Koha
- Timetabling – Syllabus Plus

9. Financial Implications of Major Business Risks (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph ix)

Letterkenny Institute of Technology employs a range of actions to reduce the potential for fraudulent activity. Letterkenny Institute of Technology's internal control policy framework includes written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregations of duties.

**10. Compliance with Procurement Rules and Guidelines (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 7)**

We confirm that the Institute has an annual Corporate Procurement Plan which is approved by the Governing Body on an annual basis and procedures in place that are being implemented to ensure compliance with Public Procurement Guidelines and relevant guidance that may be issued by the Office of Government Procurement (OGP), the Education Procurement Service (EPS) and the Department of Public Expenditure and Reform. The Institute is addressing procurement non-compliances where aggregate spend during the financial year with an individual supplier has exceeded €25,000 or €50,000 (works and civils). Non-compliant procurement in the period in question totalled €107,244 this related to fixed line rental, student first aid training and roof repairs. In terms of addressing these non-compliances; expenditure on student first aid training was addressed through a national tender in June 2020 and a contract has been awarded. In terms of the expenditure on the fixed line rental, a framework contract carried out on behalf of the Connaught Ulster Alliance is currently being reviewed by the Computer Services department and this non-compliance will be addressed in the first quarter of 2021 and the final non-compliance relates to payments for roof repairs that exceed the threshold and were not advertised for national tender and this was a once off.

11. Review of the Effectiveness of the Internal Control System (THEA Code – Appendix I, Statement on System of Internal Controls Paragraph 3, Sub-Paragraph x)

We confirm that Letterkenny Institute of Technology has procedures to monitor the effectiveness of its risk management and control procedures. The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Institute Executive and Management who have responsibility for the development and maintenance of the internal control framework, the Audit and Risk Committee, the Internal Auditors and comments made by the Comptroller and Auditor General in his management letter. Letterkenny Institute of Technology has an outsourced internal audit function, which is in accordance with the Internal Audit Terms of Reference (approved by the Governing Body in February 2021) and the THEA Code of Governance for Institutes of Technology. In September 2021, the Audit and Risk Committee also reviewed the impact of the pandemic on the control environment and the operation of the Institute's control procedures, with a particular emphasis on IT security, and determined that there was minimal impact.

Signed on behalf of the Governing Body of Letterkenny Institute of Technology

Fintan Moloney

Chairperson

Date

Paul Hannigan

President

Date



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Letterkenny Institute of Technology

Opinion on the financial statements

I have audited the financial statements of Letterkenny Institute of Technology for the year ended 31 August 2020 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

- the statement of comprehensive income
- the statement of changes in reserves and capital account
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Institute at 31 August 2020 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Institute and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Institute has presented certain other information together with the financial statements. This comprises the annual corporate governance statement and the statement on the system of internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

10 December 2021

Appendix to the report

Responsibilities of Governing Body members

The members are responsible for

- the preparation of financial statements in the form prescribed under the Institutes of Technology Acts 1992 to 2006
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Institutes of Technology Acts 1992 to 2006 to audit the financial statements of the Institute and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a

going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.



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Institiúid Teicneolaíochta Lettir Ceanainn
Letterkenny Institute of Technology

ANNUAL FINANCIAL STATEMENTS

Letterkenny Institute of Technology

Financial Statements

For the year ended 31 August 2020



Letterkenny Institute of Technology

Statement of Comprehensive Income

Year ended 31 August 2020

| | Note | 31/08/20 €000's | 31/08/19 €000's |
|---|------|--------------------|--------------------|
| Income | | | |
| State Grants | 3 | 18,183 | 16,484 |
| Tuition Fees and Student Contributions | 4 | 13,559 | 12,829 |
| Research Grants & Contracts | 5 | 2,208 | 2,562 |
| Student Support Funding | 7 | 482 | 656 |
| Other Income | 8 | 2,124 | 2,912 |
| Other Income Generating Activities | 10 | 506 | 564 |
| Amortisation of Deferred State Capital Grants | 18 | 2,345 | 2,138 |
| Deferred Pension Funding | 25 | 9,276 | 9,396 |
| Total Income | | 48,683 | 47,541 |
| Expenditure | | | |
| Staff costs | 9 | 27,272 | 25,726 |
| Retirement Benefit Cost | 25 | 9,276 | 9,396 |
| Other Operating Expenses | 11 | 6,940 | 7,848 |
| Depreciation | 13 | 2,351 | 2,142 |
| Total Expenditure | | 45,839 | 45,112 |
| Operating Surplus | | 2,844 | 2,429 |
| Experience (losses)/gains on retirement benefit obligations | 25 | (369) | (16,265) |
| Reduction in pension liabilities arising from retirements in the year | 25 | 6,533 | 1,265 |
| Changes in Assumptions underlying the Present Value of Retirement Benefit Obligations | 25 | 6,850 | (25,213) |
| Total Actuarial (Losses) / Gains in the year | | 13,014 | (40,213) |
| Adjustment to Deferred Retirement Benefits Funding | 25 | (13,014) | 40,213 |
| Transfer to Capital Development Reserve | 19 | (2,844) | (2,429) |
| Total Comprehensive Income | | - | - |

The Statement of Comprehensive Income includes all gains and losses recognised in the year.

Notes 1 - 26 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairman, Mr. Fintan Moloney

President, Paul Hannigan

Date

Date

**lyit**

Institiúid Teicneolaíochta Leitrí Ceannainn
Letterkenny Institute of Technology

Letterkenny Institute of Technology**Statement of Changes in Reserves and Capital Account****Year ended 31 August 2020**

| | Deferred State Capital Grants | Capital Development Reserve | Revenue Reserves | Total |
|---|--|--|-----------------------------|----------------|
| | €000's | €000's | €000's | €000's |
| Balance at 31 August 2018 | 69,510 | 2,554 | 2,292 | 74,356 |
| Operating Surplus | - | - | 2,429 | 2,429 |
| Amortisation of Deferred State Capital Grants | (2,138) | - | - | (2,138) |
| State Grant Allocated to Capital | 678 | - | - | 678 |
| State Capital Grant | 75 | - | - | 75 |
| Student Support Funding allocated to Capital | 37 | - | - | 37 |
| Allocated from Research Grants & Contracts | 37 | - | - | 37 |
| Other Capital Grants | 7 | - | - | 7 |
| Allocated from Capital Development Reserve | 34 | (34) | - | - |
| Disposals | (92) | - | - | (92) |
| Transfer to Capital Development Reserve | - | 2,429 | (2,429) | - |
| Balance at 31 August 2019 | 68,148 | 4,949 | 2,292 | 75,389 |
| Operating Surplus | - | - | 2,844 | 2,844 |
| Amortisation of Deferred State Capital Grants | (2,345) | - | - | (2,345) |
| State Grant Allocated to Capital | 1,466 | - | - | 1,466 |
| State Capital Grant | 593 | - | - | 593 |
| Student Support Funding allocated to Capital | 44 | - | - | 44 |
| Allocated from Research Grants & Contracts | 223 | - | - | 223 |
| Other Capital Grants | - | - | - | - |
| Allocated from Capital Development Reserve | 28 | (28) | - | - |
| Disposals | (7) | - | - | (7) |
| Transfer to Capital Development Reserve | - | 2,844 | (2,844) | - |
| Balance at 31 August 2020 | 68,150 | 7,765 | 2,292 | 78,207 |

Notes 1 - 26 form part of the financial statements.

Signed on behalf of the Governing Body:

 Chairman, Mr. Fintan Moloney


 President, Paul Hannigan


 Date


 Date

**lyit**
Institiúid Teicneolaíochta Leitir Ceanainn
Letterkenny Institute of Technology
Letterkenny Institute of Technology**Statement of Financial Position****As at 31 August 2020**

| | Note | 31/08/20 €000's | 31/08/19 €000's |
|---|------|--------------------|--------------------|
| Non-Current Assets | | | |
| Tangible Fixed Assets | 13 | 68,195 | 68,162 |
| | | 68,195 | 68,162 |
| Current Assets | | | |
| Receivables | 14 | 1,527 | 1,904 |
| Cash and Cash Equivalents | 15 | 15,270 | 11,609 |
| | | 16,797 | 13,513 |
| Less Payables; Amounts due within 1 year | 16 | (6,785) | (6,286) |
| Net Current Assets | | 10,012 | 7,227 |
| Retirement Benefits | | | |
| Retirement Benefit Obligations | 25 | (192,055) | (194,340) |
| Deferred Retirement Benefit Funding Asset | 25 | 192,055 | 194,340 |
| Total Assets less Current Liabilities | | 78,207 | 75,389 |
| Total Net Assets | | 78,207 | 75,389 |
| Represented by: | | | |
| Deferred State Capital Grants | 18 | 68,150 | 68,148 |
| Capital Development Reserve | 19 | 7,765 | 4,949 |
| Income & Expenditure Reserve | | 2,292 | 2,292 |
| Total | | 78,207 | 75,389 |

Notes 1 - 26 form part of the financial statements.

Signed on behalf of the Governing Body:**Chairman, Mr. Fintan Moloney****President, Paul Hannigan****Date****Date**

**lyit**

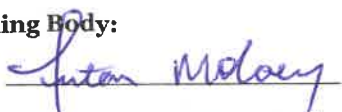
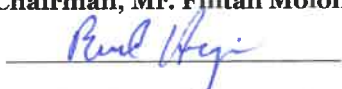
Institiúid Teicneolaíochta Leitir Ceannainn
Letterkenny Institute of Technology

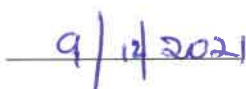
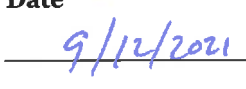
Letterkenny Institute of Technology
Statement of Cash Flows
As at 31 August 2020

| | Year Ended 31/08/20 €000's | Year Ended 31/08/19 €000's |
|--|----------------------------------|----------------------------------|
| Net Cash flow from Operating Activities | | |
| Excess income over expenditure | 2,844 | 2,429 |
| Depreciation of fixed assets | 2,351 | 2,142 |
| Amortisation of deferred state capital grants | (2,345) | (2,138) |
| Decrease / (Increase) in receivables | 377 | 316 |
| Increase in payables | 499 | 1,046 |
| Net Cash Inflow from Operating Activities | 3,726 | 3,795 |
| Cash Flows from Investing Activities | | |
| Payments to acquire Fixed Assets | (2,394) | (873) |
| Net Cash Outflow for Investing Activities | (2,394) | (873) |
| Cash Flows from Financing Activities | | |
| State Recurrent Grants spent on Fixed Assets | 1,466 | 678 |
| Other funds spent on Fixed Assets | 863 | 156 |
| Net Cash Inflow from Financing Activities | 2,329 | 834 |
| Net Increase in cash and Cash Equivalents in the year | 3,661 | 3,756 |
| Cash & Cash Equivalents at 1 September | 11,609 | 7,853 |
| Cash & Cash Equivalents at 31 August | 15,270 | 11,609 |

Notes 1 - 26 form part of the financial statements.

Signed on behalf of the Governing Body:


 Chairman, Mr. Fintan Moloney

 President, Paul Hannigan


 Date

 Date



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Institiúid Teicneolaíochta Leitir Ceanainn
Letterkenny Institute of Technology

Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

1. Significant accounting policies

The accounting policies which are considered material in relation to the financial statements are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and statement of compliance

The primary objective of the Institute is to provide third level education.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and with the requirements of the Higher Education Authority.

The functional currency of FRS 102 financial statements for Letterkenny Institute of Technology is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates.

b. Going concern

Letterkenny Institute of Technology incurred operating deficits in each of the six years beginning the year ended 31 August 2011 up until the year ended 31 August 2016. However, the Institute returned an operating surplus for the years ended 31 August 2017 to 31 August 2019, due primarily to additional funding received from the Higher Education Authority and growth in student numbers compared to 2016. Given the return to operating surpluses in the years ended 31 August 2017 to 31 August 2019, the restoration of funding for minor capital works in recent years, and anticipated increased funding going forward, the Governing Body is satisfied that the Institute has adequate resources to meet its obligations as they fall due for the foreseeable future.

Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Covid-19 crisis has created major business challenges for all third level institutions. The Institute in conjunction with the Department of Further and Higher Education, Research, Innovation and Science (DFHERIS), the Higher Education Authority, and all third level entities is currently assessing the ongoing and projected impacts of this and these are being reported on regularly to the Governing Body. The Governing Body has also considered statements by the Higher Education Authority, Ministers, and other Government Representatives and are satisfied that there is sufficient funding for the Institute to meet its liabilities as they fall due and to continue as a going concern. On this basis the Institute considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Institute was unable to continue as a going concern.

**Significant accounting policies (continued)****c. Tangible Fixed Assets***(i) Land and buildings*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|-------------------------|----------------------------|
| Freehold buildings | 50 years |
| Leased Land & Buildings | Over the term of the lease |

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(ii) Equipment

From 1 September 2009, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€3,000) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

| | |
|---------------------------------------|----------|
| Fixtures & Fittings including Prefabs | 10 years |
| Computer equipment | 3 years |
| Plant & Machinery | 10 years |
| Equipment | 5 years |
| Motor Vehicles | 5 years |

All equipment funded from Research Grants and Contracts is depreciated over the life of the assets in line with the policy for all other Fixed Assets.

d. Stocks

Expenditure on books and consumable stocks is charged to the Statement of Comprehensive Income as incurred.

**Significant accounting policies (continued)****e. Taxation**

As an exempt charity, the Institute is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax, but since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the Institute falls into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the Institute.

f. Recognition of income*State Grants*

Recurrent State grants from the Higher Education Authority and other State bodies are recognised in the period in which they are receivable. Non-Recurrent Grants from the Higher Education Authority or other State bodies received in respect of the acquisition or construction of Fixed Assets are treated as Deferred State Capital Grants and amortised in line with the depreciation over the life of the assets.

Fee Income

Fee income is accounted for on an accruals basis.

Research grants and contracts

Income from research grants and contracts is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred. The most common classes of such transactions are:

(i) Donations with no restrictions

Donations with no restrictions include amounts given to the Institute by way of cash or asset with no restriction as to how the donation should be used. Such donations are recorded in the Statement of Comprehensive Income on entitlement to the income.

(ii) Donations with restrictions

Donations with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income. The restricted income received is held in a restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

(iii) Research grants from non-government sources

Income from grants from non-government sources is recognised in the Statement of Comprehensive Income when performance related conditions are met. If there is a restriction in use but no performance related condition exists, the income is recorded in the Statement of Comprehensive Income when the Institute becomes entitled to the income.

Grants with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Comprehensive Income. Grants with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

**Significant accounting policies (continued)***Other Income from non-State sources used for capital purposes*

Income from non-government sources used for capital purposes is recognised in the Statement of Comprehensive Income when performance related conditions are met. If a restriction is in use but no performance related condition exists, the income is recorded in the Statement of Comprehensive Income when the Institute becomes entitled to the income.

Income from non-government sources used for capital purposes with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Comprehensive Income.

Income from non-government sources used for capital purposes with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

Minor Capital Works

The Minister for Further and Higher Education, Research, Innovation and Science introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works.

In all cases Minor Capital Works funding is recognised in the period received.

Income from short-term deposits

All income from short-term deposits is credited to the Statement of Comprehensive Income in the period in which it is earned.

g. Employee benefits**(i) Retirement Benefits**

Pension entitlements of staff recruited prior to 1 January 2013 are conferred under a defined benefit pension scheme established under the Education Sector Superannuation Scheme 2015. The scheme is operated on a Pay-as-You-Go basis, with superannuation deductions made from employees being retained by the Institute as an agreed part of its funding.

The Institute also operates the Single Public Service Pension Scheme ("Single Scheme"), which is the defined benefit scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Single Scheme members' contributions are paid over by the Institute to the Department of Public Expenditure and Reform (DPER).

Pension costs charged to expenditure in the year reflect the benefits earned by current employees during the year and are shown net of staff pension contributions which, in respect of (i) the Education Sector Superannuation Scheme 2015, are retained by the Institute and (ii) the Single Scheme, are remitted to DPER. An amount corresponding to the pension cost is recognised as income to the extent that it is recoverable.

**Significant accounting policies (continued)**

Pension liabilities represent the present value of future pension payments earned to date. The retirement benefit funding asset represents future pension payments which will be paid by the Department of Further and Higher Education, Research, Innovation and Science.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the retirement benefit funding asset.

The financial statements reflect, at fair value, the assets and liabilities arising from the Institute's pension obligations in respect of its current staff only and any related funding. Pension liabilities in respect of former employees who are in receipt of pension are excluded because pension payments are charged to the appropriation account of the Department of Further and Higher Education, Research, Innovation and Science. The reduction in liability arising from members who retire during the year is reflected as an experience gain. The costs of providing pension benefits are recognised in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

(ii) Short-term benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position. There is no accrual for holiday pay for Academic staff at year-end due to the nature of their contracts.

h. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

i. Leases

Rentals under operating leases are charged to the Statement of Comprehensive Income in the period in which the expenditure is incurred.

j. Deferred State Capital Grants

Deferred state capital grants represent unamortised value of accumulated funds allocated for fixed assets.

k. Capital Development Reserve

The capital development reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student contributions, non-State capital donations, banking facility fees and

**Significant accounting policies (continued)**

transfers from Revenue Reserves together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserve Account provided the defined projects to which they are committed are in line with the Institute's Capital Development plan, have been approved by the Governing Body, time phased and with estimates of costs.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institute's accounting policies, which are described in note 1, the Governing Body is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Institute's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Governing Body has made in the process of applying the Institute's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The Governing body has determined that the going concern basis remains appropriate as outlined in note 1b. to the financial statements.

Key sources of estimation uncertainty:

Holiday Pay Accrual - The holiday pay accrual is calculated by reference to the days holidays outstanding at the year-end. Academic staff do not require an accrual at year-end due to the nature of their contract.

Provision for Bad Debts - We have estimated the bad debt provision using historical collection rates, particularly in relation to tuition fee and student contribution receivables.

Retirement Benefit Obligation - The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds.
- (ii) future compensation levels, future labour market conditions.

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****3. State Grants**

| | Allocated for Recurrent Expenditure €000's | Allocated for Capital Expenditure €000's | 2020 Total €000's | 2019 Total €000's |
|--|--|--|-------------------------|-------------------------|
| State Grant for Recurrent Expenditure - HEA | 14,065 | 1,466 | 15,531 | 15,822 |
| State Grant for Recurrent Expenditure - HEA (Nursing) | 843 | - | 843 | 750 |
| State Grant Other - HEA | 2,312 | - | 2,312 | - |
| State Grant for Capital Expenditure - Department of Further & Higher Education, Research, Innovation and Science | 373 | - | 373 | - |
| State Grant for Minor Capital Works | 590 | - | 590 | 590 |
| Total 2020 | 18,183 | 1,466 | 19,649 | 17,162 |
| Total 2019 | 16,484 | 678 | - | 17,162 |

Included in the State Grant for Capital Expenditure in 2020 is an amount of €373,339 which relates to funding specifically associated with meeting the extra costs incurred in response to Covid-19.

4. Tuition Fees and Student Contributions

| | 2020 Students WTE | 2020 State Funded | 2020 Non State Funded | 2020 Total €000's | 2019 Students WTE | 2019 State Funded | 2019 Non State Funded | 2019 Total €000's |
|---|-------------------------|-------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|--------------------------------|-------------------------|
| Fees paid by State | 2,548 | 3,325 | - | 3,325 | 2,498 | 3,156 | - | 3,156 |
| Non EU Fees | 208 | - | 1,189 | 1,189 | 138 | - | 1,057 | 1,057 |
| Fees paid by students/behalf of students | 510 | - | 260 | 260 | 481 | - | 238 | 238 |
| Life Long Learning and other fees | 581 | - | 556 | 556 | 404 | - | 564 | 564 |
| Student Contributions | - | 5,266 | 2,963 | 8,229 | - | 5,378 | 2,436 | 7,814 |
| Student Numbers / Net Fee Income | 3,847 | 8,591 | 4,968 | 13,559 | 3,521 | 8,534 | 4,295 | 12,829 |

The Higher Education Authority paid tuition fees in the year of €2,186,875 (2019: €2,048,089) for full-time Degree courses, and €292,125 (2019: €288,250) for Higher Certificate and Ordinary Degree courses and €846,296 for Springboard/ ICT Skills, the total costs of which are part funded by the European Social Fund. Student numbers are stated as wholtime equivalents based on enrolled credits.

**lyit****Institiúid Teicneolaíochta Leitir Ceanaínn**
Letterkenny Institute of Technology**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****5. Research Grants and Contracts**

| | 2020 | 2019 |
|--|---------------|---------------|
| | Total | Total |
| | €000's | €000's |
| Income | | |
| State & semi state | 1,245 | 1,689 |
| European Union | 1,113 | 853 |
| Industry | 6 | 26 |
| Other | 67 | 31 |
| Less: Research Grants and Contract Income allocated to capital | (223) | (37) |
| Net Income | 2,208 | 2,562 |
| Expenditure | | |
| Pay Costs | 1,127 | 1,080 |
| Non Pay Costs | 1,081 | 1,482 |
| | 2,208 | 2,562 |
| Net Outcome | - | - |



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

6. Analysis of State Derived Income

Name of Grantor

| | Opening Deferral 01/09/19 | Grant received | Closing Creditor 31/08/20 | I&E 2020 |
|---|---------------------------------|-------------------|---------------------------------|---------------|
| Note 3 - State Grant | | | | |
| HEA | (605) | 16,421 | (285) | 15,531 |
| HEA - Nursing | - | 843 | - | 843 |
| HEA State Grant - Other | - | 2,312 | - | 2,312 |
| Allocated for Capital Expenditure | - | (1,466) | - | (1,466) |
| State Grant for Capital Expenditure - DFHERIS | - | 373 | - | 373 |
| State Grant Minor Capital Works Allocated for Recurrent Expenditure | - | 590 | - | 590 |
| Total State Income | (605) | 19,073 | (285) | 18,183 |
| Note 4 - Tuition Fees & Student Contributions | | | | |
| HEA | - | 3,325 | - | 3,325 |
| Faílte Ireland | - | - | - | - |
| SUSI | - | 5,266 | - | 5,266 |
| Total State Income | - | 8,591 | - | 8,591 |
| Note 5 - Research & Contracts | | | | |
| Enterprise Ireland | 131 | 456 | (257) | 330 |
| HEA | 315 | 546 | (273) | 588 |
| HSE | 30 | - | (28) | 2 |
| DFHERIS | 52 | 260 | (26) | 286 |
| Bord Iascaigh Mhara | 6 | - | (6) | - |
| Department of Agriculture, Food and the Marine | 18 | - | 21 | 39 |
| Other | 12 | - | (12) | - |
| Total State Income | 564 | 1,262 | (581) | 1,245 |



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

7. Student Support Funding

| | 2020 | 2020 | 2020 | 2019 |
|-------------------------------------|--------------|------------|------------|------------|
| | Disabilities | Student | Total | Total |
| | €000's | Assistance | €000's | €000's |
| Balance at 1 September | 165 | - | 165 | - |
| Receipts | | | | |
| Higher Education Authority | 323 | 203 | 526 | 693 |
| Other | - | - | - | - |
| Less: Receipts allocated to capital | (44) | - | (44) | (37) |
| Net Receipts | 279 | 203 | 482 | 656 |
| Amounts Applied | | | | |
| Pay Costs | 123 | - | 123 | 109 |
| Non Pay Costs | 123 | 203 | 326 | 382 |
| Total Expenditure | 246 | 203 | 449 | 491 |
| Balance at 31 August | 198 | - | 198 | 165 |

Funding is provided by the Higher Education Authority under the National Development Plan and is part funded by the European Social Fund.


Letterkenny Institute of Technology
Notes to the financial statements
For the year ended 31 August 2020
8. Other Income

| | 2020 | 2019 |
|--------------------------------------|---------------|---------------|
| | Total | Total |
| | €000's | €000's |
| Superannuation Deductions retained | 1,318 | 1,223 |
| Rental of Facilities | 54 | 115 |
| Central Research Overhead | 194 | 305 |
| Proceeds on Disposal of Fixed Assets | - | - |
| Project Income | 1 | 900 |
| Sundry Income | 557 | 369 |
| Net Outcome | 2,124 | 2,912 |

9. Staff Costs

The average number of persons (including senior post-holders) employed by the Institute during the year, expressed in full time equivalent is:

| | 2020 | 2019 |
|-------------------------------------|-------------------------|-------------------------|
| | No. of employees | No. of employees |
| Teaching and research | 223 | 220 |
| Technical | 40 | 55 |
| Central administration and services | 115 | 114 |
| | 378 | 389 |
| | 2020 | 2019 |
| | €'000 | €'000 |
| Salaries | 25,012 | 23,594 |
| Employer PRSI | 2,200 | 2,050 |
| Allowances and Overtime | 60 | 82 |
| Salaries and wages | 27,272 | 25,726 |

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****Key management compensation**

The total remuneration for key management personnel for the year 2020 totalled €921,936 (2019: €902,894). Key management personnel of the Institute consists of the President, members of the Governing Body and the Executive Board. The remuneration of the President paid in the year was €157,561 (2019: €152,748). The President, Executive Board and relevant members of the Governing Body are members of the Education Sector Superannuation Scheme with pension entitlements that do not extend beyond the terms of the model public service pension scheme.

| | Headcount (FTE) | | Fees / Salary Payments | | Other Benefits | |
|------------------------|------------------------|-------------|-------------------------------|--------------|-----------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | | €'000 | €'000 | €'000 | €'000 |
| Governing Body Members | N/A | N/A | 2 | 6 | - | - |
| President | 1 | 1 | 158 | 153 | - | - |
| Executive Board | 7 | 7 | 762 | 744 | - | - |
| | 8 | 8 | 922 | 903 | - | - |

Fees paid to Governing Body members were in respect of participation in Interview Board panels.

Higher paid staff

The Institute has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration, in salary bands of €10,000, using €60,000 as the starting value, is as follows:

Total Remuneration Levels

| € | Year Ended 31 August 2020 | Year Ended 31 August 2019 |
|--------------------|----------------------------------|----------------------------------|
| 60,000 - 70,000 | 46 | 33 |
| 70,001 - 80,000 | 22 | 20 |
| 80,001 - 90,000 | 42 | 47 |
| 90,001 - 100,000 | 67 | 62 |
| 100,001 - 110,000 | 20 | 19 |
| 110,001 - 120,000 | 9 | 5 |
| 120,001 - 130,000 | 3 | 2 |
| 130,001 - 140,000 | - | 1 |
| 140,001 - 150,000 | 1 | - |
| €150,001 + | 1 | 1 |
| Grand Total | 211 | 190 |

The overall figure for employer pension contribution in the year was €225,401 (2019: €216,083).



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

10. Other Income Generating Activities

| | 2020 €000's | 2019 €000's |
|---------------------------|----------------|----------------|
| Income | | |
| CoLab | 255 | 335 |
| An Danlann Student Centre | 251 | 236 |
| Less allocated to capital | - | (7) |
| Total Income | 506 | 564 |
| Expenditure | | |
| Pay Costs | 324 | 297 |
| Non-Pay Costs | 162 | 208 |
| Depreciation | 5 | 5 |
| | 491 | 510 |
| Net Outcome | 15 | 54 |

11. Other Operating Expenses

| | 2020 Pay Costs €000's | 2020 Depreciation €000's | 2020 Other Operating Exps €000's | 2020 Total €000's | 2019 Total €000's |
|------------------------------------|-----------------------------|--------------------------------|---|-------------------------|-------------------------|
| Research Grants & Contracts | 1,127 | 93 | 1,081 | 2,301 | 2,612 |
| Academic Departments | 19,806 | 505 | 1,546 | 21,857 | 21,200 |
| Academic Services | 601 | 2 | 163 | 766 | 751 |
| Facilities | 515 | 1,693 | 977 | 3,185 | 3,285 |
| Central Admin | 4,163 | 44 | 1,173 | 5,380 | 4,621 |
| General Education | 424 | 1 | 810 | 1,235 | 1,315 |
| Other Income Generating Activities | 324 | 6 | 162 | 492 | 510 |
| Student Support Funding | 123 | - | 325 | 448 | 491 |
| Student Services | 189 | 7 | 703 | 899 | 931 |
| Total Expenditure | 27,272 | 2,351 | 6,940 | 36,563 | 35,716 |
| Total 2019 | 25,726 | 2,142 | 7,848 | - | 35,716 |



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

11 Operating Expenses (continued)

| | 2020 €000's | 2019 €000's |
|---|----------------|----------------|
| Materials and Other Consumables | 920 | 872 |
| Light, Heat and Power | 332 | 399 |
| Repairs and Maintenance Costs | 586 | 703 |
| Printed material, books and periodicals | 188 | 197 |
| Travel and Subsistence | 273 | 509 |
| Hospitality | 60 | 98 |
| Printing, Stationery, Postage and other Office Expenses | 160 | 184 |
| Rent, Rates and Insurance costs | 241 | 290 |
| Recruitment, training etc. | 330 | 541 |
| Auditors Remuneration in respect of Audit Services | 33 | 55 |
| Consultancy costs | 183 | 269 |
| Equipment (non capitalised) purchases | 171 | 178 |
| Computer Maintenance, Software and Licenses | 444 | 405 |
| Security and Grounds Maintenance | 134 | 106 |
| Medical service | 70 | 73 |
| Communications | 59 | 40 |
| Advertising and Marketing | 271 | 322 |
| Institute Management Service | 71 | 51 |
| Waste Disposal | 15 | 20 |
| Health and safety | 29 | 24 |
| Student Support Funding | 321 | 371 |
| Student Registration Charges | 630 | 655 |
| Course development and validation | 24 | 71 |
| Bad Debts | 82 | (56) |
| Transfers to Project Partners | 578 | 860 |
| Contractor Payments | - | 23 |
| Other Expenses | 735 | 588 |
| Total Other Operating Expenses | 6,940 | 7,848 |

Hospitality expenditure includes costs of hosting external visitors, refreshments at meetings etc.

(b) Other Operating Expenses include

| | 2020 €000's | 2019 €000's |
|---|----------------|----------------|
| <u>Auditors Remuneration:</u> | | |
| External Audit of Institute | 29 | 30 |
| Internal Audit Services provided by a 3rd Party | - | 24 |
| Other Audit Services | 4 | 1 |
| | 33 | 55 |
| <u>Consultancy Costs:</u> | | |
| Legal | 10 | 32 |
| Tax and financial advisory | 6 | 3 |
| Public relations / marketing | 8 | 11 |
| Pensions and human resources | 3 | 11 |
| Other | 156 | 212 |
| | 183 | 269 |

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020**Travel:

Domestic:

International:

| | |
|------------|------------|
| 178 | 337 |
| 95 | 172 |
| 273 | 509 |

Hospitality

Staff events

Student events

Other External

| | |
|-----------|----------|
| - | - |
| - | - |
| 60 | - |
| 60 | - |

12. Other Operating Expenses

Letterkenny Institute of Technology is exempt from Corporation Tax under a charitable status order.



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

13. Tangible Fixed Assets

| | Land & Buildings | Assets under construction | Fixtures & fittings | Computer Equipment | Plant & Machinery | Equipment | Motor Vehicles | Total |
|----------------------------|------------------|---------------------------|---------------------|--------------------|-------------------|---------------|----------------|----------------|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| Cost | | | | | | | | |
| At 1 September 2019 | 94,696 | 40 | 549 | 12,430 | 111 | 10,069 | 40 | 117,935 |
| Additions in year | 1,248 | - | 113 | 675 | - | 358 | - | 2,394 |
| Tfs Assets in Construction | - | - | - | - | - | - | - | - |
| Disposals in year | - | - | (33) | (47) | - | (74) | - | (154) |
| At 31 August 2020 | 95,944 | 40 | 629 | 13,058 | 111 | 10,353 | 40 | 120,175 |
| Depreciation | | | | | | | | |
| At 1 September 2019 | 27,464 | - | 304 | 12,127 | 37 | 9,801 | 40 | 49,773 |
| Transfers | - | - | - | - | - | - | - | - |
| Charge for year | 1,693 | - | 61 | 428 | 11 | 158 | - | 2,351 |
| Eliminated on disposals | - | - | (29) | (45) | - | (70) | - | (144) |
| At 31 August 2020 | 29,157 | - | 336 | 12,510 | 48 | 9,889 | 40 | 51,980 |
| Net book value | | | | | | | | |
| At 31 August 2020 | 66,787 | 40 | 293 | 548 | 63 | 464 | - | 68,195 |
| At 1 September 2019 | 67,232 | 40 | 245 | 303 | 74 | 268 | - | 68,162 |

| | Land & Buildings | Assets under construction | Fixtures & fittings | Computer Equipment | Plant & machinery | Equipment | Motor Vehicles | Total |
|-----------------------------|------------------|---------------------------|---------------------|--------------------|-------------------|---------------|----------------|----------------|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| Cost | | | | | | | | |
| At 1 September 2018 | 94,438 | - | 506 | 12,405 | 550 | 9,937 | 40 | 117,876 |
| Additions in year | 258 | 40 | 46 | 308 | 15 | 206 | - | 873 |
| Trfs Assets in Construction | - | - | - | - | - | - | - | - |
| Disposals in year | - | - | (3) | (283) | (454) | (74) | - | (814) |
| At 31 August 2019 | 94,696 | 40 | 549 | 12,430 | 111 | 10,069 | 40 | 117,935 |
| Depreciation | | | | | | | | |
| At 1 September 2018 | 25,797 | - | 257 | 12,116 | 388 | 9,755 | 40 | 48,353 |
| Transfers | - | - | - | - | - | - | - | - |
| Charge for year | 1,667 | - | 50 | 294 | 11 | 120 | - | 2,142 |
| Eliminated on disposals | - | - | (3) | (283) | (362) | (74) | - | (722) |
| At 31 August 2019 | 27,464 | - | 304 | 12,127 | 37 | 9,801 | 40 | 49,773 |
| Net book value | | | | | | | | |
| At 31 August 2019 | 67,232 | 40 | 245 | 303 | 74 | 268 | - | 68,162 |
| At 1 September 2018 | 68,641 | - | 249 | 289 | 162 | 182 | - | 69,523 |



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

14. Receivables

| | 2020 €'000 | 2020 €'000 | 2019 €'000 | 2019 €'000 |
|--|---------------|---------------|---------------|---------------|
| State Recurrent Grant receivable | | - | | 605 |
| State Capital Grant receivable | | 122 | | 41 |
| Tuition and Other Fees receivable | 364 | | 371 | |
| Less Provision for Bad debts | (266) | 98 | (256) | 115 |
| Research grants and contracts receivable | | 668 | | 696 |
| Self Funded Activities | | 152 | | 47 |
| Prepayments & Accrued Income | | 303 | | 253 |
| Other receivables | 204 | | 167 | |
| Less Provision for Bad debts | (20) | 184 | (20) | 147 |
| | | 1,527 | | 1,904 |

15. Cash and Cash Equivalents

| | 2020 €'000 | 2019 €'000 |
|--|---------------|---------------|
| Cash at bank including balances held on short term deposit | 15,270 | 11,609 |
| | 15,270 | 11,609 |

16. Payables amounts falling due within one year

| | 2020 €000's | 2019 €000's |
|---|----------------|----------------|
| Trade payables | 47 | 102 |
| State Recurrent Grant-Higher Education Authority | 285 | - |
| Research grants and contracts received in advance | 685 | 569 |
| Self Funded Activities | 327 | 271 |
| Tuition fees received in advance | 868 | 1,336 |
| Deferred Income Student Support Funding | 156 | 166 |
| Accruals and Deferred Income | 3,537 | 3,001 |
| Other tax and social security | 748 | 701 |
| Other payables | 132 | 140 |
| Total Creditors | 6,785 | 6,286 |



Letterkenny Institute of Technology

Notes to the financial statements

For the year ended 31 August 2020

17. Commitments under Property Leases

At the year end the Institute had commitments under property leases expiring as follows:

| | 2020 €000's | 2019 €000's |
|--------------------------|----------------|----------------|
| Within 1 Year | 15 | 24 |
| Between 2 & 5 Years | 3 | 13 |
| Greater than 5 years | - | - |
| Total Commitments | 18 | 37 |

18. Deferred State Capital Grants

| | 2020 €000's | 2019 €000's |
|--|----------------|----------------|
| At 1 September Opening Balance | 68,148 | 69,510 |
| Capital Grants Receivable | | |
| Allocated from State Recurrent Grant - HEA | 1,466 | 678 |
| State Capital Grant - HEA | 593 | 75 |
| Allocated from Research Grants & Contracts | 223 | 37 |
| Allocated from Student Support Funding | 44 | 37 |
| Other Capital Grants/Funding | - | 7 |
| Allocated from Capital Development Reserve | 28 | 34 |
| Total | 2,354 | 868 |
| Disposals | (154) | (814) |
| Amortised to Income and expenditure in year | | |
| Amortised in line with depreciation | (2,345) | (2,138) |
| Total | (2,345) | (2,138) |
| Disposals | 147 | 722 |
| At 31 August Closing Balance | 68,150 | 68,148 |

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****19. Capital Development Reserve**

| | 2020 €000's | 2019 €000's |
|---|------------------------------|------------------------------|
| Opening Balance | 4,949 | 2,554 |
| Allocated to capital projects | (28) | (34) |
| Transfer to Capital Development Reserve | 2,844 | 2,429 |
| Closing Balance | 7,765 | 4,949 |

20. Capital Commitments

| | 2020 €000's | 2019 €000's |
|---------------------------------|------------------------------|------------------------------|
| Contracted for but not provided | 643 | 414 |
| | 643 | 414 |

21. Related Parties

In the normal course of business, the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the Code of Governance of Irish Institutes of Technology in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

22. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2020 and 31 August 2019.

23. Post Statement of Financial Position Events

The Covid-19 crisis has created major business challenges for all third level institutions. The Institute in conjunction with the Department of Further & Higher Education, Research, Innovation and Science, the Higher Education Authority and all third level entities is currently assessing the ongoing and projected impacts of this and these are being reported on regularly to the Governing Body. There were no other significant events since the Statement of Financial Position date which could have implications for these financial statements.



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Letterkenny Institute of Technology

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Notes to the financial statements

For the year ended 31 August 2020

24. Technological University: Connacht-Ulster Alliance

Through collaboration Letterkenny Institute of Technology, Galway-Mayo Institute of Technology and the Institute of Technology Sligo will achieve the criteria outlined in the Technological Universities Act 2018 to underpin an application for designation as a technological university (TU). Such a development will greatly strengthen the economic and social position of the West/North-West region and contribute significantly to achievement of the outcomes outlined in the National Development Plan and Ireland 2040.

During 2020, the Connacht Ulster Alliance (CUA) of LYIT, GMIT and IT Sligo made significant progress towards meeting the TU criteria, development of collaborative projects and preparation for submitting an application. On 28th October 2021, the Minister for Further and Higher Education, Research, Innovation and Science announced that GMIT, LYIT and IT Sligo have together been approved for designation as a Technological University.

25. Retirement Benefit Costs

(i) Staffing

Retirement benefit obligations were accounted for the first time in the 2016/2017 financial statements. The opening position at 1 September 2016 was estimated by the actuary, based on market conditions at that time.

(ii) Description of Schemes

Institute Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current “model” public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse’s and children’s pensions. Normal Retirement Age is a member’s 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. Deductions from staff are retained by the Institute.

Single Scheme

New entrant staff, employed by the Institute after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Sector Pensions (Single Scheme and Other Provisions) Acts 2012.

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****Retirement Benefit Costs (continued)**

Deductions from staff salaries under the Single Scheme are transferred to the Department of Public Expenditure and Reform on a monthly basis in accordance with the act.

The Single Scheme is the occupational pension scheme for new entrant public servants hired since 1 January 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Valuations

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 August 2020. On retirement, members' pensions are paid by the National Shared Services Office on behalf of the Department of Further and Higher Education, Research, Innovation and Sciences and those payments are charged to that Department's appropriation account. Therefore, former employees of the Institute who are in receipt of a pension have been excluded from the valuation. The reduction in liability arising from members who retire during the year is reflected as an experience gain and is separately identified in the liability reconciliation. The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2020 were as follows:

| | 2020 | 2019 |
|-------------------|-------------|-------------|
| Discount rate | 1.10% | 0.85% |
| Inflation rate | 1.40% | 1.30% |
| Salary increases | 2.65% | 2.55% |
| Pension increases | 2.15% | 2.05% |

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

| | 2020 Years | 2019 Years |
|----------------|-----------------------|-----------------------|
| Male aged 65 | 21.7 | 21.7 |
| Female aged 65 | 24.1 | 24.1 |

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****Retirement Benefit Costs (continued)***(iii) Analysis of total retirement benefit costs charged to the Statement of Comprehensive Income*

| | 2020 | 2019 |
|---|--------------|--------------|
| | €'000 | €'000 |
| Current service cost including employee contributions | 9,039 | 7,878 |
| Interest on retirement benefit scheme liabilities | 1,690 | 2,945 |
| Employee contributions | (1,453) | (1,427) |
| | 9,276 | 9,396 |

(iv) Movement in net retirement benefit obligations during the financial year

| | 2020 | 2019 |
|---|----------------|----------------|
| | €'000 | €'000 |
| Net retirement benefit obligation at 1 September | 194,340 | 143,304 |
| Current service costs | 7,586 | 6,451 |
| Employee contributions | 1,453 | 1,427 |
| Interest costs | 1,690 | 2,945 |
| Experience Losses / (Gains) | 369 | 16,265 |
| Reduction in pension liabilities arising from retirements in the period | (6,533) | (1,265) |
| Changes in actuarial assumptions | (6,850) | 25,213 |
| Net retirement benefit obligations at 31 August | 192,055 | 194,340 |
| Split between | | |
| Single Public Sector Pension Scheme | 3,317 | 2,746 |
| Education Sector Superannuation Scheme | 188,738 | 191,594 |
| | 192,055 | 194,340 |

(v) Deferred funding assets for retirement benefits

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the single scheme. It is the Institute's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future state funding.

The Institute recognises amounts owing from the State for the unfunded deferred liability for retirement benefits relating to the Education Sector Superannuation Scheme 2015 on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Institute has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

**Letterkenny Institute of Technology****Notes to the financial statements****For the year ended 31 August 2020****Retirement Benefit Costs (continued)**

The net deferred funding for retirement benefits recognised in the Statement of Comprehensive Income was as follows:

| | 2020 | 2019 |
|---|--------------|--------------|
| | €'000 | €'000 |
| Funding recoverable in respect of current year Retirement Benefit Costs | 9,276 | 9,396 |

The deferred funding liabilities for retirement benefit as at 31 August 2020 amounted to €192,055,000 (2018: €194,340,000)

(vi) History of defined benefits obligations

| | 2020 | 2019 |
|-----------------------------|--------------|--------------|
| | €'000 | €'000 |
| Defined benefit obligations | 192,055 | 194,340 |

26. Approval of the Financial Statements

The financial statements were approved by the Governing Body on 9th December, 2021.