

Annual Report & Financial Statements

2022



A National Education and Research Network for ICT Shared Services

National Network

HEAnet provides high speed, resilient Internet connectivity and associated ICT services to education and research organisations throughout Ireland:

www.heanet.ie

Global Connectivity

HEAnet also provides its clients with international connectivity via GÉANT - the pan-European network; facilitating research collaboration around the world:

www.geant.org

ICT Services for Education and Research

HEAnet provides an extensive portfolio of ICT shared services; delivering economies of scale and more cost-effective ways of working for the education and research community:

www.heanet.ie/services

Schools

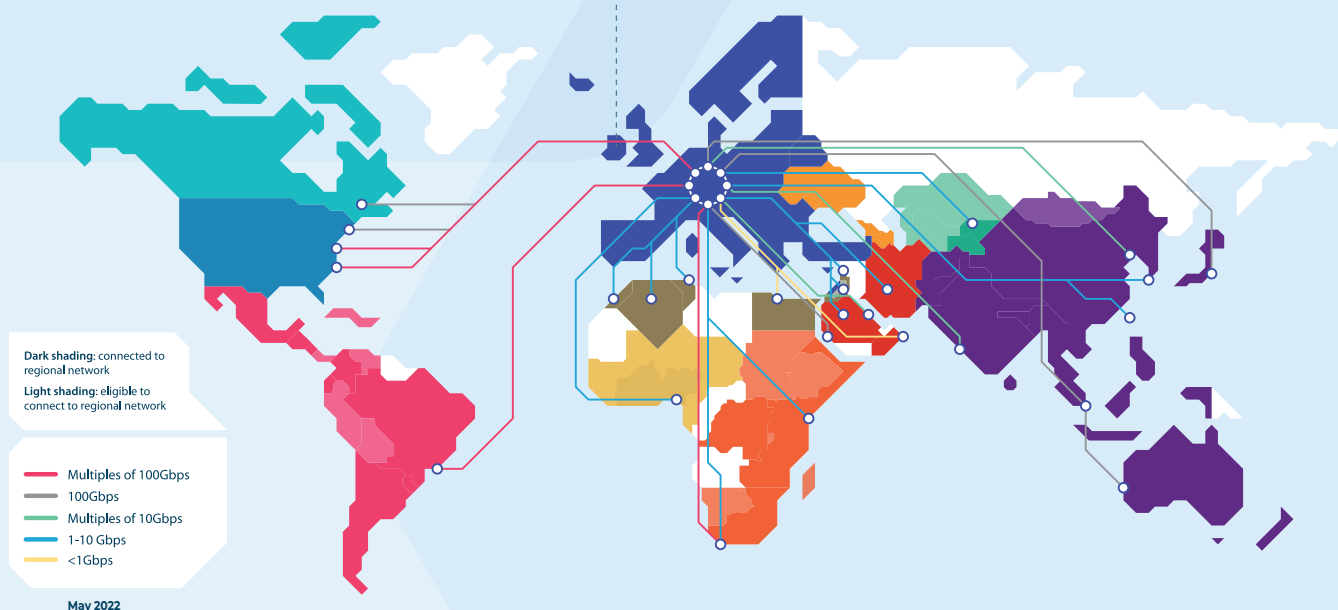
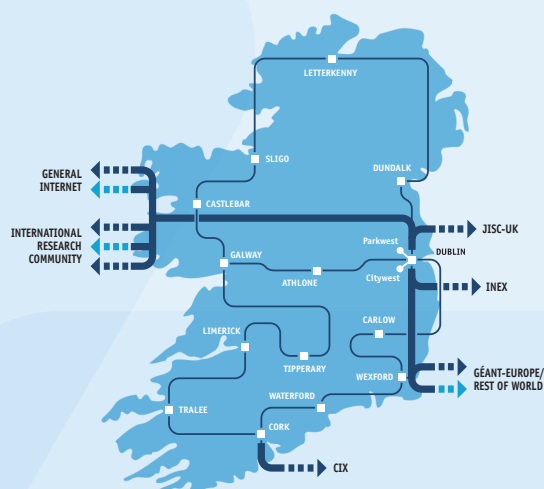
HEAnet provides Internet connectivity and associated services to all primary and post-primary schools in Ireland:

www.heanet.ie/schools

EduCampus Services

EduCampus Services, a subsidiary of HEAnet, provides MIS shared services to the higher education sector:

www.educampus.ie



This map is produced as part of the GÉANT Specific Grant Agreement GN4-3 (No. 856726), that has received funding from the European Union's 2020 research and innovation programme under the GÉANT2020 Framework Partnership Agreement (No. 653998). The content of this document is the sole responsibility of GÉANT and can under no circumstances be regarded as reflecting the position of the European Union.

geant.org

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Chairperson's Foreword



On behalf of the HEAnet Group, it is my privilege to submit a copy of the annual report and financial statements for 2022 to you for your consideration.

As we emerged from the Covid-19 pandemic, 2022 proved a year of significant achievement for both HEAnet and EduCampus Services. Both Companies have grown their client community successfully, while maintaining a strong focus on our people. We were delighted to gather in person again at the HEAnet conference in March 2022, having hosted this virtually during the pandemic. The conference was well attended, and Minister Simon Harris (Department of Further and Higher Education, Research, Innovation and Science) presented the opening speech to an audience of 330 people.

We were delighted to celebrate 25 years since HEAnet's incorporation in 1997 with a memorable celebration in Dublin surrounded by HEAnet and EduCampus Services colleagues, alumni, stakeholders, Board members and former Board members. We look forward to the ongoing success of HEAnet and continued exemplar services that HEAnet can provide into the future.

Both HEAnet and EduCampus Services were re-accredited with the KeepWell Mark in October 2022. This national health and wellbeing accreditation is awarded by Ibec to recognise our commitment to employees' well-being, safety, and health. A key priority is to support our people who are at the centre of what we do.

In-person client engagement commenced again post pandemic, with two successful Meet our Subject Matter Experts workshops held in Technological University Dublin (August 2022) and in UCC Cork (October 2022). Attendance was excellent and we received particularly good feedback from our clients. We will continue to meet with our clients across the country at meetings and workshops throughout 2023.

During the year, HEAnet made considerable progress in the research engagement space, focusing primarily on raising awareness of services, opportunities for collaboration and funding streams available to researchers. Ireland's first European Open Science Cloud ("EOSC") National Tripartite event was held in Dublin in September 2022. The event was organised by HEAnet and hosted by the Department of Further and Higher Education, Research, Innovation and Science ("DFHERIS"), with the support of the National Open Research Forum ("NORF") and EOSC, with over 50 participants in attendance. Attendees included senior leaders at research organisations, funders, leaders of Science Foundation Ireland ("SFI"), and research centres and infrastructures of a national and international scope.

HEAnet was delighted to be awarded €183,000 in funding under the Action No.6 - Shared Storage Pilot for the National Action Plan. HEAnet is leading the pilot project with University College Cork ("UCC"), University College Dublin ("UCD"), South East Technological University ("SETU"), the Irish Centre for High-End Computing ("ICHEC"), and EUDAT, all participating as partners. The national action plan was prepared by NORF and supports national priorities for research and innovation under Impact 2030.

Throughout 2022, the profile of HEAnet as a trusted partner continued to grow, highlighting the value HEAnet brings to Ireland while demonstrating the agility of the organisation. HEAnet and Irish quantum technology experts came together to collaborate on a €10 million network project, designed to protect the transmission of sensitive data across the whole EU. This Quantum Communications Infrastructure ("QCI") is a first for Ireland and will be deployed over the next two years.

In 2022, HEAnet continued to successfully roll out Wi-Fi roaming ("eduroam") to 500 locations across the country enabling students to learn with a safe and secure connection. eduroam is available to our clients, students and researchers in many libraries, hospitals and community and town centres across the country. In supporting young scientists, HEAnet has been a proud advocate of the BT Young Scientist Exhibition since 2017. This year's exhibition was in the RDS Dublin and the HEAnet special award went to St Aloysius School in Cork for their project in the Behavioural and Social Sciences Category.

During 2022, the HEAnet team worked closely with clients and stakeholders on initiatives which aligned with the HEAnet strategic themes of Connectivity, Identity, Brokerage, and Research Engagement as well as actively engaging in security issues.

Following several high-profile cyber-attacks nationally during 2021 and considering the increasing level of cyber security threats facing the sector, HEAnet, in consultation with key stakeholders, investigated additional security services to assist our clients in mitigating and protecting against cyber-attacks. HEAnet completed a market intelligence exercise to identify vendors who could provide a managed SOC ("Security Operations Centre") and SIEM ("Security Information & Event Management") service.

After receiving funding of €750,000 at the end of 2022, HEAnet began an open tender process for a managed security service provider, an initiative to be continued into 2023.

In accordance with the 2016 Code of Practice for the Governance of State Bodies, I wish to report to you on the Company's compliance with the requirements as set out in the Code, and specifically on the following matters relating to the reporting period January to December 2022.

- There were no commercially significant developments. No new subsidiaries or joint ventures were established, and there were no share acquisitions or disposals.
- No off-balance sheet financial transactions took place.
- I confirm that all appropriate procedures for financial reporting, internal audit, travel, procurement and asset disposals are being carried out.
- The Company has policies and procedures in place to endeavour to ensure compliance with public procurement requirements.
- I acknowledge the Directors' responsibility for ensuring an effective system of internal financial control is in place. A statement on the system of internal financial controls is included with the Annual Report, on pages 29-30.
- The Company has a Board Charter in place. There is also a Group Code of Business Conduct for Directors and Employees in place.
- HEAnet is a private Company and none of its directly employed staff are public or civil servants. Salary and compensation decisions are made using a formalised internal performance management system against benchmarked salary bands. As such, HEAnet does not follow Government policy on the pay of the Chief Executive Officer and other employees.
- Board Directors are not paid a salary or remuneration for their service. Expenses payments to Directors and staff are in accordance with rates sanctioned by the Minister for Finance and the Minister for Public Expenditure and Reform.
- There are no post-balance sheet events to report.
- The Company follows the principles of the Public Spending Code, as they are interpreted and agreed with its funders.
- Procedures have been put in place for the making of protected disclosures in accordance with S. 21 (1) of the Protected Disclosures Act 2014, as amended.

- The Company strives to comply with Government travel policy in all respects as far as possible.
- The Company has complied with its obligations under tax law.
- HEAnet is not involved in any legal disputes with any other state bodies. HEAnet's subsidiary Company, EduCampus Services, is not engaged in any legal disputes with any other State Bodies.
- As far as practicable and possible, HEAnet is taking all necessary steps to comply with the 2016 Code of Practice for the Governance of State Bodies. Further information in relation to compliance analysis is set out on Page 28.
- HEAnet has a single subsidiary Company, EduCampus Services DAC ("EduCampus Services"), and this Company continues to operate for the purpose for which it was established.
- As at 31st December 2022, the HEAnet Board had four (33%) female and eight (67%) male members. The Board is guided by the Government target of a minimum of 40% representation of each gender in its membership, however, fell below this target during 2022. Promoting diversity, in particular gender diversity, will continue to form a significant part of the Board and Group Committee level discussions in 2023.

I am humbled and honoured by the trust that my colleagues on the Board have placed in me through my appointment as the new Chairperson in April 2023. I would like to thank and acknowledge the significant contributions of Professor Anne Scott, who retired from the Board in April 2023, having joined the Board as its Chairperson in July 2018. Professor Scott, through her exceptional leadership and dedication to the HEAnet Board and wider Group has helped shape HEAnet's vision for the future. On behalf of my Board colleagues, our Chief Executive Officer, Ronan Byrne and HEAnet's staff and clients, I want to express my sincere appreciation and gratitude to her.

I would also like to acknowledge the work of the members of the Boards of HEAnet and EduCampus Services, along with the Chief Executive Officers and staff of both companies. Their combined efforts and commitment ensure that we continue to achieve our goal of providing network infrastructure and common, repeatable, and shareable solutions for education and research in Ireland.

As we look forward to the future, HEAnet and Educampus Services will continue to work collaboratively with our stakeholders to provide quality shared services across all levels of Ireland's education and research community.

Professor Mike Murphy

Chairperson, Board of HEAnet, and
Professor Emeritus, Technological University Dublin

A Message from the Chief Executive Officer



In 2022, as we arrived at our 25th anniversary since HEAnet's incorporation, we stand as an exemplar shared service organisation and custodian of an essential national asset.

The easing of COVID-19 restrictions in early February 2022 allowed us to convene our first face-to-face HEAnet Conference since 2019, on 9th to 11th March 2022. The conference was highly successful and well attended. It was a privilege to have Minister Simon Harris, T.D. open our conference and to attract a strong speaker panel that included Erik Huizer, Chief Executive Officer of GÉANT and Deirdre Mc Donnell, Assistant Secretary General at the Department of Education.

Security has been a key pillar of our 2020-22 Strategy, and over the first half of 2022 we expended significant energies in designing a business case for a sectoral ("Security Operations Centre") SOC & ("Security Information & Event Management") SIEM service, in response to pressing client demand for same. This business case secured subsequent approval by the HEAnet Board in May 2022, with an initial funding commitment from the Government granted very soon afterwards in August 2022. Delivery and expansion of this sectoral SOC & SIEM solution will be a key priority for HEAnet in 2023 and beyond. Our goal is to assist clients in defending against the relentless wave of cyber-attacks and ultimately, help them to reduce the risk of business interruption and associated costs of a cyber-attack.

The eduroam Everywhere project has been another key highlight of 2022. As we approach the end of this two-year project, I am very pleased to report that almost 500 new locations have been added to the Irish eduroam coverage map. Working with city and county councils, eduroam is now available at 175 public library locations across every county in Ireland.

Furthermore, working with the Office of the Government Chief Information Officer ("OGCIO"), coverage in regional areas has also been materially expanded, with eduroam now available across 268 Broadband Connection Points ("BCPs"). These BCP locations were identified for regional broadband connectivity under the Government's National Broadband Plan ("NBP").



At a Schools Network development level, 2022 saw us deliver new broadband connections to schools at a faster pace than ever before. On foot of our 2022 roll-out, approximately 600 primary schools are now enjoying increased levels of broadband provision under a dedicated Department of Education primary school broadband improvement programme.

Our brokerage efforts continue to generate multi-million-euro cost savings for our clients. We continue to leverage the collective framework agreements of the Office of Government Procurement ("OGP") at national level and those of CÉANT and fellow National Education and Research Networks ("NRENs") at an international level.

Under our current strategy, we identified research engagement as a new area of focus and I am very pleased to report that we are now seeing a tangible return on this investment in terms of HEAnet leadership influencing funding wins across research programmes relating to European Quantum Communications Infrastructure, federated storage provision for researchers under the Irish National Plan for Open Research, and funding in the order of €1.1 million awarded to Irish higher education institutions under the European Commission's Open Clouds for Research Environments ("OCRE") initiative. We also continue to support the advancement of 'Open Science' at the national and European level via our participation in the National Open Research Forum ("NORF") and the European Open Science Cloud ("EOSC") Association.

Wellness remains more important than ever as we migrate from COVID-19 enforced remote working to a hybrid model and against this backdrop, I am delighted to report that the Group secured re-accreditation of our Ibex KeepWell Mark for the next two-year period to 2024.

It was also a pleasure to bookend the year with an event to celebrate our 25th year of incorporation. This gathering of both current and past contributors provided an opportunity to thank all those who have expended their energies in making HEAnet what it is today, an exemplar shared service provider.

In its twenty-five years since incorporation, HEAnet has successfully evolved with the ever-changing technological environment. Collaboration has remained key to this success and HEAnet will continue to develop its infrastructure and services in consultation with its clients and stakeholders.

As we emerged from the Covid-19 pandemic, 2022 proved a year of significant achievement for both HEAnet and EduCampus Services. Both companies have grown their client community successfully, while maintaining a strong focus on our people.



Simon Harris TD, Minister for Further and Higher Education, Research, Innovation and Science and Ronan Byrne, Chief Executive Officer, HEAnet at the HEAnet National Conference 2022



In the context of our progress over 2022, I would like to express my sincere gratitude to the Chairperson and Board members of HEAnet for their continued direction, oversight, and support, and to thank them for the time and energies that they invest in the HEAnet mission.

I would particularly like to express sincere gratitude to our Chairperson, Professor Anne Scott, who stepped down as HEAnet Chairperson in April 2023, and who has generously supported and guided me in my transition into the Chief Executive Officer role since May 2021.

I also want to thank our funders, stakeholders, colleagues and clients for their continued loyal support as we work with them to deliver sectoral and national policy ambitions for the future. As a trusted shared service provider to Ireland's education and research sector, we will together further develop the national asset that is HEAnet.

Ronan Byrne

Chief Executive Officer, HEAnet

Board of Directors and Other Information

Members of the Board of Directors as at 11th May 2023

Professor Michael Murphy (Board Chairperson)
Dr Billy Bennett
Mr Gary Butler
Dr Sandra Collins
Dr Gerard Culley
Dr Paul Feldman
Mr Phillip Fischer
Dr Orla Flynn
Mr Patrick Magee (Deputy Chairperson)
Professor Noel O'Connor
Ms Aoife Tuohy

Secretary and Registered Office

Ms Jolene Byrne
5 Exchange Place
IFSC
Dublin D01 EK83
Ireland

| | |
|-------------------------------------|----------|
| Parent Company Number: | 275301 |
| Subsidiary Company Number: | 560681 |
| Parent CHY Number: | 12414 |
| Subsidiary CHY Number: | 21490 |
| Parent CRA Registration Number: | 20036270 |
| Subsidiary CRA Registration Number: | 20105242 |

Executive Management Team

| | |
|--------------------|---|
| Ronan Byrne | Chief Executive Officer |
| Brian Boyle | Technical Services Director |
| Jolene Byrne | Director of Corporate Governance and Company Secretary |
| John Creaven | Client Services Director |
| Katie Harris | People Operations Director |
| Dónal Ó Cearbhaill | Schools Network Director |
| David Stafford | Head of Finance and Risk |
| Karen Thornton | Director of Strategy and Business Planning |

Independent Auditor

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin D01 X9R7
Ireland

Banks

Bank of Ireland
IFSC Branch
La Touche House
Customs House Dock
Dublin D01 K8N7
Ireland

Allied Irish Bank
1-4 Lower Baggot Street
Dublin D02 X342
Ireland

Solicitors

O'Connor LLP
8 Clare Street
Dublin D02 E021
Ireland

Trustees' Report

(Incorporating Directors' Report)

The Directors of HEAnet CLG, Ireland's National Education and Research Network, hereby present their report and the audited group financial statements for the financial year ended 31st December 2022. HEAnet CLG ("HEAnet") was incorporated as a Company Limited by Guarantee and not having a share capital in November 1997. It operates on a non-profit basis, has been granted charitable tax-exempt status by the Revenue Commissioners and is registered with the Charities Regulatory Authority ("CRA"). A subsidiary company, EduCampus Services DAC ("EduCampus Services") was incorporated in April 2015 to deliver on the evolution of shared services to the higher education sector including student records management, payroll, finance and library management. 92% of EduCampus Services share capital is held by HEAnet.

HEAnet costs are met largely from Government grants and charges to HEAnet members and services are provided to clients on a cost recovery basis. The Directors confirm that the financial statements of the Company comply with the current statutory requirement of the companies governing documents and with the provisions of Financial Reporting Standard 102 ("FRS102") and the Statement of Recommended Practice - Accounting for Further and Higher Education 2015 applicable to all further and higher education institutions and providers preparing their accounts in accordance with the financial reporting standard applicable in the Republic of Ireland ("FRS102") hereafter denoted as the FE/HE SORP ("FRS102").

The FE/HE SORP ("FRS102") is not yet mandatory in the Republic of Ireland and the Irish Charity Regulator has not yet prescribed accounting regulations for Irish Charities. In the absence of such prescriptive guidance this Board has adopted the FE/HE SORP ("FRS102") as it is considered to be most appropriate to the circumstances of the organisation.

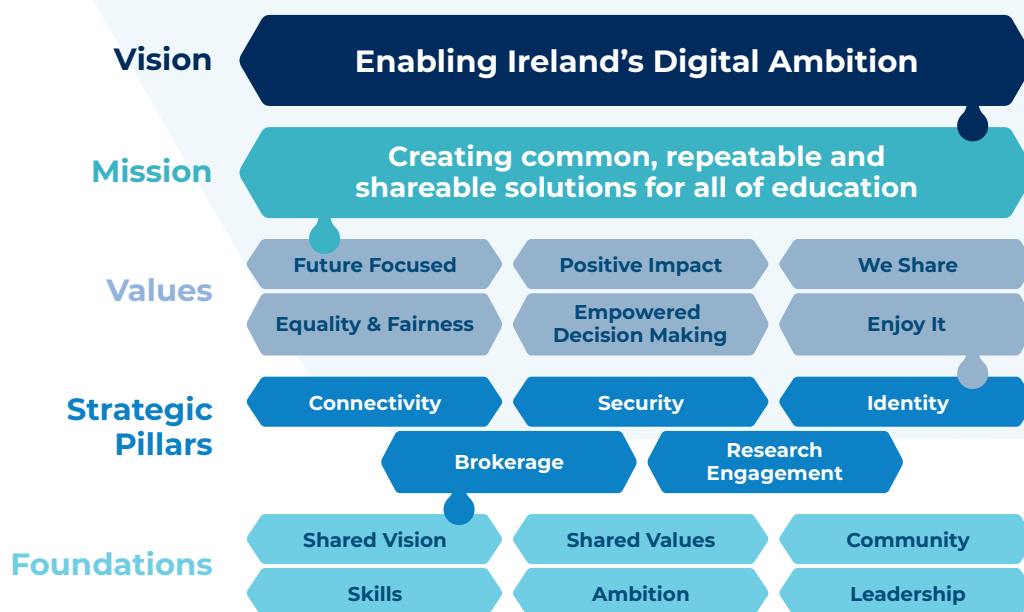
OBJECTIVES AND ACTIVITIES

Strategic Direction

Following the successful execution of the HEAnet Strategy 2020-22, the HEAnet Board approved an extension of our 2020-22 strategy to cover the period 2023-24. The five strategic themes (Connectivity, Security, Identity, Brokerage, and Research Engagement) remain relevant and will continue to shape our performance over the next two years. The HEAnet Strategy 2023-24 sets out our vision to enable Ireland's digital ambition by creating common, repeatable, and shareable solutions for education, research, and innovation in Ireland.

One of the key strategic areas of focus for HEAnet over the next two years is security, with the expansion of our Security Advisory Service and the establishment of a sectoral Security Operations Centre ("SOC") and Security Information and Event Management ("SIEM") solution. This service will enable consistent and comprehensive 24/7 detection and response capabilities for HEAnet clients.

Figure 1: HEAnet Strategy



Resilient international connectivity is essential for global reach. Currently, HEAnet connect to Europe via connections across the Irish Sea to Britain. HEAnet, with the support of GÉANT and fellow National Research and Education Networks ("NRENs") promote cost-effective direct connectivity between Ireland and mainland Europe via funding programmes such as the Connecting Europe Facility ("CEF") or other funding mechanisms.

We will continue to work closely with our clients, the Department of Education ("DoE") and the Department of Further and Higher Education, Research, Innovation and Science ("DFHERIS"), to enhance our current service offerings and create innovative solutions to meet the challenges within the education system. We will build on our reputation as an exemplar shared services organisation.

ACHIEVEMENTS AND PERFORMANCE

National Research and Education Networks

Security has been a key pillar of our 2020-22 Strategy, and over the first half of 2022 we expended significant energies in designing a business case for a sectoral SOC & SIEM service, in response to pressing client demand for same. This business case secured subsequent approval by the HEAnet Board in May 2022, with an initial funding commitment from the Government granted very soon afterwards in August 2022. Delivery and expansion of this sectoral SOC & SIEM solution will be a key priority for HEAnet in 2023 and beyond. Our goal is to assist clients in defending against the relentless wave of cyber-attacks and ultimately, help them to reduce the risk of business interruption and the associated costs of a cyber-attack.

Innovation

At HEAnet, we are focused on innovation, and over the past year, we collaborated on several innovation projects at an international level.

GÉANT & International Connectivity



A programme to upgrade the GÉANT pan-European network was initiated by GÉANT in 2019 because of securing European Commission funding in the

order of €49 million. The multi-year roll-out is being managed in phases by geographic region and network upgrades are already live across 30 routes.

The tender for the Western Isles phase, which includes connectivity between Ireland and the UK, was completed in mid-2022 and this has resulted in the award of two '25% Spectrum' connections (i.e., the quarter capacity of a dark fibre link) between Ireland and the UK, with one link routing to Paris (via the UK) for improved resiliency. This outcome represents a significant upgrade on the current 100Gbit/s managed leased lines that connect the two existing GÉANT routers in Dublin to the two GÉANT routers in London.

Irish Centre for High End Computing (ICHEC)

In June 2022, the Irish Centre for High End Computing ("ICHEC") announced that they were successful in a competitive European-wide bid for a mid-range supercomputer under the EuroHPC joint initiative. This is an initiative between the EU, member states, and private partners to develop a world class supercomputing ecosystem in Europe. As part of the ICHEC bid, HEAnet committed to providing diverse 100Gbit/s connectivity between the Irish EuroHPC supercomputer and the GÉANT network. It is anticipated that the new ICHEC EuroHPC supercomputer will be available from Q2 2024.

EuroQCI

In response to an EU Digital Europe Programme ("DEP") call for proposals to build a staging quantum communication network in each of the EU 27 countries, an Irish consortium ("IrelandQCI") was established. The consortium is led by SFI Connect and consists of several HEAnet clients, TU Delft, ESB Telecom and HEAnet. In December 2022, the EC announced that the IrelandQCI proposal had been successful. Of the 27 EuroQCI proposals, the Irish proposal received the third-highest score. The total project funding for IrelandQCI is €10 million, consisting of €5 million from the EU DEP fund and €5 million from the Department of Environment, Climate and Communications. The project will start in Q2 2023 and run for 30 months.

GÉANT 5

HEAnet has signed the GÉANT 5 Consortium Agreement with GÉANT. The GÉANT 5 project is the successor to the GÉANT 4 project, which concluded at the end of 2022. The first phase of the GÉANT 5 programme commences from January 2023, for a 2-year duration, with €55 million of EC grant funding. Several HEAnet staff members are involved in the first phase of the GÉANT 5 project, in areas such as security, networking, and the GÉANT IaaS project.

Research Engagement

One of the key strategic goals for HEAnet is to develop a deeper engagement with the Irish research community. By collaborating with our research client base, we aim to further support the development of research infrastructures, foster collaborations and raise awareness of Irish and EU funding opportunities.

Throughout 2022, we have been raising awareness of HEAnet services that may be of interest to researchers across Ireland through a series of webinars delivered via a new HEAnet forum called Research Services and Infrastructure ("RESIN").

We have supported researchers in leveraging funding and collaboration opportunities including funding opportunities for commercial cloud services available via the IaaS+2020 framework agreements and a funding award from the GÉANT Innovation Programme.

GÉANT Innovation Programme

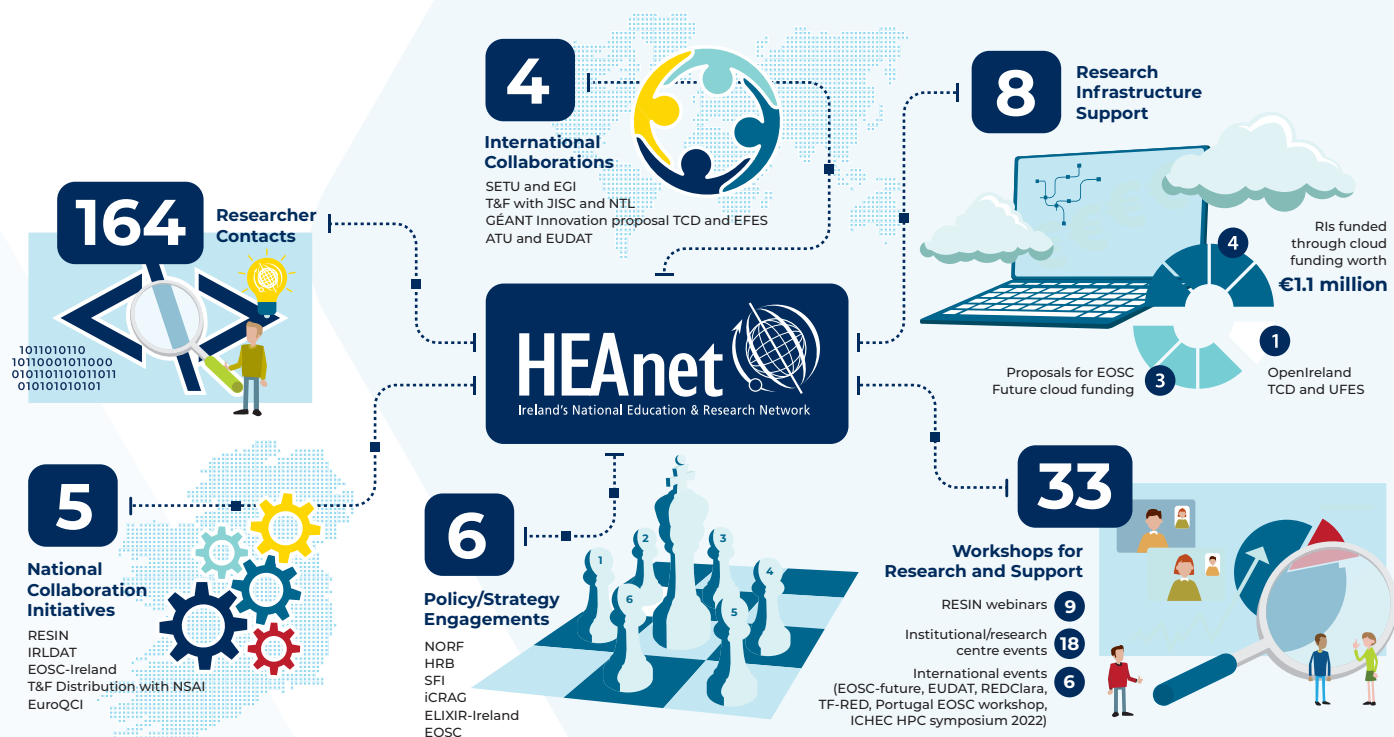
The GÉANT innovation Programme is a community programme which aims to support innovative ideas coming from the GÉANT community. In 2022, a project from Trinity College Dublin was the first successful application from Ireland. The project is called "Research and Education Network as a Service for Developing Nations" - RENaaS. The deliverables from the project were the implementation of a Software Defined WAN ("SD-WAN"), the deployment of eduroam, and the creation of an NREN constitution for Cape Verde ("CVREN").

National and International Collaboration

HEAnet encourages collaboration at a national and international level. At a national level, HEAnet collaborated with the National Standards Authority of Ireland ("NSAI") and several HEAnet clients on a time and frequency distribution project. In 2021 HEAnet upgraded its timing equipment, which provides accurate time services to HEAnet clients, and this new equipment also supports new timing protocols. HEAnet is investigating with the NSAI and our clients, how HEAnet clients can utilise these modern timing services in their research, and a number of use cases have been identified. One initial deliverable is the development of a national timing grid, which will ensure the accuracy of individual timing sources against the NSAI national timing standard.

HEAnet also worked closely with our Brazilian counterpart to connect researchers in São Paulo to Trinity College Dublin via a 10 Gbit/s circuit through the ELLA submarine cable, which links Portugal and Brazil through Cape Verde. It is hoped that this work will enable greater collaboration between Irish research Groups and research Groups in Europe and around the world.

Figure 2: Research Engagement Activities 2022



NORF Action Plan

The National Open Research Forum ("NORF") is an Irish forum established to develop open research in Ireland. HEAnet is represented in the NORF Steering Group by the HEAnet Chief Executive Officer. HEAnet has contributed to the NORF policy briefs on national shared data storage infrastructure, research infrastructure road mapping process and national open access monitoring.

NORF was awarded €1.725 million through the Higher Education Authority in early 2022 to fund six collaborative projects to advance open research. HEAnet is participating in two of these projects and is leading the 'Shared Data Storage Service' pilot with ICHEC, UCC, UCD, SETU, EUDAT and several pilot users from various universities. HEAnet is also a member of the advisory Group in the IReL led National Open Access Monitoring project.

European Open Science Cloud (EOSC)

HEAnet continues to support the activities of the EOSC Association, and as Ireland's mandated member of the Association, we also represent DFHERIS on the EOSC Steering Group.



A highly successful National EOSC Tripartite event was held in September 2022, bringing together key stakeholders from across the Irish open science community, as well as representatives from the EOSC Association and the European Commission. The event was organised by HEAnet, sponsored by DFHERIS, and supported by the Irish National Open Research Forum ("NORF") and the EOSC-Association.

OCRE Cloud Funding

The EU funded Open Clouds for Research Environments ("OCRE") project, of which GÉANT is a member, recently launched a call for cloud adoption funding. The distribution of cloud adoption funding is a key milestone in OCRE's goal of piloting a digital single market for cloud and digital services for European research. HEAnet supported four Irish researchers in preparing and submitting proposals for OCRE cloud funding. As a result of this work, four proposals from HEAnet clients were awarded funding of €1.1 million which will utilise the cloud services of Amazon Web Services and Microsoft Azure.

Connectivity

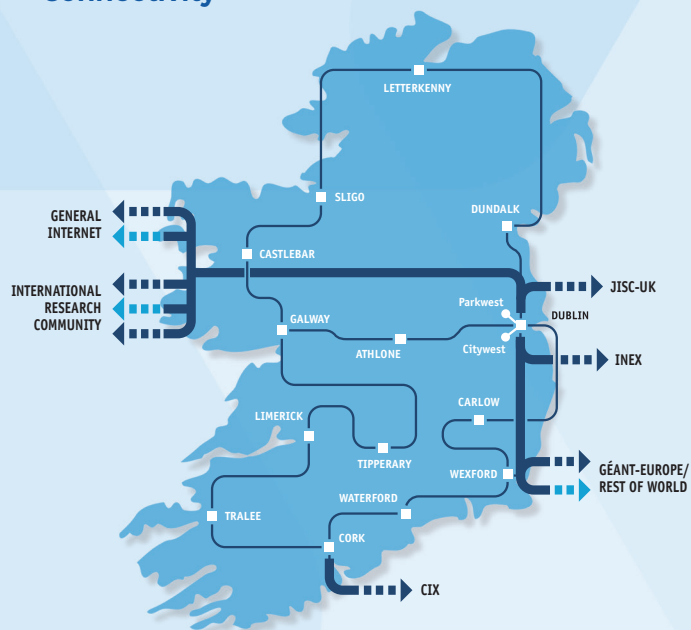


Figure 3: HEAnet National Backbone Network

The connectivity that HEAnet provides allows teachers, learners, and researchers to access digital resources that enable them to perform their duties across the world stage. Connecting learners and researchers through accessible, reliable, high-quality infrastructure is one of HEAnet's principal obligations, as set out in the vision statement. We could not deliver this advanced research and education network connectivity without the cooperation and collaborations we enjoy with our stakeholders and partnerships with other Government and semi-state bodies. Our program of connectivity expansion for our clients brought twenty-one (21) new sites onto the network this year, all at 1 Gb/s or 10 Gb/s, thus providing a welcome high-quality broadband experience for all the staff and students at these locations.

Additionally, HEAnet significantly upgraded its external circuits to the public Internet and research networks via GÉANT. HEAnet upgraded its two circuits to the general Internet from 20Gbit/s to 100Gbit/s while also upgrading HEAnet's two circuits to GÉANT from 40Gbit/s to 100Gbit/s. These increases in external connectivity are needed to ensure that HEAnet can continue to provide its clients with high-quality internet connectivity while also providing resilience in the case of hardware or circuit outages.

HEAnet's total external connectivity consists of two 100Gbit/s circuits to the Irish Neutral Exchange ("INEX"), two 100Gbit/s circuits to the general Internet, two 100Gbit/s circuits to GÉANT and two 10Gbit/s circuits to Jisc, the UK NREN.

Identity & Access

Identity

As a result of the national programme which unites the former Institutes of Technology into Technological Universities, HEAnet have been working with our clients to assist with enabling technologies as they merge their key ICT business systems. One of the most important aspects of such mergers is the secure unification of the different identity databases. HEAnet has worked with TU Dublin and ATU this year to complete a seamless identity systems fusion. 2022 also saw the rollout of nine (09) small-scale Managed Identity ("IDP") services for clients, enabling those institutions to access all the benefits of a unified identity service, such as Single Sign On ("SSO") and access to the catalogue of services providers enabled by Edugate.

Access

eduroam is a Wi-Fi service which enables students, researchers, and staff in participating institutions to securely access the internet at their college or university, and whilst visiting other participating institutions. eduroam Everywhere is a project managed by HEAnet with support from the Department of Further and Higher Education, Research, Innovation and Science, other Government departments, and organisations, and the eduroam Everywhere Advisory Group.

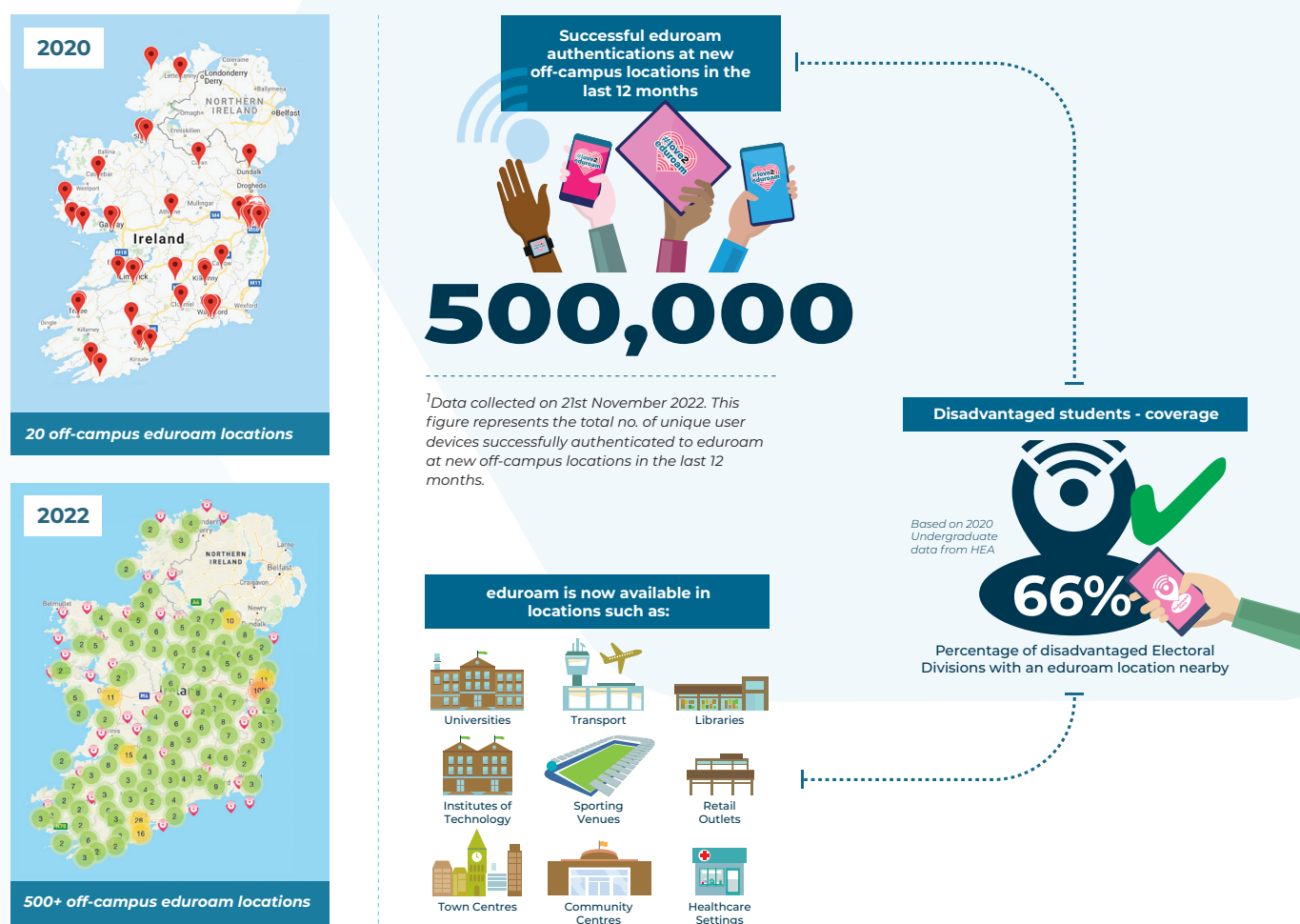
The objective of the eduroam Everywhere project, as the name suggests, is to enable eduroam at as many locations as possible. The project focused on locations that are easily accessible to students beyond the campus walls. eduroam Everywhere has been an enormous success thanks to the efforts of the HEAnet team and the staunch support received from numerous agencies and organisations. Having dedicated resources in place facilitated a significant expansion of eduroam Wi-Fi hotspots.

HEAnet will remain available to expand eduroam to new locations and will continue to promote eduroam to end users, especially the new cohort of students joining the higher education sector every year.

The key achievements of the project are:

1. Enabling eduroam Wi-Fi hotspots in almost 500 new off-campus locations such as libraries, transport, sporting venues, working hubs, community centres, town centres and many more. The diagram below depicts the huge increase in availability from 2020 to 2022.
2. Supporting access to safe, reliable Wi-Fi for students, staff, and researchers with over 500,000 successful eduroam Wi-Fi authentications at new off-campus locations in the last 12 months.
3. Helping to reduce the digital divide by focusing on enabling eduroam in electoral divisions where disadvantaged students live.

Figure 4: eduroam Wi-Fi hotspot statistics

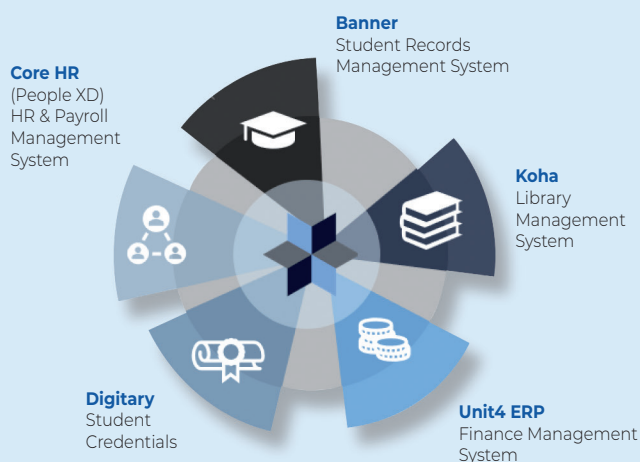


EduCampus Services MIS Services

Established in 2015 as a subsidiary of HEAnet, EduCampus Services procures, implements, maintains, and supports business critical management information systems for the client community across the higher education sector in Ireland. Its vision is to provide new, imaginative, and flexible approaches to IT shared services. All higher education institutions in Ireland may avail of the services from EduCampus Services by becoming a member of the client community.

The portfolio of cloud-hosted business applications, available to clients through the EduCampus Services MIS shared services solution are set out below. These applications are the pillar systems that higher education institutions require to operate their business.

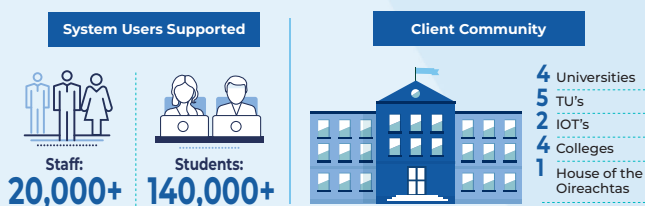
Figure 5: EduCampus Services' Core Services



EduCampus Services partners closely with the leadership teams across the sector, as well as system users and subject matter experts from the client community, to ensure that it delivers innovative technology aligned with the clients' strategic ambition. The EduCampus Services' services are designed to reduce costs and save time for the client members by reducing the public procurement process time for EduCampus Services client members. The service also has increased efficiency, and mitigated risk benefits for the client members.

2022 saw a significant year of accomplishments for EduCampus Services with a continued expansion of the services across the educational sector. By the close of 2022, EduCampus Services was delivering services to approximately 140,000 students and 20,000 staff across 4 universities, 5 technological universities, 2 IOT's, 4 colleges, and one Government commission.

Figure 6: EduCampus Services' Service Delivery



Over the course of 2022, EduCampus Services provided critical leadership and support to the technological university sector in consolidating their MIS systems.

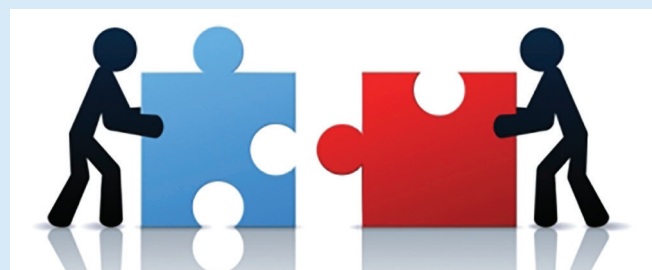
By 31st December 2022, EduCampus Services had completed the delivery of a unified finance system to MTU, TU Dublin, SETU and TU Shannon and initiated the project for ATU. Similarly, a unified HRM and payroll system was successfully completed for MTU and TU Dublin and pre-designation activities were also completed for the remaining three TUs. EduCampus Services will continue to support the TU clients on their journey to unified systems and a planned programme of work has been established across each of the applications.

A key strategic goal for EduCampus Services has been to transition all client applications from on premises to cloud-based solutions. Having completed this transition for four of the five applications, the fifth project is now nearing completion. The latest phase of the Banner 9 SRMS Upgrade project has seen all IOTs and three of the TUs fully transitioned to the state-of-the-art cloud-hosted Banner 9 system for their student records management.

EduCampus Services continues to follow the strategic direction set out in its Strategic Plan 2020-2024. Key to the successful delivery of this strategy is strong adherence to our core values of accountability, innovation, excellence and collaboration. Going forward, EduCampus Services will continue to evolve and adapt to the changing needs of its ever-expanding client base, providing transformational leadership and harnessing new and emerging concepts to support the higher education research sectors in Ireland.

Brokerage Services

2022 was another highly active and productive year in terms of brokerage services activity. We welcomed four new clients to our brokerage services. The continuing COVID-19 pandemic meant supporting new and existing clients throughout yet another challenging year for them.



To help clients make the best use of our considerable catalogue of brokerage and procurement arrangements, in 2022, we put in place comprehensive education and training. In total, we hosted workshops dedicated to brokerage services users during the year over a broad variety of themes with over 350 attendees. We received very positive feedback from attendees, as the services simplify interaction with their key suppliers of services and products.

In addition, new agreements were put in place for additional categories of educational and IT specialist products and services, covering areas such as video services, lecture capture, desktops, laptops, software licensing and IT cyber security related services.



The delivery of this future-proofed connectivity is transforming how 900,000 students and teachers can embrace the integration of ICT into their classrooms every day, improving their educational experience and helping to develop their digital skills.

Primary Schools

Using EU National Recovery and Resilience Plan ("NRRP") funding, the Department of Education is looking to support students at risk of educational disadvantage through lack of access to digital infrastructure. Part of this initiative is to upgrade all primary schools to a minimum of 100 Mbps by the end of 2023. One thousand (1,000) primary schools were selected to take advantage of this funding.

Over six hundred (600) schools previously on connections of around 30 Mbps or less were connected by the end of 2022 and are actively using their new high-speed connections.

The project is overseen by a steering group chaired by the Department of Education and comprises representatives from the Department of Environment, Climate and Communications, HEAnet (providers of the schools' network), and the Professional Development Service for Teachers – Technology in Education.

This critical connectivity across primary and post-primary schools underpins one of the three pillars of the Department of Education's Digital Strategy for Schools to 2027¹ - Pillar 2 Digital Technology Infrastructure:

Commitment to build on the progress made to date to ensure that all schools are served with high-speed broadband connectivity and appropriate infrastructure to support teachers and learners to realise the benefits from the use of digital technologies in classroom activities including technical support and procurement frameworks.

A further 700 primary schools will be connected to the National Broadband Plan network from 2022 to 2023. Once these programmes have been completed, all post-primary schools will have a minimum level of connectivity between 200 Mbps and 1 Gbps and all primary schools will have a minimum of 100 Mbps.

Further upgrades for individual schools are provided where increased speeds are signalled through ongoing monitoring of usage reports.

ICT Security

As a trusted shared services provider, HEAnet continues to be uniquely positioned to provide security services to our client community. Futureproofing for cyber resilience is key to reducing strategic business risk against the evolving cybersecurity threat landscape.

The ICT security services provided by HEAnet continue to evolve to meet the changing ICT security needs of our clients. In 2022, our services continued to have a high demand from clients for security awareness training, phishing simulation, and penetration testing.

- The ICT Security Services team completed 49 online training sessions, including two face-to-face sessions.
- The team has expanded to facilitate the increased demand for training. A training specialist joined the team in December 2022 to ensure ICTSS ("ICT Security Services") continues to deliver a high-quality training experience to clients.
- A business continuity tabletop exercise was run with subject matter experts in August 2022.
- An enhanced phishing simulation service was rolled out to clients to allow the service to reach a wider audience.
- The team continues to deliver a selection of penetration tests and vulnerability scans.

Schools

2022 saw continued and significant growth in schools' traffic, continuing the trend from the previous year. This increased demand has led to continuous upgrades in the core network, filtering capacity, and individual school connections. Aggregate demand has grown to such an extent that onward connectivity for the schools' network has been upgraded to 200 Gbps to accommodate this growth.

¹ <https://www.gov.ie/en/publication/69fb88-digital-strategy-for-schools/>

PEOPLE OPERATIONS

KeepWell Mark and Wellbeing



The HEAnet Group continues to focus on employee wellbeing, and we successfully achieved our reaccreditation through Ibec's KeepWell Mark in October 2022. The purpose of the reaccreditation audit is to review the wellbeing strategy, progress, and recommendations and to satisfy that the accreditation standards across eight key pillars of employee wellbeing areas are being maintained.

Our key focus for wellbeing in 2022 was to support our colleagues' transition from working at home during a pandemic to adopting our hybrid working framework, and our wellbeing calendar for the year provided initiatives to support this.

The KeepWell Mark audit report noted that *"it is clear to see strategic and continuous improvement in workplace wellbeing policy, process and practice"* and that *"a people-centric approach guides the purpose and content of all wellbeing activities within the organisation."*

Group Equality Diversity & Inclusion Roadmap 2022 - 2025

Our Group Equality Diversity & Inclusion ("EDI") initiative has seen the introduction of our EDI Council, with representatives from both HEAnet and EduCampus Services forming the Group.

This EDI Council is now actively working towards the development and implementation of our EDI strategy and with progressing the activities identified on our EDI roadmap under the five key EDI pillars: Governance | Strategy | Leadership | Systems | Data.

Our training calendar in 2022 considered our EDI roadmap and included training opportunities for our colleagues in unconscious bias, impact and influence for women in business and neurodiversity in the workplace. We look forward to continuing to progress through our EDI journey.

Future of Work and Hybrid Working Framework

A cross-functional group was formed to support our understanding and position on the future of work, resulting in our Hybrid Working Framework, which was rolled out in 2022. We are proud of our culture, values, and our strong sense of community. We place great importance on being able to come together to collaborate and maintain that sense of connection with our colleagues. Our Hybrid Working Framework balances how we come together in-person whilst also supporting hybrid work going forward. To support this transition, we continued our focus on providing training and development for all our people managers and executive teams with courses such as hybrid training workshops and leading in a hybrid working world.

We continue to focus on the future of work as the thinking evolves around this topic and we will further develop our own models on how we work into the future.

Technical Refresher Programme

A bespoke technical development programme was developed and implemented in 2022 to reinforce our teams' technical skills and ensure they are future-ready in areas such as VMware Tanzu, Gitlab, Ansible and Terraform. Several teams across HEAnet partook in this technical development programme, including Systems, Services Architecture and Networks. In addition, an internally developed training course, "Zero to Docker," was rolled out and is hosted on our learning management system, promoting internal knowledge sharing.

Our New Office

In March 2023, after 16 years, HEAnet departed its office at 5 George's Dock following the end of the lease. HEAnet will occupy the 3rd floor in North Dock Two from the end of Q2 2023, with our EduCampus Services colleagues joining us in 2025.

Planning for this office move is an ongoing cross-functional effort, with colleagues from both HEAnet and EduCampus Services working on supporting the office move project during 2022-2023.



FINANCIAL REVIEW

The full year results for 2022 show another strong performance with Group turnover increasing slightly year on year for a full year reported income of €44,191,205 (2021: €44,000,227). The increased turnover was largely attributable to the parent Company where there was growth of approximately 8% in the year, largely driven by the expansion of the project to provide high speed internet connectivity to schools. In the subsidiary, turnover dipped approximately 9% to €17,608,601 (2021: €19,270,148). Within this headline figure, there was a 15% increase compared to the prior year in centrally grant-funded operational and project activities, but a reduction of approximately 67% in income earned from provision of services to clients.

The vast majority of Group income continues to be earned from a combination of state grants, via the Department of Education (representing about 82% of income), client charges which includes membership fees (10% of total), and income earned from chargeable services (8%). The total state grant funding recognised in income in 2022 was €36,382,465 (2021: €32,343,168) which as a proportion of total income was a significant increase compared to the prior year. State grant funding is booked as a deferred grant, and recognised as income in the profit and loss in line with the costs for which it is expected to compensate.

Development and performance throughout the financial year and position at the end of the year

Income earned from the provision of services to clients decreased by approximately 54%, and this was attributable to a slowdown in the pace of projects to implement MIS services on client sites. Full year income under this category was €3,442,968 (2021: €7,438,287), but there are a number of significant projects continuing into future years, and this is an activity that is projected to increase in future years.

There was a deficit recorded in the year of €348,968 (2021: deficit of €29,814). This was primarily driven by increased administrative costs resulting from the signing of a lease agreement for a new head office location as well as the costs realised on exiting the former office site coming in higher than anticipated. This deficit is fully attributable to the parent Company, and the closing reserves position remains in line with the Board approved reserves policy. The subsidiary Company continues to operate on a cost recovery basis, so no surplus or deficit is earned on normal operations and there were no funds released from accumulated reserves to cover operational costs. As per the companies' constitutions, both HEAnet and EduCampus Services are prohibited from making any distribution of funds to shareholders.

Closing balance sheet position at end of year

The Group's total assets at year-end were €31,344,260 (2021: €29,118,406). Tangible fixed assets at year-end were €2,730,523 (2021: €2,228,410). The total investment in fixed assets during the year was €1,775,912 (2021: €950,042) which exceeded the depreciation charge of €1,325,770 (2021: €1,139,064) and total asset disposals amounted to €1,579,639 (2021: €311,486). The single biggest investment in fixed assets in the amount of €1,200,480 was on adding additional hardware capacity to the web content-filtering solution, that is deployed on the internet connectivity provided to the schools' network. An amount of €363,566 was invested in additional routers, switches and servers for the main HEAnet network, and €211,865 was capitalised in respect of costs incurred on the new office fit-out project. There was no fixed asset investment in the year in the subsidiary Company, and this was in line with the budgets approved by the Directors.

Within current assets, grants receivable decreased to €1,058,800 (2021: €4,268,780). The main movement in this line represents the favourable resolution of a long running query regarding confirmation of the continuation of a specific annual grant allocation from the Department of Education (in the amount of €1,200,000,) which had been under discussion for some time. Trade debtors also fell markedly to €377,598 (2021: €2,596,460). There are no collectability concerns associated with this and no provision for impairment against trade debtors is recognised in the accounts. The cash balance at year end was €19,543,223 (2021: €17,504,018). Trade creditors decreased to €1,488,769 (2021: €1,704,960) although this is offset by lower accrued costs at year end with a closing balance of €5,554,520 (2021: €6,565,625).

All cash is held in demand deposit accounts. The Group does not have any loans or other borrowings outstanding. (2021: €0m). As at 31st December 2022 there are reserves of €4,491,319 (2021: €4,480,288) of which €2,800,000 (2021: €2,800,000) with the remaining €1,691,319 remaining in unrestricted reserves.

Key Performance Indicators

| HEAnet CLG | 2022 | 2021 |
|--|--------|--------|
| Non-direct exchequer income/ total income | 24.7% | 26.4% |
| Additional services income/ total invoiced income | 23.8% | 25.3% |
| Debtors days at year end | 19 | 48 |
| Capital expenditure/ total expenditure | 11.4% | 8.8% |
| Payroll cost/total cost | 28.5% | 29.7% |
| Staff turnover in % | 11.5% | 7.1% |
| Training days per staff member per year | 2.0 | 2.9 |
| Cash reserves | €15.2M | €12.4M |
| Number of clients | 81 | 82 |
| Average number of employees | 87 | 84.4 |
| Customer satisfaction (Net Promoter Score) | +67 | +63 |

| EduCampus Services DAC | 2022 | 2021 |
|--|-------|-------|
| Project expenditure/ total expenditure | 26% | 32% |
| Payroll cost/total cost | 19% | 20% |
| Staff turnover in % | 11% | 11% |
| Training days per staff member per year | 2.3 | 1.5 |
| Cash reserves | €4.3M | €5.1M |
| Number of client entities | 23 | 20 |
| Average number of employees | 31.7 | 27.98 |

Principal risks and uncertainties

The Directors continue to consider the major risks facing HEAnet Group and risk management is a standing agenda item at Group Audit and Risk Committee meetings. There is a corporate risk register that identifies and classifies risks into one of seven pre-defined enterprise-wide risk categories. Risks are scored according to likelihood of occurrence and potential impact, and this tool is used to identify gaps and design an appropriate control environment. The risk categories defined by the Board of Directors are:

- Funding
- Business Continuity
- Reputational
- Value for Money
- Orientation to Market
- Organisation and People
- Governance and Compliance

Risk to staff recruitment and retention

The highest rated risk on the corporate risk register relates to the challenge of attracting and retaining staff at all levels, and the impact that this may have on achieving strategic and operational objectives. Staff turnover rates increased in Group companies in 2022 to a high of 11%. It is too early to tell what impact will follow recent announcements of lay-offs across the technology sector, although it is obvious that certain roles particularly in IT security remain in high demand. While there are indications that the peak of the recent inflationary cycle may have passed, the risk remains that increased cost of living in the economy drives up wage demands to a point that erodes the ability of publicly funded organisations such as HEAnet Group to compete for staff.

Disruption due to cyber-attack including ransomware attacks

Set against a backdrop of high-profile cyber-attacks targeted at organisations in the higher education sector in 2022, the Directors consider cyber risks to be a very significant threat facing the organisation. The impact could be manifested as data loss or exfiltration and on the corporate risk register these are represented as reputational, business continuity and financial risks. There is an added dimension to this risk from this year onwards as HEAnet moves further into providing additional security services to its clients.

HEAnet continues to prepare insofar as possible. This includes providing security awareness training for all staff members with an emphasis on identifying phishing attempts. There has also been a focus on vulnerability scanning of specific systems within the HEAnet network.

During the year a review of cyber security management and governance controls against the public sector cyber security baseline standards was carried out by the internal auditor. A further internal audit against these standards is scheduled to take place in 2023 to continue to strengthen the Company's security posture.

Funding risks

As organisations primarily reliant on State funding, the risk exists that any reduction in allocated funding will impact the organisations' abilities to achieve their strategic objectives. Relations with the funding organisations are very strong, and the Directors are satisfied that HEAnet Group companies are considered by the funders to be part of the essential services supporting the education and research sectors. However, there is a reality to be acknowledged that State funding must be re-awarded every year, and Government department budgets can be impacted by other national priorities, such as housing and healthcare.

As mentioned above in the context of recruitment and retention, the current inflationary environment will place additional pressures on funding needs in 2023 and beyond.

The energy crisis

There are two dimensions to energy risks: financial in terms of increased costs, and business continuity in terms of disruption to services in the event of an energy supply interruption. The equipment that is used to operate HEAnet's national network is located in a number of geographically diverse data centres. Work was carried out during the year to ascertain these facilities' capacity to continue to operate in the event of a disruption to the national energy supply.

The war in Ukraine

The Directors, like most people, are monitoring the situation in Ukraine with revulsion and grave concern for the Ukrainian people. HEAnet is a member of GEANT (the European association for national education and research networks), along with our Ukrainian sister-NREN, "URAN". GEANT has been very proactive in supporting our URAN colleagues. HEAnet is liaising with the relevant Government bodies in relation to the provision of HEAnet services to support the relocation of Ukrainian students into the Irish education system. HEAnet will continue to monitor the impact that the war is having on inflation, and on the availability of goods and services.

Long Term Financial Risks and Commitments

HEAnet Group has in place processes to review the financial implications and risks arising out of the Group's long-term contractual commitments for all major funded project activity. This is a standing agenda item at the annual budget setting meeting of the Group Finance Sub-Committee.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of systems and procedures and the employment of competent and appropriate persons. The accounting records of the Group and Company are kept at 5 Exchange Place, IFSC, Dublin 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Introduction

HEAnet CLG ("HEAnet"), Ireland's National Education and Research Network, was incorporated in November 1997 and provides internet connectivity and associated ICT services to education and research organisations throughout Ireland, including all primary and post-primary schools. EduCampus Services DAC ("EduCampus Services") was incorporated in April 2015 as a subsidiary Company of HEAnet to implement, maintain and support business-critical systems to clients in the education sector.

HEAnet is a *Company Limited by Guarantee and Not Having a Share Capital*. EduCampus Services is a subsidiary Company and is a Designated Activity Company, with 92% of its share capital held by HEAnet. Both Companies have charitable tax status and are registered with the Charities Regulator.

Both HEAnet and EduCampus Services (each a Company and together the Group) are governed by the Companies Act 2014 and the specific legal obligations set out in the legislation. The Boards of HEAnet and EduCampus Services are committed to following best practice corporate governance and comply with the Code of Practice for the Governance of State Bodies (the "Code") to the extent practical and possible.

As registered charities, HEAnet and EduCampus Services comply with the Charities Act 2009, make an annual return to the Charities Regulator, file annual financial statements, and comply with the Charities Governance Code. The Boards of Directors of HEAnet and EduCampus Services are each collectively responsible for promoting their Companies' success by leading and directing their activities. The Boards provide strategic guidance to their organisations and monitor and review their activities and the effectiveness of management.

The Ordinary Members and Directors of the Companies are appointed in accordance with the Constitutions and the Companies Act 2014.

Directors are appointed for a term of four years and may be re-appointed for a second term of four years but may not be appointed for more than two consecutive terms of four years, at the end of which a Director must retire from office. No Director may be appointed for a third consecutive term. A Director may be re-appointed to the Board of Directors after a period of four years has elapsed since that Director's last term of office. Under the HEAnet Constitution, any person appointed as Chairperson of the Company shall from the date of appointment be entitled to serve as Chairperson for a term of four years and may be re-appointed for a second term of four years but may not be appointed for more than two consecutive terms of four years, notwithstanding any duration of service as a Director.

The Boards of HEAnet and EduCampus Services share Group committees (the "Group Committees"). The Group has four standing Group committees which are the Group Audit & Risk Committee, the Group Finance Sub-Committee, the Group Nomination Committee and the Group Remuneration Committee. Further details on the membership of each of the Group Committees and their activities during 2022 are set out on page 23.

As necessary, sub-committees of the Board(s) are established on an ad hoc basis to lead additional items of business which arise throughout the year. The membership of the sub-committee will depend upon the purpose for which it was established and will take into account the skills and expertise necessary.

Joint Implementation Steering Group

As detailed in the 2021 Annual Report, a Joint Implementation Steering Committee (the "JISG") was established to implement the recommendations set out in the Boland Governance Review Report, with the meetings of the JISG commencing in November 2020. At the end of 2021, the HEAnet and EduCampus Services Boards determined that the work of the JISG had completed, therefore, in February 2022, the HEAnet Board reviewed the JISG closing report from the Chairperson of the JISG. The JISG closing report was presented to the EduCampus Services Board in March 2022.

Group Advisory Forum

In 2021, a Group Advisory Forum was established comprising of representatives from the HEAnet and EduCampus Services Boards, the Chief Executive Officers of HEAnet and EduCampus Services, as well as external stakeholders. The purpose of the Group Advisory Forum is to consider and provide advice on issues related to the Group services and national and international developments in the Management Information Systems ("MIS") /Networking Sectors. The Group Advisory Forum convened in April 2022 and September 2022.

During 2022, the HEAnet Board established a Chairperson Search Committee to lead the campaign associated with the selection of the incoming HEAnet Board Chairperson. Following a comprehensive process, the Chairperson Search Committee recommended, to the HEAnet Board, the appointment of Professor Michael Murphy as Board Chairperson. Professor Anne Scott retired as HEAnet Board Chairperson with effect from 14th April 2023, and Professor Mike Murphy took up the role as Board Chairperson with effect from the same date.

The Group governance structure, incorporating the standing Group Committees is as follows:

Figure 7: Group Governance Structure



HEAnet Board of Directors

Board Structure

The composition of the HEAnet Board of Directors is determined by Article 42 of the Constitution.

Under the current Constitution, the Higher Education Authority ("the HEA"), the seven university members and Technological University Dublin ("TU Dublin") may appoint one Director each to the HEAnet Board. In addition, the HEA, following consultation with the Technological Higher Education Association ("THEA"), the Council of University Libraries ("CONUL"), and the Department of Enterprise, Trade and Employment (previously referred to as the Department of Business, Enterprise & Innovation), are entitled to appoint:

- Two people to serve as Directors of HEAnet to represent the Institutes of Technology/ Technological Universities.
- One person to serve as a Director of HEAnet to represent the Council of University Libraries.
- One person to serve as a Director of HEAnet to represent the Department of Enterprise, Trade and Employment (previously referred to as the Department of Business, Enterprise & Innovation).

Article 42(c) of the Constitution allows the Directors to appoint one director as an addition to the existing Directors appointed by the ordinary members and the HEA. However, the Director appointed under Article 42(c) must retire from office at each Annual General Meeting ("AGM") and can then be eligible for re-election by the Directors.

The following HEAnet Directors served during the financial year ending 31st December 2022:

| Name | Appointed | Resigned/Retired |
|---------------------------------------|----------------------------|------------------|
| Dr Billy Bennett | | |
| Mr Gary Butler | Dec. 2022 | |
| Dr Sandra Collins | July 2022 | |
| Dr Gerard Culley | | |
| Ms Sheena Duffy | | July 2022 |
| Dr Paul Feldman ² | Re-appointed in Sept. 2022 | June 2022 |
| Mr Phillip Fischer | | |
| Dr Orla Flynn | | |
| Ms Rosemary Fogarty | | June 2022 |
| Mr Patrick Magee (Deputy Chairperson) | | |
| Ms Colette McKenna | | May 2022 |
| Professor Michael Murphy | | |
| Professor Noel O'Connor | | |
| Ms Dearbhla O'Reilly | | Dec. 2022 |
| Professor Anne Scott (Chairperson) | | |
| Ms Aoife Tuohy | Feb. 2022 | |

As at 31st December 2022, the HEAnet Board had four (4) / 33% female and eight (8) / 67% male members³, with two (2) vacant positions. Professor Anne Scott retired from the Board on 14th April 2023.

The Board is very mindful of the benefits of diversity. Promoting diversity, in particular gender diversity, forms a significant part of the discussions of the Group Nomination Committee, and the HEAnet Board and the EduCampus Services Board, as each considers Directors' tenure, rotation, and succession planning.

During 2022, four female Directors departed the Board of HEAnet, whilst two female Directors and one male Director were appointed to the HEAnet Board during 2022. As at the end of 2022, HEAnet did not have the Government target of a minimum of 40% representation of each gender in its membership.

The Group Nomination Committee will continue to work with the HEAnet and EduCampus Services Boards to promote and support gender balance, diversity and inclusion on the Boards and the Group Committees in 2023.

Board Responsibilities

The HEAnet Board convened six times during 2022: February, March, May, September, November, and December 2022. Details of attendance at HEAnet Board meetings is set out on page 23.

The work and responsibilities of the Board are set out in⁴:

- The HEAnet Board Charter, which includes details of matters reserved for Board decision.
- The HEAnet Group Code of Business Conduct for Directors and Employees.

The Board has a schedule of standing agenda items which sets out the key matters to be considered at Board meetings, and which includes:

- Reports from the Chief Executive Officer
- Bi-annual reports from the EduCampus Services Chief Executive Officer
- Declaration of conflicts of interests
- Reports from Group Committees
- Updates on financial reporting and budgeting
- Corporate governance matters

² Dr Paul Feldman is appointed in accordance with Article 42(c) of the Constitution.

³ Code of Practice for the Governance of State Bodies - Annex on Gender Balance, Diversity & Inclusion - Code Provision 2.6

⁴ Code of Practice for the Governance of State Bodies - Business & Financial Reporting Requirements Section 1.3 - "The Annual Report and Financial statements to include a statement of how the Board operates, including a statement of types of decisions to be taken by the Board and to be delegated to management."

As part of its oversight of HEAnet and ongoing support to its subsidiary, Educampus Services, during 2022, the HEAnet Board also considered, and where appropriate approved, the following key matters:

- The 2021 Annual Report and Financial Statements, having convened with the External Auditor.
- The HEAnet Quarterly Financial Statements.
- The HEAnet Group Pension Plan, including the Trustee Annual Report for the period 1st September 2020 to 31st August 2021 and the 2021 Governance and Operational Report.
- The HEAnet Budget for 2023 to 2025.
- The extension of the HEAnet Strategy to 2024 and the HEAnet objectives for 2022 and 2023.
- Capital grant projects for 2022 and 2023.
- Material contracts and capital expenditure initiatives.
- The results, and associated recommendations arising from the Group Risk Management Framework Review.
- The HEAnet and EduCampus Services approach to handling a cyber-attack or critical incident.
- Client membership applications.
- The re-appointment of the External Auditor and the Internal Auditor, including the procurement process associated therewith.

In addition to the above, the Board also received the Group Audit & Risk Committee's quarterly updates as well as its Annual Report for 2022. It approved the amendments to the Board risk register and noted the progress made on implementing recommendations from internal audit reviews.

The Board also approved the change in Company Secretary with effect from 3rd October 2022 following Ms Rhian Williams' retirement.

It also considered the provisions of Section 225 of the Companies Act 2014 as well as the Directors' Compliance Statement, as set out in further detail on page 26. It reviewed HEAnet's compliance with the Charities Governance Code and the Code of Practice for the Governance of State Bodies and approved a Director Development Training Schedule for 2023.

The HEAnet Board also considered HEAnet's response to the impact of the war in Ukraine and received an update from the People Operations Director on employee related matters, with a focus on talent acquisition and retention. It also received an annual update from the Group Data Protection Officer on data protection and associated regulatory developments.

The Board also considered the HEAnet office relocation on foot of the expiration of the existing lease in 2023. Further detail of which is set out on page 14. The Chairperson of the EduCampus Services Board of Directors and the EduCampus Services Chief Executive Officer attended the HEAnet Board meetings in May and December 2022 to present strategic updates on the work undertaken by EduCampus Services during the year.

The Board also considered Board and Group Committee refreshment and succession planning and considered the appointments of each of the three appointees to the Board during 2022. It also approved amendments to the Group Nomination Committee and Group Remuneration Committees' Terms of Reference. Amendments to the Group Audit & Risk Committee and the Group Finance Sub-Committees' Terms of Reference were approved by the HEAnet Board during the first quarter of 2023.

Corporate Governance

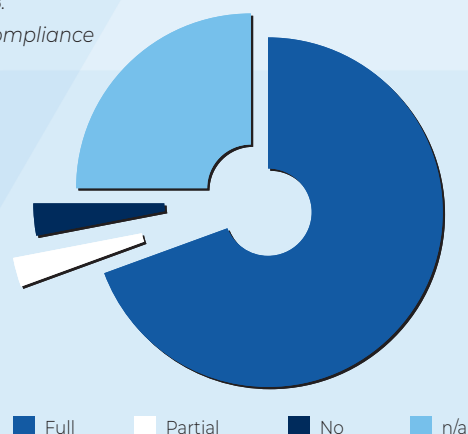
Governance Codes

The Code of Practice for the Governance of State Bodies

A gap analysis exercise to ascertain HEAnet and EduCampus Services' compliance with the Code of Practice for the Governance of State Bodies was completed during November 2022, and reviewed by the Group Audit & Risk Committee in November 2022 and the HEAnet and EduCampus Services Boards at their December 2022 Board meetings. A further review also took place following the conclusion of the financial year.

The 2022 gap analysis exercise reviewed compliance with 260 Code Provisions and identified full or partial compliance with 71%/185 Code Provisions. In 2021, 246 Code Provisions were reviewed, which identified full or partial compliance with 74%/184 Code Provisions.

Figure 8:
Code Compliance



As HEAnet and EduCampus Services are companies incorporated under the Companies Act 2014, the parties acknowledge that *"The provisions of this Code do not override existing statutory requirements and other obligations imposed by the Companies Act 2014... or any other relevant legislation."*⁵

In December 2021, a Business Performance and Delivery Agreement ("BPDA") between the Department of Education (the "DoE"), the Department of Further and Higher Education, Research, Innovation and Science ("DFHERIS"), HEAnet and EduCampus Services was executed by all parties⁶. As part of the finalisation of the BPDA, over the course of 2021, there was extensive communication with the DoE on HEAnet and EduCampus Services' compliance with the Code of Practice for the Governance of State Bodies.

⁵ Code of Practice for the Governance of State Bodies page 6

⁶ The Business Performance & Delivery Agreement was approved by the HEAnet Board at its meeting in November 2021, and approved by the EduCampus Services Board at its meeting in December 2021

The Charities Governance Code

During the year, the Boards and Executive of the Companies worked to ensure compliance with the Charities Governance Code.

The HEAnet Charities Governance Code Compliance Record Form for 2022 was approved by the HEAnet Board in February 2023.

The EduCampus Services Charities Governance Code Compliance Record Form for 2022 was approved by the EduCampus Services Board in March 2023. A copy of the approved Charities Governance Code Compliance Record Form for each Company is available on each Company's website.

HEAnet and EduCampus Services confirm their compliance with the Charities Governance Code for 2022.

Strategy

HEAnet Group Strategy

A HEAnet Group Strategy Steering Committee was formed in 2019 and met several times during 2019 and 2020 to develop a Group strategy.

The EduCampus Services Board approved the Group Strategy at its April 2020 meeting, and the HEAnet Board at its May 2020 meeting. Both Boards acknowledge that the Group strategy enables HEAnet and EduCampus Services to move into new areas of collaborative work.

Work will continue during 2023 to develop and implement Group objectives.

HEAnet Strategy

The HEAnet Strategy 2020-2022 was formally approved by the HEAnet Board at its May 2020 meeting following the approval of the Group Strategy (having been previously approved in principle at the December 2019 board meeting). In September 2022, the HEAnet Board formally approved the extension of the HEAnet strategy to 2024. An update on the HEAnet Strategic Plan for 2023 – 2024 was presented to the board in February 2023, and is available at www.heanet.ie/news/publications.

HEAnet's Company objectives for 2022 were approved by the HEAnet Board in February 2022, and an update was provided to the Board in December 2022. The Board approved the 2023 Company objectives for HEAnet in December 2022 and these will be kept under review over the course of 2023.

EduCampus Services Strategy

The EduCampus Services strategy 2020-2024 was formally approved by the EduCampus Services Board at its April 2020 meeting and sets out the Company's ambition to realise the vision to empower higher education through quality IT Shared Services.

Risk Management

Risk and control functions in HEAnet and EduCampus Services are overseen by the Group Audit & Risk Committee. A Board-level risk register is actively maintained in each Company. They are reviewed at each quarterly Group Audit & Risk Committee meeting to ensure new risks are identified and expended risks deleted. Each Board receives quarterly updates from the Group Audit & Risk Committee on risk management in its respective Company, and the updated risk registers are approved as appropriate. In addition, corporate-level risk registers are supported by function risk registers and team risk registers within each Company. They are reviewed on a regular basis by the members of the executive team within each Company.

The Group risk management policy ensures that the companies are equipped to monitor and manage key risks in line with good practice. The policy is intended to support compliance with the Code of Practice for the Governance of State Bodies. During 2022, an external review of the Group Risk Management Framework ("the Group Risk Management Framework Review"), to include the Group Risk management policy, was undertaken, with a report on the Group Risk Management Framework Review and was presented to the Group Audit & Risk Committee in November 2022. This report was summarised to the HEAnet and EduCampus Services Boards in December 2022.

A further update was provided to the Group Audit & Risk Committee in February 2023, setting out the Companies' plans to implement the recommendations arising from the Group Risk Management Framework Review.

The HEAnet Group risk appetite⁷ statement for 2022 was as follows:

As public interest organisations, HEAnet Group companies seek to mitigate risk as far as possible. It is recognised, however, that to successfully achieve their core missions, both companies must be prepared to accept some risk and avail of opportunities where the potential reward justifies the acceptance of a certain level of additional risk.

Procurement

As publicly funded companies, HEAnet and EduCampus Services adhere to national and EU rules governing public procurement. Office of Government Procurement ("OGP") frameworks are utilised extensively as required. HEAnet adheres to an ICT support agreement which has been agreed with DoE, DFHERIS and the OGP.

The agreement formally recognises HEAnet's ICT procurement support role in the context of the brokerage services it provides to the education and research sector. In addition, it clarifies that HEAnet can leverage OGP frameworks whilst also recognising that HEAnet create their own frameworks and, further, that HEAnet leverage the procurement conduits of GÉANT and fellow NRENs on behalf of its clients.

⁷ The Orange Book: Management of Risk: Principles and Concepts - Risk appetite refers to "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time".

EduCampus Services Board of Directors

As per its Constitution, a minimum of four Directors and a maximum of twelve Directors serve on the EduCampus Services Board, unless otherwise required by a majority of the members of the Company.

The appointment of each Director of the Company is subject to the prior written approval of the members in conjunction with their voting rights. The Chairperson of the Board of Directors of HEAnet and the Chief Executive Officer of HEAnet serve as ex-officio Directors on the Board of EduCampus Services.

The Board of EduCampus Services comprises Directors appointed by the HEAnet Board without consultation with any other party, organisation or body and Directors appointed by the HEAnet Board after consultation with the Technological Higher Education Authority ("THEA").

The Directors of EduCampus Services who served during the financial year ended 31st December 2022

| Name | Appointed | Resigned/Retired |
|------------------------------|-----------|------------------|
| Mr Ronan Byrne | | |
| Mr David Denieffe | | |
| Ms Sheena Duffy | | July 2022 |
| Mr John Gill | | |
| Ms Mary Kerr | | |
| Dr Aidan McGrath | | |
| Dr Joseph Ryan (Chairperson) | | |
| Professor Anne Scott | | |
| Mr David Smith | | |

As at 31st December 2022, the EduCampus Services Board had two (2) / 25% female and six (6) / 75% male members. Ms Sinead Ryan was appointed as a Director of EduCampus Services with effect from 16th March 2023. Professor Anne Scott retired from the Board on 14th April 2023 and Professor Mike Murphy was appointed to the Board, also with effect from 14th April 2023.

As at the end of 2022, EduCampus Services did not have the Government target of a minimum of 40% representation of each gender in its membership⁸. As with the HEAnet Board, the EduCampus Services Board, together with the Group Nomination Committee are very mindful of the benefits of diversity and this has formed a major component of discussions in relation to Board refreshment and succession planning.

The EduCampus Services Board met four times in 2022: March, May, September, and December 2022. The Board has a schedule of standing agenda items which sets out the key matters to be considered at the board meetings, and which includes:

- Reports from the Chief Executive Officer and the executive team.
- Bi-annual reports from the HEAnet Chief Executive Officer
- Declaration of conflicts of interests
- Reports from Group Committees
- Updates on financial reporting and budgeting
- Review of risk registers
- Corporate governance matters

During 2022, the EduCampus Services Board also considered, and where appropriate approved, the following key matters:

- The 2021 Annual Report and Financial Statements, having convened with the External Auditor.
- The EduCampus Services quarterly financial statements.
- The HEAnet Group pension plan, including the Trustee Annual Report for the period 1st September 2020 to 31st August 2021 and the 2021 Governance and Operational Report.
- The EduCampus Services budget for 2022 to 2025.
- Material projects and funding updates.
- The change in Company Secretary with effect from 3rd October 2022.
- Compliance with the Code of Practice for the Governance of State Bodies.
- The results, and associated recommendations arising from the Group Risk Management Framework Review.
- The re-appointment of the external auditor and the internal auditor, including the procurement process associated therewith.

In addition to the above, the Board also received an update from the People Operations function. It reviewed the Group Audit & Risk Committee's quarterly updates and Annual Report for 2022. It approved the amendments to the Board risk register and noted the progress made on implementing recommendations from prior year internal audit reviews. It also considered Board refreshment and succession planning and approved the Director Development Training Schedule for 2023.

⁸ As per guide for State Boards in the Code of Practice for the Governance of State Bodies.

1. Board Meeting Attendance 2022

HEAnet

| Director | Attendance |
|--|------------|
| Dr Billy Bennett | 5/6 |
| Mr Gary Butler (Appointed December 2022) | 1/1 |
| Dr Sandra Collins (Appointed July 2022) | 2/3 |
| Dr Gerard Culley | 6/6 |
| Ms Sheena Duffy (Retired July 2022) | 3/3 |
| Dr Paul Feldman ⁹ | 6/6 |
| Mr Philip Fischer | 6/6 |
| Dr Orla Flynn | 5/6 |
| Ms Rosemary Fogarty (Retired June 2022) | 2/3 |
| Mr Patrick Magee (Deputy Chairperson) | 6/6 |
| Ms Colette McKenna (Retired May 2022) | 2/3 |
| Professor Michael Murphy | 6/6 |
| Professor Noel O'Connor | 5/6 |
| Ms Dearbhla O'Reilly (Retired December 2022) | 5/5 |
| Professor Anne Scott (Chairperson) | 6/6 |
| Ms Aoife Tuohy (Appointed February 2022) | 4/5 |

EduCampus Services

| Director | Attendance |
|-------------------------------------|------------|
| Mr Ronan Byrne | 4/4 |
| Mr David Denieffe | 3/4 |
| Ms Sheena Duffy (Retired July 2022) | 1/2 |
| Mr John Gill | 3/4 |
| Ms Mary Kerr | 4/4 |
| Dr Aidan McGrath | 4/4 |
| Dr Joseph Ryan (Chairperson) | 4/4 |
| Professor Anne Scott | 3/4 |
| Mr David Smith | 4/4 |

2. HEAnet Group Committees

As set out on page 18, HEAnet and EduCampus Services share the following standing Group Committees:

Group Audit & Risk Committee¹⁰

The purpose of the Group Audit & Risk Committee is to support the Boards of HEAnet and EduCampus Services in meeting their responsibilities for matters relating to risk management, controls, and governance. The Group Audit & Risk Committee's role is to provide assurance to the Boards of the Companies by ensuring that a system of internal control, comprising financial and operational controls, compliance and risk management is maintained and operated effectively.

An independent audit firm provides the internal audit function for HEAnet and EduCampus Services. The Group Audit & Risk Committee approves a risk based internal audit plan on a three-year rolling basis. The Internal Auditor undertakes an annual audit of the system of internal financial control and other risk-based audits that focus on key business areas identified in the risk registers.

The Group Audit & Risk Committee held four scheduled meetings during 2022: February, April, August, and November 2022. At its meetings, the Group Audit & Risk Committee, amongst other matters, reviewed, and where appropriate, approved the following matters:

- The audited annual statutory accounts for the period ending 31st of December 2021 having convened with the External Auditor.
- The previous year's internal audit progress reports.
- The internal audit reports arising from the HEAnet and EduCampus Services System of Internal Financial Controls audits.
- The internal audit reports, and associated recommendations, arising from operational audits undertaken at HEAnet and EduCampus Services.
- The HEAnet and EduCampus Services Board level risk registers.
- Data protection and developments in technology regulation.
- The External Auditor's Letter of Engagement.
- The Internal Audit Plan for 2022 to 2025.
- The output of the fraud risk assessment.
- The Group's Protected Disclosure Policy.
- The Internal Controls Questionnaire as completed by the Chief Executive Officer in each organisation, which allowed the Group Audit & Risk Committee to evaluate internal controls across a broad range of areas.
- The report arising from the Group Risk Management Framework Review.
- Compliance with the Code of Practice for the Governance of State Bodies.
- The requirements under Section 225 of the Companies Act 2014 in relation to the HEAnet Directors' Compliance Statement.

⁹ Dr Paul Feldman is appointed in accordance with Article 42(c) of the Constitution.

¹⁰ Code of Practice for the Governance of State Bodies – Section 7.2 "establishing an Audit and Risk Committee to give an independent view in relation to risks and risk management systems;"

In addition to the above, in advance of making a recommendation to the HEAnet and EduCampus Services' Boards, it considered the procurement process associated with the external audit and internal audit services tender process and output. In this regard, an additional, fifth meeting of the Group Audit & Risk Committee was held in December 2022.

The Audit & Risk Committee had been scheduled to receive the draft reports arising from the Cyber Security Management audits undertaken in respect of both HEAnet and EduCampus Services during 2022, however, the reports were not finalised in time for the November 2022 Audit & Risk Committee meeting and were subsequently presented by the Internal Auditor at the February 2023 Audit & Risk Committee meeting.

Membership of the Group Audit & Risk Committee during 2022 and meeting attendance

| Member | Date Appointed/ Retired | Attendance at 2022 committee meetings |
|---|--|--|
| Dr Gerard Culley (HEAnet nominee) | Joined Committee in September 2017 Appointed Chairperson of Committee in February 2022 | 5/5 |
| Dr Billy Bennett (HEAnet nominee) | Joined Committee in September 2020 | 3/5 |
| Ms Mary Kerr (EduCampus Services nominee) | Joined Committee in September 2017 | 5/5 |
| Dr Michael O'Malley (Independent external member) | Joined Committee in December 2016 Retired from Committee in December 2022 | 4/5 |
| Ms Dearbhla O'Reilly (HEAnet member) | Appointed to the Committee in February 2016 Appointed Chairperson of the Committee in September 2020 Retired from the Committee in February 2022 | 1/1 |
| Ms Aoife Tuohy | Joined Committee in May 2022 | 3/3 |

Mr Cormac McSweeney was appointed as the external independent member of the HEAnet Audit & Risk Committee in February 2023.

Group Finance Sub-Committee

The Group Finance Sub-Committee considers all financial matters relating to HEAnet and EduCampus Services and reports its findings and recommendations to the respective Boards. The Group Finance Sub-Committee held four scheduled meetings during 2022: February, April, August, and November 2022. At its meetings, the Finance Sub-Committee, amongst other matters, reviewed, and where appropriate, approved the following matters:

- The quarterly financial and non-financial metrics, management financial statements and the general financial state of HEAnet and EduCampus Services.
- The HEAnet and EduCampus Services' audited statutory accounts for year ending 31st December 2021.
- The HEAnet and EduCampus Services budgets, including major capital grant applications for both organisations.
- The EduCampus Services client charging model.
- The relocation of the HEAnet office.
- The financial implications and risks of major funded project activity.
- Capital projects.

Membership of the Group Finance Sub-Committee during 2022 and meeting attendance

| Member | Date Appointed/ Retired | Attendance at 2022 committee meetings |
|---|--|--|
| Professor Michael Murphy (HEAnet Nominee) (Previously EduCampus Services Nominee) | Joined Committee in September 2020 Appointed Chairperson of Committee in August 2022 | 4/4 |
| Ms Rosemary Fogarty (HEAnet Nominee) | Joined Committee in September 2017 Retired from Committee in June 2022 | 2/2 |
| Mr Phillip Fischer (HEAnet Nominee) | Joined Committee in May 2022 | 2/2 |
| Ms Colette McKenna (HEAnet Nominee) | Joined Committee in February 2016 Retired from Committee in February 2022 | 1/1 |
| Professor Anne Scott (HEAnet Nominee) | Joined Committee in July 2018 | 3/4 |
| Mr David Smith (EduCampus Services Nominee) | Joined Committee in April 2022 | 3/3 |

Group Remuneration Committee

Traditionally, the Group Remuneration Committee has met annually at the beginning of the year to review and consider the performance and remuneration of the Chief Executive Officers of HEAnet and EduCampus Services and make recommendations to the respective Boards in respect of remuneration related matters.

In December 2022, the HEAnet Board approved revised Terms of Reference for the Group Remuneration Committee such that, with effect from 2023, the Remuneration Committee will convene twice per year. The membership structure of the Remuneration Committee was also updated, such that a single Group Remuneration Committee considers matters pertaining to the HEAnet and EduCampus Services Chief Executive Officer's remuneration. With effect from 2023, the Group Remuneration Committee consists of two members from the HEAnet Board and two members from the EduCampus Services Board. Both the HEAnet Board Chairperson and the EduCampus Services Board Chairperson serve on the Group Remuneration Committee, however, neither acts as Chairperson of the Group Remuneration Committee.

During 2022, members of the Group Remuneration Committee were as follows:

HEAnet Remuneration Committee:

- Professor Anne Scott - Chairperson of the HEAnet Board of Directors
- Ms Dearbhla O'Reilly - Chairperson of the Group Audit & Risk Committee (retired from the Group Remuneration Committee in May 2022)
- Ms Sheena Duffy - member of the Group Finance Sub-Committee (retired from the Group Remuneration Committee in May 2022)

EduCampus Services Remuneration Committee:

In addition to the above membership, the following members were part of the Remuneration Committee in respect of the EduCampus Services Chief Executive Officer.

- Dr Joseph Ryan - Chairperson of EduCampus Services Board of Directors
- Mr Ronan Byrne - HEAnet Chief Executive Officer

Group Nomination Committee

The Group Nomination Committee's Terms of Reference were reviewed and updated in November 2022 and approved by the HEAnet Board in December 2022. During 2022, the Group Nomination Committee convened on six occasions to consider matters pertaining to HEAnet and EduCampus Services Board and Group Committee composition, refreshment and succession planning. It gave detailed consideration to the skills and experience required on the Boards and/ or Group Committees and the need to promote and enhance diversity.

Membership of the Group Nomination Committee during 2022 and meeting attendance

| Member | Date Appointed/ Retired | Attendance at 2022 committee meetings |
|---|---|--|
| Mr Patrick Magee (HEAnet Nominee) (Previously EduCampus Services Nominee) | Joined Committee in September 2021 Appointed Chairperson of Committee in September 2021 | 6/6 |
| Dr Orla Flynn (HEAnet appointee) | Joined Committee in September 2021 | 6/6 |
| Ms Sheena Duffy (HEAnet nominee) | Joined Committee in November 2021 Retired from Committee in July 2022 | 3/4 |
| Mr John Gill (EduCampus Services appointee) | Joined Committee in September 2021 | 4/6 |
| Mr Noel O'Connor (HEAnet appointee) | Joined Committee in September 2021 | 6/6 |

3. Induction and training for Directors

Newly appointed Directors undergo an induction programme, which includes a Group overview, an outline of Group and Company policies and procedures, as well as details of Directors' duties and corporate governance. In addition, a Director Development Training Schedule for 2023 was approved by the Boards of both HEAnet and EduCampus Services in 2022. The first Director Development Training Session for 2023 was held in February 2023 for the Directors of both HEAnet and EduCampus Services, covering Directors' duties, conflicts of interests along with whistleblowing and protected disclosures. A further Director Development Training Session will be held later in the year.

4. Board and sub-committee expenses

HEAnet and EduCampus Services directorships are on a pro-bono basis, as stipulated in each Company's constitution. Travel costs and expenses incurred by Directors in connection with the business of the Companies are reimbursed in accordance with the rates approved by the Minister for Finance and the Minister for Public Expenditure and Reform. The aggregate expenses paid to Board Directors during 2022 was €933.23 (HEAnet: €933.23; EduCampus Services: zero).

REFERENCE AND ADMINISTRATIVE DETAILS

Ordinary members

The Ordinary Members of HEAnet CLG are:

- Trinity College Dublin
- University College Dublin
- University College Cork
- University of Galway
- University of Limerick
- Dublin City University
- Maynooth University
- Technological University Dublin
- Technological Higher Education Association (two members)
- Department of Enterprise, Trade and Employment (formerly Business, Enterprise, and Innovation)
- The Higher Education Authority

The Ordinary Members of HEAnet may also consist of persons appointed as members by the Higher Education Authority, after consulting with the Technological Higher Education Association Council of Directors and Department of Enterprise, Trade and Employment (formerly Business, Enterprise and Innovation) and are subject to the maximum of:

- Two people to be members to represent the Technological Higher Education Association; and
- One person to be a member to represent the Department of Enterprise, Trade and Employment (formerly Business, Enterprise, and Innovation).

The appointed representatives to act on behalf of the Ordinary Members are:

| | |
|--|-----------------------|
| • Trinity College Dublin | Mr John Coman |
| • University College Dublin | Mr David Kelly |
| • University College Cork | Ms Nora Geary |
| • University of Galway | Ms Sharon Bailey |
| • University of Limerick | Professor Kerstin Mey |
| • Dublin City University | Dr Declan Raftery |
| • Maynooth University | Dr Mike O'Malley |
| • Technological University Dublin | Ms Bridget Gleeson |
| • Technological Higher Education Association | Vacant |
| • Technological Higher Education Association (SETU) | Mr Cormac O'Toole |
| • Department of Enterprise, Trade and Employment (formerly Business, Enterprise, and Innovation) | Vacant |
| • The Higher Education Authority | Dr Vivienne Patterson |

The Directors, Company Secretary and their families had no beneficial interests in the Group and Company as at 31st December 2022.

Directors' Compliance Statement

The HEAnet Directors, in accordance with Section 225(2) (a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations". Relevant obligations, in the context of the Company, are the Company's obligations under:

- the Act, where a breach of the obligations would be a category 1 or category 2
- the Act, where a breach of the obligation would be a serious market abuse or prospectus offence; and
- tax law.

Pursuant to Section 225(2)(b) of the Act, the Directors confirm that:

- a compliance policy statement has been drawn up by the Company in accordance with Section 225(3)(a) of the Act setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations.
- appropriate arrangements and structures that, in their opinion, are designed to secure material compliance with the Company's relevant obligations, have been put in place; and
- a review has been conducted, during the financial year, of the arrangements and structures referred to in paragraph (ii).

Internal financial control

The Board acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated. Such a system can provide only reasonable and not absolute assurances against material error, and the system in place is proportionate to the size and nature of the Company.

The key procedures, which have been put in place by the Board, to provide effective internal financial control include the following:

- Adopting best practice corporate governance principles as described in the Code of Practice for the Governance of State Bodies. The Board is committed to following best practice corporate governance and complies with the Code of Practice for the Governance of State Bodies to the extent practical and possible.
- Clearly defined management responsibilities including segregation of duties and authorisation limits are in place for control of purchasing, payments, receipts and payroll.
- A comprehensive annual budgeting process that is reviewed and approved by the Group Finance Sub-Committee and the Board. The Board reviews financial reports and performance against budget throughout the year.
- Establishing formal procedures to monitor the activities and safeguard the assets of the organisation.
- The Group Audit & Risk Committee meets on a regular basis to discuss risk management, including financial risks. The Group Audit & Risk Committee also receives periodic reports from the outsourced internal audit function, which always includes an annual review of the system of internal financial controls.
- Reserving a schedule of matters for decision of the Board.

Through the steps above, the Board has reviewed the effectiveness of the system of internal control in 2022.

Disclosures required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that HEAnet CLG has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016, to the extent possible and practicable. The following disclosures are required by the Code:

Board fees

All fees paid to Board members are detailed in the governance section of the Trustees' Report.

Board meetings and attendance

A record of the numbers of Board and Committee meetings and the attendance records are described in the Structure, Governance and Management section of the Trustees' Report.

Employee short-term benefits breakdown

The Code requires that the State bodies provide information concerning short-term employee benefits in relation to services rendered during the reporting period where those benefits exceed the threshold of €60,000 – the data should be provided in bands of €10,000. In accordance with DPER Circular 13/2014 Management of and Accountability for Grants from Exchequer Funds, this information is presented in note 9 in the financial statements.

Termination / severance payments and agreements

The Code requires specific disclosures in relation to termination payments over €10,000. There were no termination or severance payments made in 2022 (2021: zero).

Disclosure of key management personnel compensation

The disclosure of key management personnel compensation is detailed in the financial statements in note 9.

Legal costs and settlements

There were no costs relating to fees for legal proceedings or settlements in 2022. This category does not include expenditure incurred in relation to general legal advice received by HEAnet which is disclosed in consultancy costs below.

Consultancy costs

The breakdown of consultancy costs is presented below:

| | 2022 | 2021 |
|--------------------------------|----------|----------|
| Tax and financial advisory | €40,727 | €20,423 |
| Consultancy other | €223,366 | €117,242 |
| Pension and human resources | €31,769 | €37,273 |
| Legal | €29,684 | €18,951 |
| Public relations and marketing | €89,201 | €95,165 |
| Total | €414,746 | €289,054 |

Travel and subsistence and hospitality expenditure

Travel and subsistence and hospitality expenditure are categorised as follows:

| | 2022 | 2021 |
|----------------------|----------|---------|
| International Travel | €45,116 | €1,020 |
| National Travel | €17,204 | €12,769 |
| Hospitality | €52,679 | €40,382 |
| Total | €114,999 | €54,171 |

Statement of compliance

The Board has adopted the Code of Practice for the Governance of State Bodies and has put procedures in place to ensure compliance with the Code to the extent practicable and possible. HEAnet has complied with the requirements of the Code as published by the Department of Public Expenditure and Reform in August 2016 to the extent practicable and possible.

Events since the end of the financial period

There were no significant events which occurred between 31st December 2022 and the date of approval of the Annual Report & Financial Statements.

Political donations

There were no political donations made by the Company during the financial period ended 31st December 2022.

Research and development

The Company did not engage in research and development activities during the financial period ended 31st December 2022.

Disclosure of information to auditor

The Directors in office at the date of approval of the Annual Report and Financial Statements have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the Company's external auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the External Auditor is aware of that information.

Statutory auditors

The External Auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office, and a resolution that it continue in office will be proposed at the Annual General Meeting.

On behalf of the Board

Professor Mike Murphy
Dr Gerard Culley

11th May 2023

Statement of Internal Control

1. Responsibility

On behalf of the Directors of HEAnet CLG ("HEAnet"), I acknowledge our responsibility for ensuring that an effective system of internal controls is put in place, maintained and operated.

2. Effectiveness

The system of internal controls can provide only reasonable and not absolute assurance that Company assets are safeguarded, transactions are properly authorised and recorded, and that material errors, irregularities or fraud would be prevented or detected in a timely period.

3. Key control procedures

HEAnet's system of internal control is based on a framework of regular management information and an administrative system based on division of responsibilities, delegation and accountability. In practice, effective internal control is ensured by adhering to a formalised system of internal financial policies and procedures, of which the key controls are:

- Clearly defined management responsibilities including segregation of duties and authorisation limits for approvals of payments;
- Adopting the relevant corporate governance principles from the Code of Practice for the Governance of State Bodies as agreed in the Business Performance and Delivery Agreement ("BPDA") with the Department of Education and the Department of Further and Higher Education, Research, Innovation and Science;
- Establishing formal procedures to monitor the activities and safeguard the assets of the organisation;
- An annual budgeting process that is reviewed and approved by the Group Finance Sub-Committee and the Board of Directors;
- Regular financial reporting by management to the Group Finance Sub-Committee and the Board of Directors on performance against budgets;
- Reserving a schedule of matters for decision of the Board.

Effective monitoring and reviewing of the systems of internal control by the HEAnet Board is informed by the work of the Group Audit & Risk Committee, the Internal Auditor and the External Auditor. The Management Team led by the Chief Executive Officer, is responsible for the development and maintenance of the internal controls framework.

The Boards of Directors of HEAnet Group (including HEAnet's subsidiary, Educampus Services) are served by a common, permanent Group Audit & Risk Committee, comprising members from the Board of HEAnet, the Board of Educampus Services, and an external member from HEAnet's Ordinary Member network. As described in the Group Audit & Risk Committee's Terms of Reference, the Group Audit & Risk Committee's duties include:

- responsibility for reviewing the effectiveness of internal controls;
- reviewing the risk management framework (including the risk appetite and risk register);
- reviewing the three-year internal audit plan, the internal audit charter and the internal auditor's work programme; and
- liaising with and receiving reports from the External Auditor.

Risk management and internal audit

The internal audit work programme including the three-year internal audit plan is prepared having regard to HEAnet's risk register. The risk register is reviewed at each meeting of the Group Audit & Risk Committee. The outcome of the discussion of risk at the Group Audit & Risk Committee is reported at each Board meeting. The Group Audit & Risk Committee meets with the External Auditor and the Internal Auditor in closed sessions in the financial year. The external auditor also presents to the HEAnet and EduCampus Services' Boards in May.

Internal audit services in 2022 were provided on an outsourced basis by Mazars LLP under a contract awarded in 2019 under an OGP framework. At a minimum, the internal audit work programme always includes an annual review of the system of internal financial controls. At least one further internal audit review of another part of HEAnet's operations also normally takes place during the year. During 2022 two targeted internal audit reviews took place.

Review of the system of internal financial controls

This review took place during May 2022 and the final report was presented by the internal auditor at the Group Audit & Risk Committee meeting in August 2022.

Cyber security management review

This review took place during 2022. The audit objective was to “provide assurance to the Directors on the cyber security management and governance controls in operation”. The outcome of the audit was presented to the Group Audit & Risk Committee in February 2023, and was considered by the HEAnet and EduCampus Services’ Boards in March 2023. No high priority findings requiring immediate management attention were identified, with the overall audit opinion providing reasonable assurance, specifically, the “audit results indicate that reasonable assurance can be placed on the adequacy and operating effectiveness of internal controls to mitigate and / or manage those inherent risks to which the activity under review is exposed”. The Group Audit & Risk Committee will monitor progress against each of the recommendations over the course of 2023.

The implementation of recommended actions arising from prior internal audit reviews are tracked by the Group Audit & Risk Committee at each scheduled Group Audit & Risk Committee meeting.

4. Annual review of controls

On behalf of the HEAnet Directors, I can confirm that for the year ended 31st December 2022, the Board of Directors of HEAnet carried out targeted reviews of the effectiveness of certain sections of the systems of internal controls.

5. Control weaknesses identified and reported in these accounts

No control weaknesses have been identified that resulted in an instance of fraud, or a material loss, contingency, or uncertainty being disclosed in the Financial Statements or the External Auditor’s Report on the Financial Statements.

6. Corrective action for specified weaknesses

There is no specific remedy of any control weaknesses arising from section five above that is to be described here.

7. Procurement

HEAnet Group strives for compliance with public procurement rules and guidelines. During the year the Group Audit & Risk Committee requested management to conduct an internal review on all purchasing activity from a procurement compliance perspective. On completion of the review, a number of non-compliant contracts for services utilised in 2022 were identified.

In HEAnet, eleven separate contracts, comprising total expenditure of €115,593 in 2022, were identified as non-compliant with public procurement rules and guidelines. In EduCampus Services, a further eleven non-compliant contracts were identified, comprising expenditure of €147,703 in 2022.

Management has committed to regularising the procurement status of each of these contracts.

On behalf of the Board

Professor Mike Murphy

11th May 2023

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the Group Financial Statements in accordance with Irish law.

Irish company law requires the Directors to prepare Group Financial Statements for each financial year which give a true and fair view of the assets, liabilities and financial position at the end of the financial year and the surplus and deficit for the financial year. Under company law, the Directors have prepared the Group financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish Law) and with the Statement of Recommended Practice Accounting for Further and Higher Education ("FE/HE SORP").

Under Irish company law, the Directors shall not approve the group financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position as at the end of the financial year and the surplus or deficit for the financial year.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the group financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the group;
- enable, at any time, the assets, liabilities, financial position and surplus or deficit of the group to be determined with reasonable accuracy; and
- are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Act 2014.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

On behalf of the Board

Professor Mike Murphy
Dr Gerard Culley

11th May 2023

Independent auditors' report to the members of HEAnet CLG group

Report on the audit of the financial statements

Opinion

In our opinion:

- HEAnet CLG's group financial statements and company financial statements (the "financial statements"): give a true and fair view of the group's and the company's assets, liabilities and financial position as at 31 December 2022 and of the group's and the company's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP) (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and Irish law);
- the company financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (Irish GAAP) (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and Irish law);
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

- the Consolidated and company balance sheet as at 31 December 2022;
- the Consolidated and company statements of Comprehensive Income and Expenditure for the year then ended;
- the Consolidated statement of Cash Flows for the year then ended;
- the Consolidated and company statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the company's ability to continue a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's or the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Trustees' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' Report for the year ended 31st December 2022 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 consolidated financial statements.



Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the company financial statements to be readily and properly audited.
- The Consolidated and Company Balance Sheet is in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Aisling Fitzgerald
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

11th May 2023

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Chartered Accountants

Consolidated and Company Statements of Comprehensive Income & Expenditure

Financial Year Ended 31 December 2022

| | | 2022 | | 2021 | |
|---|-------|-------------------|--------------|-------------------|--------------|
| | Notes | Consolidated € | Company € | Consolidated € | Company € |
| Income | | | | | |
| Funding body grants | 5 | 36,382,465 | 20,635,578 | 32,343,167 | 18,664,019 |
| Client connectivity income | 6 | 4,361,779 | 4,372,453 | 4,206,473 | 4,217,146 |
| Other client income | 7 | 3,442,968 | 2,355,367 | 7,438,287 | 2,374,946 |
| Investment income | 8 | 3,993 | 2,753 | 12,300 | 11,351 |
| | | 44,191,205 | 27,366,151 | 44,000,227 | 25,267,462 |
| Expenditure | | | | | |
| Staff costs | 9 | (10,576,372) | (7,851,594) | (9,811,934) | (7,443,821) |
| Direct costs of delivering services | 10 | (19,447,878) | (16,194,391) | (21,200,191) | (15,148,737) |
| Administration expenses | 10 | (3,661,112) | (2,853,147) | (2,346,344) | (1,761,481) |
| Other operating expenses | 10 | (10,859,000) | (820,175) | (10,672,276) | (943,941) |
| | | (44,544,361) | (27,719,307) | (44,030,745) | (25,297,980) |
| (Deficit)/Surplus before other gains/(losses) | | (353,156) | (353,156) | (30,518) | (30,518) |
| Gain on disposal of fixed assets | 12 | 4,188 | 4,188 | 704 | 704 |
| Total comprehensive (loss)/income for the year | | (348,968) | (348,968) | (29,814) | (29,814) |
| Represented by: | | | | | |
| - Restricted comprehensive loss/income for the year | | - | - | - | - |
| - Unrestricted comprehensive loss/income for the year | | (348,968) | (348,968) | (29,814) | (29,814) |
| - Attributable to the organisation | | (348,968) | (348,968) | (29,814) | (29,814) |
| | | (348,968) | (348,968) | (29,814) | (29,814) |

All items of income and expenditure relate to continuing activities.

Consolidated and Company Statements of Changes in Equity

Financial Year Ended 31 December 2022

| | Income and expenditure Account | | Total excluding non-controlling interest | Non-controlling interest | Total |
|--|--------------------------------|--------------|--|--------------------------|-----------|
| | Restricted | Unrestricted | | | |
| | € | € | € | € | € |
| CONSOLIDATED | | | | | |
| Balance at 1 January 2021 | - | 4,870,102 | 4,870,102 | 8 | 4,870,110 |
| Loss from the income and expenditure statement | - | (29,814) | (29,814) | - | (29,814) |
| Release of restricted funds spent in year | - | - | - | - | - |
| Total comprehensive income for the year | - | (29,814) | (29,814) | - | (29,814) |
| Balance at 31 December 2021 | - | 4,840,287 | 4,840,287 | 8 | 4,840,296 |
| Balance at 1 January 2022 | - | 4,840,287 | 4,840,287 | 8 | 4,840,296 |
| Loss from the income and expenditure statement | - | (348,968) | (348,968) | - | (348,968) |
| Release of restricted funds spent in year | - | - | - | - | - |
| Total comprehensive income for the year | - | (348,968) | (348,968) | - | (348,968) |
| Balance at 31 December 2022 | - | 4,491,319 | 4,491,319 | 8 | 4,491,327 |
| COMPANY | | | | | |
| Balance at 1 January 2021 | - | 3,493,025 | 3,493,025 | - | 3,493,025 |
| Loss from the income and expenditure statement | - | (29,814) | (29,814) | - | (29,814) |
| Release of restricted funds spent in year | - | - | - | - | - |
| Total comprehensive income for the year | - | (29,814) | (29,814) | - | (29,814) |
| Balance at 31 December 2021 | - | 3,463,211 | 3,463,211 | - | 3,463,211 |
| Balance at 1 January 2022 | - | 3,463,211 | 3,463,211 | - | 3,463,211 |
| Loss from the income and expenditure statement | - | (348,968) | (348,968) | - | (348,968) |
| Release of restricted funds spent in year | - | - | - | - | - |
| Total comprehensive income for the year | - | (348,968) | (348,968) | - | (348,968) |
| Balance at 31 December 2022 | - | 3,114,243 | 3,114,243 | - | 3,114,243 |

Consolidated and Company Balance Sheet

As at 31 December 2022

| | | 2022 | | 2021 | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | Notes | Consolidated € | Company € | Consolidated € | Company € |
| Non-current assets | | | | | |
| Intangible assets | 11 | 22,082 | 22,082 | 74,053 | 74,053 |
| Tangible assets | 12 | 2,730,523 | 2,723,032 | 2,228,410 | 2,217,273 |
| Financial assets | 13 | - | 92 | - | 92 |
| | | <u>2,752,604</u> | <u>2,745,205</u> | <u>2,302,463</u> | <u>2,291,418</u> |
| Current assets | | | | | |
| Trade and other receivables (including €nil (2021: €nil) due after more than one year) | 14 | 9,048,432 | 5,445,797 | 9,311,925 | 4,053,259 |
| Cash and cash equivalents | | <u>19,543,223</u> | <u>15,216,020</u> | <u>17,504,018</u> | <u>12,415,249</u> |
| | | 28,591,655 | 20,661,818 | 26,815,943 | 16,468,508 |
| Less: Creditors (amounts falling due within one year) | 15 | (14,237,186) | (11,225,613) | (12,561,887) | (7,171,826) |
| Net current assets | | <u>14,354,470</u> | <u>9,436,205</u> | <u>14,254,057</u> | <u>9,296,682</u> |
| Total assets less current liabilities | | <u>17,107,074</u> | <u>12,181,410</u> | <u>16,556,519</u> | <u>11,588,100</u> |
| Creditors (amounts falling due after more than one year) | | | | | |
| Deferred grants | 17 | (9,867,088) | (6,326,000) | (9,421,197) | (5,841,000) |
| Capital grants | 17 | <u>(2,748,656)</u> | <u>(2,741,165)</u> | <u>(2,295,026)</u> | <u>(2,283,889)</u> |
| | | (12,615,743) | (9,067,165) | (11,716,223) | (8,124,889) |
| Total net assets | | <u>4,491,327</u> | <u>3,114,243</u> | <u>4,840,296</u> | <u>3,463,211</u> |
| Restricted reserves | | | | | |
| Income and expenditure reserve - restricted reserve | 19 | - | - | - | - |
| Unrestricted reserves | | | | | |
| Income and expenditure reserve - unrestricted | 19 | <u>4,491,319</u> | <u>3,114,243</u> | <u>4,840,288</u> | <u>3,463,211</u> |
| | | 4,491,319 | 3,114,243 | 4,840,288 | 3,463,211 |
| Non-controlling interest | 19 | <u>8</u> | <u>-</u> | <u>8</u> | <u>-</u> |
| Total reserves | | <u>4,491,327</u> | <u>3,114,243</u> | <u>4,840,296</u> | <u>3,463,211</u> |

The financial statements were approved by the Governing Body on 11th May 2023 and were signed on its behalf on that date by:

On behalf of the Board

Professor Mike Murphy

Dr Gerard Culley

11th May 2023

Consolidated Statement of Cash Flows

Financial Year Ended 31 December 2022

| | 2022 Consolidated € | 2021 Consolidated € |
|---|---------------------------|---------------------------|
| Cash flow from operating activities | | |
| (Deficit) for the year | (348,968) | (29,814) |
| Adjustment for non-cash items | | |
| Amortisation of intangible assets | 51,971 | 45,453 |
| Depreciation on tangible assets | 1,273,799 | 1,093,611 |
| Profit on sale of tangible assets | (4,188) | (704) |
| Investment income | (3,993) | (12,300) |
| Increase in prepayments | (2,852,964) | (478,167) |
| Decrease/(Increase) in debtors | 3,490,670 | (3,291,517) |
| Increase in creditors | 1,301,087 | 707,834 |
| Increase in long term creditors | 899,521 | 1,025,941 |
| Net cash generated from/(used in) operating activities | 3,806,935 | (939,663) |
| Cash flows from investing activities | | |
| Proceeds from sales of tangible assets | 4,188 | 704 |
| Purchases of tangible fixed assets | (1,775,912) | (950,042) |
| Purchases of intangible assets | - | (101,614) |
| Interest received | 3,993 | 12,300 |
| Net cash used in investing activities | (1,767,731) | (1,038,652) |
| Cash flows from financing activities | | |
| Issue of ordinary share capital | - | - |
| Net cash used in financing activities | - | - |
| Net Increase/(Decrease) in cash and cash equivalents in the year | 2,039,204 | (1,978,315) |
| Cash and cash equivalents at beginning of the year | 17,504,018 | 19,482,332 |
| Cash and cash equivalents at end of the year | 19,543,223 | 17,504,018 |
| Components of cash and cash equivalents | | |
| Cash and cash equivalents comprised: | | |
| Cash at bank and in hand | 19,543,223 | 17,504,018 |
| Short term deposit accounts | - | - |
| Cash equivalents | 19,543,223 | 17,504,018 |

Notes to the Financial Statements

1 General information

(a) Overview of principal activities

HEAnet CLG is Ireland's National Education and Research Network, providing internet connectivity and associated ICT services to education and research organisations throughout Ireland, including all primary and post primary schools. Its subsidiary, EduCampus Services DAC, represents a continued commitment to the delivery of MIS shared services to the higher education sector.

(b) Subsidiaries

HEAnet CLG has one subsidiary Company EduCampus Services DAC. HEAnet holds 92% of the shares and has a controlling stake in that Company.

(c) Details of incorporation and registered office

HEAnet CLG was incorporated on 12th November 1997. EduCampus Services DAC was incorporated on 20th April 2015. The registered office of the Group and Company is 5 Exchange Place, IFSC, Dublin 1, D01 EK83.

2 Statement of compliance

The Group Financial Statements of HEAnet Group have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and Irish Law), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102")' and with the Statement of Recommended Practice - Accounting for Further and Higher Education 2015 ("HE SORP") and the Companies Act 2014.

3 Accounting policies

The principal accounting policies applied in the preparation of these consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation of Financial Statements

These consolidated Financial Statements are prepared on a going concern basis, under the historical cost convention.

The preparation of Financial Statements in conformity with FRS102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year. It also requires the Directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are disclosed in note 4.

(b) Going concern

The Group meets its working capital requirements by way of grant funding from the Department of Education, as well as membership contribution from clients. All necessary funding has been confirmed for 2023 and the importance of technology in education is appreciated now, more than ever. While the Government's financial position will be challenging next year and some downward budgetary pressure may be applied, the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, and having considered in detail the potential risks and likely impacts of the ongoing Coronavirus pandemic, continue to show that the Company should be able to operate within the level of its current cash reserves. The Directors are confident that adequate support will be made available for the Group to continue operations next year and into the future. The Group therefore continues to adopt the going concern basis in preparing Group Financial Statements.

(c) Basis of consolidation

The Group consolidated Financial Statements include the Financial Statements of the Company and all of its subsidiary undertakings made up to 31st December 2022.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors, which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

(d) Foreign currencies

The Group Financial Statements are presented in Euro, denominated by the symbol '€'.

The Group functional and presentation currency is the Euro.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions, except that where a transaction is covered by a forward exchange contract, the contracted exchange rate is used.

Profits and losses arising from foreign currency transactions and on settlement of amounts receivable and payable in foreign currency are dealt with in the profit and loss account. Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets. All foreign exchange gains and losses are presented in the profit and loss account within "other operating expenses".

(e) Income

Income is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered.

(i) Recognition of grant income

The HE SORP allows the accounting policy choice of applying the accruals model or the performance model when accounting for Government grants. Non-exchange transactions are defined as those transactions whereby an entity receives value from another entity without directly giving approximately equal value in exchange. As all of HEAnet grants are considered to be government grants, no non-exchange grant transactions have been recognised in the Financial Statements and the option to apply the accruals model to the recognition of all grant income has been adopted.

Grant income is recognised in income on an accruals basis over the periods in which the entity recognised the related costs for which the grant was intended to compensate.

Grants related to assets shall be recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as long-term capital grants.

Income includes grants received from the Department of Education for Central and Service Provision, Core HEAnet Infrastructure and IoT Infrastructure. Income also includes grants received directly from the Department of Education for the Primary Schools Network, and grants received for the phased national rollout of the 100Mbps to the Post-Primary Schools project. This project is funded by the Department of Communications, Climate Action and Environment for the first two years, and by the Department of Education from the third year.

(ii) Client connectivity

Client contributions are a contribution from member clients based on a client charging model prepared annually and approved by the Board of Directors. Income is recognised in the period in which it is earned.

Core HEAnet infrastructure client income comprises client contribution to the set-up costs of new point to point circuits, multi-media services, and co-location charges for equipment housing/hosted data services at HEAnet out-sourced facilities, and is recognised when the service is provided.

(iii) Other Client income

Client service income relates to additional optional client services, which are invoiced separately to the annual Client Contribution, and is recognised when the service is provided.

Brokerage services/support income includes client contribution to the management of, and participation in, commercial agreements to secure savings on behalf of HEAnet clients and is recognised when the service is provided.

Intercompany SLA income includes the agreed cost of support (Finance, HR, & LAN Support) provided by HEAnet to EduCampus Services and is recognised when the service is provided.

(iv) Recognition of costs associated with grant income and client charges

The associated costs of grants and client contributions are recognised in the cost line titled "Direct costs of delivering services", with the exception of staff, overhead and other administrative costs relating to projects, which are recognised in administration costs. Other operating costs includes other central costs associated with provision of services to clients including data centres and IT costs.

(v) Bank interest receivable

Bank interest income is recognised using the effective interest rate method.

(f) Employee benefits

The Group provides a range of benefits to employees, company sponsored health insurance, sick pay, risk cover and defined contribution pension.

(i) Short term benefits

Short-term benefits including compensation for loss of employment, holiday pay, and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Pensions

The Group operates a defined contribution pension plan for its employees. The pension entitlements of the employees are secured by contributions to a separately administered defined contribution pension scheme and the assets of the plan are held separately from the Group. Once the contributions have been paid, the Group has no further payment obligations. The expected cost of providing pensions to employees is charged to the profit and loss account when they are due. Amounts not paid are included in accruals in the balance sheet.

(g) Intangible assets

Computer software is carried at cost less accumulated amortisation and accumulated impairment and is amortised over its estimated useful life as follows:

| | |
|-------------------|---------|
| Computer software | 2 years |
|-------------------|---------|

Intangible fixed assets are reviewed for impairment if there is an indication that the intangible asset may be impaired.

(h) Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and accumulated impairment. Cost includes the original purchase price and costs directly attributable to bringing the asset to use.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives using the straight-line method. The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

| | |
|------------------------|---------------------------|
| Computer hardware | 3 years |
| Fixtures and fittings | 4 years |
| Leasehold Improvements | Remainder of lease period |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

Repairs and maintenance are accounted for through the profit and loss account.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(i) Impairment of non-financial assets

At the end of each financial year, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount is estimated.

If the recoverable amount of the asset is less than the carrying amount of the asset, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

(j) Investments - Company

Investments in subsidiary Company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

(k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

(l) Financial instruments

The Group has chosen to adopt the sections 11 and 12 of the FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in subsidiaries, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade and other debtors and cash and cash equivalents, which constitute financing transactions, are subsequently carried at amortised cost using the effective interest method.

At the end of each financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired, an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group Financial Statements.

(n) Indefeasible Rights of Use (IRU's)

Expenditure on the purchased IRU capacity contracts are accounted for as service contracts, and accordingly, the prepaid balance is recorded as a prepayment and is amortised on a straight line basis as an expense over the life of the service level agreement.

(o) Funds

All transactions of the organisation have been recorded and reported as income into or expenditure from funds which are classified as "restricted", "designated" or "unrestricted".

(i) Restricted funds

Income is treated as restricted where the grant donor has specified that it may only be used for a particular purpose or where it has been raised for a particular purpose. All other income is treated as unrestricted. Expenditure is treated as being made out of restricted funds to the extent that it meets the criteria specified by the donor or the terms under which it was raised. All other expenditure is treated as unrestricted.

(ii) Unrestricted funds

Unrestricted funds are client contributions received for the general purpose of the organisation which have no explicit restrictions attaching to them.

The balance of the unrestricted fund at the end of the year represents the reserves held by the organisation for general use in furtherance of its work.

(iii) Designated reserves

On occasion the Board designates certain elements of unrestricted funds to be used for a specific future purpose. The designated funds within unrestricted funds in place at the balance sheet date include infrastructure current expenditure. These funds have been designated by the Board for the purpose of certain funds to cover the cost of infrastructure which are funded in arrears. As these funds are an internal matter designated by the organisation, these have not been called out on the face of the primary statements, however transfers within designated reserves are dealt with in note 19 of the Financial Statements.

4 Critical accounting judgement and estimation uncertainty

The Directors make estimates and assumptions concerning the future in the process of preparing the Entity Financial Statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. While there is always a risk where judgements and estimates are used, none of these is considered by the Directors to pose a serious risk of requiring material restatement in the next financial year. This is addressed below:

Useful economic lives of tangible fixed assets

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments. The estimated useful lives of tangible fixed assets detailed in the accounting policies is considered appropriate.

Bad Debt Provision

The Directors have assessed the recoverability of trade debtors at year end and decided that an impairment provision is not required. All debtor balances are considered recoverable at the balance sheet date.

Grant Receivable

In the Directors view all grant receivables at the balance sheet date are recoverable in full.

5. Funding body grants

| | | 2022 | | 2021 | |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| | Notes | Consolidated € | Company € | Consolidated € | Company € |
| (a) Recurrent grant | | | | | |
| HEAnet recurrent grants | | 8,428,328 | 8,428,328 | 8,072,382 | 8,072,382 |
| Schools network infrastructure recurrent grants | | 1,639,607 | 1,639,607 | 1,605,036 | 1,605,036 |
| Schools high speed recurrent grants | | 6,553,275 | 6,553,275 | 7,461,805 | 7,461,805 |
| Schools Primary Broadband recurrent grants | | 2,526,644 | 2,526,644 | 75,177 | 75,177 |
| EduCampus Services operational recurrent grants | | 12,397,110 | - | 10,931,679 | - |
| | | <u>31,544,963</u> | <u>19,147,853</u> | <u>28,146,079</u> | <u>17,214,400</u> |
| (b) Specific grants | | | | | |
| European Commission grant | | 169,089 | 169,089 | 336,241 | 336,241 |
| MIS refresh project grant | | 2,061,257 | - | 998,378 | - |
| TU Merge Project | | 1,236,421 | - | 1,673,876 | - |
| e-Invoicing funding | | 48,453 | - | 52,402 | - |
| | | <u>3,515,220</u> | <u>169,089</u> | <u>3,060,897</u> | <u>336,241</u> |
| Total non-capital funding body grants | 16(a) | <u>35,060,183</u> | <u>19,316,942</u> | <u>31,206,975</u> | <u>17,550,641</u> |
| (c) Capital grants | | | | | |
| Core HEAnet infrastructure capital amortisation | 17(a) | 748,237 | 748,237 | 805,037 | 805,037 |
| Schools network infrastructure capital amortisation | 17(a) | 45,474 | 45,474 | 20,274 | 20,274 |
| Schools Primary Broadband amortisation | 17(a) | 146,644 | 146,644 | 61,223 | 61,223 |
| Schools high speed capital amortisation | 17(a) | 378,280 | 378,280 | 226,844 | 226,844 |
| Operational capital amortisation | 17(a) | 3,646 | - | 22,814 | - |
| | | <u>1,322,282</u> | <u>1,318,636</u> | <u>1,136,192</u> | <u>1,113,378</u> |
| Total funding body grants | | <u>36,382,465</u> | <u>20,635,578</u> | <u>32,343,167</u> | <u>18,664,019</u> |

6. Client connectivity income

| | 2022 | | 2021 | |
|--|-------------------|------------------|-------------------|------------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| Unrestricted client contribution charges | 4,198,700 | 4,209,374 | 4,044,084 | 4,054,757 |
| Unrestricted income from client connectivity charges | 163,079 | 163,079 | 162,389 | 162,389 |
| | <u>4,361,779</u> | <u>4,372,453</u> | <u>4,206,473</u> | <u>4,217,146</u> |

7. Other client income

| | 2022 | | 2021 | |
|--------------------------|-------------------|------------------|-------------------|------------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| Client service income | 3,000,840 | 1,149,626 | 6,760,976 | 1,179,247 |
| ICT Procurement | 442,128 | 792,765 | 677,311 | 946,285 |
| Intercompany SLA support | - | 412,976 | - | 249,414 |
| | <u>3,442,968</u> | <u>2,355,367</u> | <u>7,438,287</u> | <u>2,374,946</u> |

8. Investment income

| | 2022 | | 2021 | |
|-------------------|-------------------|--------------|-------------------|---------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| Interest received | <u>3,993</u> | <u>2,753</u> | <u>12,300</u> | <u>11,351</u> |

9. Staff costs

| | 2022 | | 2021 | |
|------------------------------------|-------------------|------------------|-------------------|------------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| (a) Staff costs | | | | |
| Salaries | 8,505,235 | 6,433,746 | 7,819,490 | 6,060,284 |
| Seconded costs | 172,228 | - | 192,609 | - |
| Social security costs | 900,930 | 676,348 | 854,375 | 659,896 |
| Retirement benefit costs | 798,800 | 590,174 | 762,682 | 584,822 |
| Company sponsored health insurance | 111,346 | 82,626 | 103,636 | 80,441 |
| Company sponsored risk | 87,833 | 68,700 | 79,142 | 58,378 |
| | <u>10,576,372</u> | <u>7,851,594</u> | <u>9,811,934</u> | <u>7,443,821</u> |

9. Staff costs (continued)

| (b) Remuneration | | 2022 | 2021 |
|---|--|---------------|---------------|
| Remuneration of other higher paid staff (company): | | Number | Number |
| €60,000 - €69,999 | | 12 | 11 |
| €70,000 - €79,999 | | 12 | 11 |
| €80,000 - €89,999 | | 8 | 7 |
| €90,000 - €99,999 | | 8 | 6 |
| €100,000 - €109,999 | | 8 | 7 |
| €110,000 - €119,999 | | 3 | 2 |
| €120,000 - €129,999 | | 2 | 3 |
| €130,000 - €139,999 | | - | - |
| €140,000 - €149,999 | | - | - |
| €150,000 - €159,999 | | - | 1 |
| €160,000 - €169,999 | | 1 | - |
| | | 54 | 48 |
| Remuneration of other higher paid staff (consolidated, including secondees): | | | |
| €60,000 - €69,999 | | 20 | 18 |
| €70,000 - €79,999 | | 14 | 16 |
| €80,000 - €89,999 | | 12 | 9 |
| €90,000 - €99,999 | | 9 | 6 |
| €100,000 - €109,999 | | 9 | 8 |
| €110,000 - €119,999 | | 4 | 3 |
| €120,000 - €129,999 | | 2 | 3 |
| €130,000 - €139,999 | | 1 | 1 |
| €140,000 - €149,999 | | - | - |
| €150,000 - €159,999 | | - | 2 |
| €160,000 - €169,999 | | 2 | - |
| | | 73 | 66 |
| (c) Average staff numbers by major category (HEAnet): | | | |
| Management | | 7 | 8 |
| Administration | | 19 | 16 |
| Technical/engineers/service delivery | | 62 | 60 |
| | | 88 | 84 |
| Average staff numbers by major category (consolidated, including secondees): | | | |
| Management | | 12 | 14 |
| Administration | | 24 | 20 |
| Technical/engineers/service delivery | | 84 | 78 |
| | | 120 | 112 |

Additional disclosures are included in the above table to show the number of staff in the band between €60,000 and €69,999. This is not required under the FE/HE SORP, but is a requirement of the Code of Practice for the Governance of State Bodies (2016).

(d) **Key management personnel**

The key management personnel of the group have been identified as the Directors (of whom none is appointed to any salaried office or position within the company), and the senior management team (12 personnel) (2021: 12). The total compensation paid to these personnel in 2022 was €1,701,400 (2021: €1,637,481) and this includes salary, pension contributions and health insurance contributions.

10. Analysis of total expenditure by activity

| | 2022 | | 2021 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| Staff costs (note 9 (a)) | 10,576,372 | 7,851,594 | 9,811,934 | 7,443,821 |
| Direct cost of delivering services | 19,447,878 | 16,194,391 | 21,200,191 | 15,148,737 |
| Administration expenses | 3,661,112 | 2,853,147 | 2,346,344 | 1,761,481 |
| Other operating expenses | 10,859,000 | 820,175 | 10,672,276 | 943,941 |
| | <u>44,544,361</u> | <u>27,719,307</u> | <u>44,030,745</u> | <u>25,297,980</u> |
| Administration expenses include: | | | | |
| Rent, rates, service charge and office support | 1,819,914 | 1,412,809 | 1,153,230 | 820,345 |
| Consultancy and professional fees | 490,914 | 414,746 | 359,087 | 288,031 |
| Depreciation and amortisation | 3,646 | - | 22,814 | - |
| External auditors' remuneration in respect of audit services* | 69,950 | 42,890 | 63,591 | 38,991 |
| External auditors' remuneration in respect of non-audit services* | 8,389 | 5,547 | 7,626 | 5,043 |
| Foreign exchange (gain)/loss | - | - | - | - |
| Other operating expenses include: | | | | |
| IT service costs | 9,502,073 | - | 8,943,437 | - |
| Service continuity | 907,402 | - | 1,072,867 | - |
| HEAnet Conference | 33,465 | 33,465 | 7,349 | 7,349 |

*Auditors remuneration is inclusive of VAT

11. Intangible assets

| | 2022 | | 2021 | |
|---------------------------------|-------------------|------------------|-------------------|------------------|
| | Consolidated € | Company € | Consolidated € | Company € |
| Cost | | | | |
| At 1 January | 635,926 | 465,257 | 560,705 | 390,036 |
| Additions in the year | - | - | 101,614 | 101,614 |
| Disposals | - | - | (26,393) | (26,393) |
| At 31 December | <u>635,926</u> | <u>465,257</u> | <u>635,926</u> | <u>465,257</u> |
| Accumulated amortisation | | | | |
| At 1 January | (561,874) | (391,205) | (542,813) | (372,144) |
| Charge for the year | (51,971) | (51,971) | (45,453) | (45,453) |
| Disposals | - | - | 26,393 | 26,393 |
| At 31 December | <u>(613,845)</u> | <u>(443,176)</u> | <u>(561,873)</u> | <u>(391,204)</u> |
| Net book value | | | | |
| At 31 December | <u>22,082</u> | <u>22,082</u> | <u>74,053</u> | <u>74,053</u> |

12. Tangible assets

| | Fixtures fittings and equipment € | Computer hardware € | Total € |
|---------------------------------|--|---------------------------|--------------|
| CONSOLIDATED | | | |
| Cost | | | |
| At 1 January 2022 | 428,458 | 15,257,763 | 15,686,220 |
| Additions | 211,865 | 1,564,047 | 1,775,912 |
| Disposals | - | (1,579,639) | (1,579,639) |
| At 31 December 2022 | 640,323 | 15,242,171 | 15,882,493 |
| Accumulated depreciation | | | |
| At 1 January 2022 | (417,320) | (13,040,490) | (13,457,810) |
| Charge for the year | (3,646) | (1,270,153) | (1,273,799) |
| Disposals | - | 1,579,639 | 1,579,639 |
| At 31 December 2022 | (420,967) | (12,731,004) | (13,151,970) |
| Net book value | | | |
| At 31 December 2022 | 219,356 | 2,511,167 | 2,730,523 |
| At 31 December 2021 | 11,137 | 2,217,273 | 2,228,410 |
| COMPANY | | | |
| Cost | | | |
| At 1 January 2022 | 21,713 | 15,170,528 | 15,192,241 |
| Additions | 211,865 | 1,564,047 | 1,775,912 |
| Disposals | - | (1,579,639) | (1,579,639) |
| At 31 December 2022 | 233,578 | 15,154,936 | 15,388,514 |
| Accumulated depreciation | | | |
| At 1 January 2022 | (21,713) | (12,953,256) | (12,974,969) |
| Charge for the year | - | (1,270,153) | (1,270,153) |
| Disposals | - | 1,579,639 | 1,579,639 |
| At 31 December 2022 | (21,713) | (12,643,770) | (12,665,483) |
| Net book value | | | |
| At 31 December 2022 | 211,865 | 2,511,167 | 2,723,032 |
| At 31 December 2021 | - | 2,217,273 | 2,217,273 |

12. Tangible assets (continued)

| | Consolidated | | Company | |
|---|--------------|-----------|-------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | € | € | € | € |
| Disposal figure includes the following: | | | | |
| Cost | | | | |
| Hardware | 1,579,639 | 257,873 | 1,579,639 | 257,873 |
| Software | - | 26,393 | - | 26,393 |
| Fixtures and fittings | - | 27,220 | - | 27,220 |
| Accumulated depreciation | | | | |
| Hardware | (1,579,639) | (257,873) | (1,579,639) | (257,873) |
| Software | - | (26,393) | - | (26,393) |
| Fixtures and fittings | - | (27,220) | - | (27,220) |
| Profit on disposal | | | | |
| Hardware | 4,188 | 704 | 4,188 | 704 |
| Future tangible asset purchase commitments | | | | |
| Contracted for but not provided in financial statements | 3,095,977 | - | 3,095,977 | - |
| Authorised by the directors but not contracted for | 2,484,156 | - | 2,484,156 | - |

No assets are held under finance leases.

Tangible assets additions includes €211,865 of assets awaiting commissioning for work completed on the design of the new office in North Dock 2. This asset will be capitalised and commissioned upon completion of the fitout works in 2023.

13. Financial assets

Fixed asset investments comprise HEAnet's shareholding in its subsidiary company, EduCampus Services DAC. HEAnet holds 92% of the shares and has a controlling stake in that company. EduCampus Services registered office is c/o HEAnet CLG, 5 George's Dock, IFSC, Dublin 1, D01 EK83.

EduCampus Services DAC was formed to provide quality IT and MIS shared services to the higher education sector, in line with the National Strategy for Higher Education to 2030. EduCampus Services DAC commenced business operations on 1st October 2015.

14. Trade and other receivables

| | Consolidated | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | € | € | € | € |
| Amounts falling due within one year: | | | | |
| Trade debtors | 377,598 | 2,596,460 | 377,323 | 981,893 |
| Amounts owed by group companies | - | - | 206,112 | 380,149 |
| Other debtors | 8,198 | 2,899 | 4,925 | 1,895 |
| Grant receivable | 673,003 | 1,669,420 | 641,062 | 357,290 |
| VAT receivable | - | - | - | - |
| Deferred expenditure | 7,989,632 | 5,043,146 | 4,216,375 | 2,332,031 |
| | <u>9,048,432</u> | <u>9,311,925</u> | <u>5,445,797</u> | <u>4,053,259</u> |

Amounts owed by group companies are unsecured, interest free and payable within 30 days in line with other HEAnet client invoices. There is no provision for impairment carried against trade debtors.

15. Creditors (amounts falling due within one year)

| | Consolidated | | Company | |
|--|-------------------|-------------------|-------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | € | € | € | € |
| Trade creditors | 1,488,769 | 1,704,960 | 1,325,877 | 781,711 |
| Accruals | 5,554,520 | 6,565,625 | 4,477,146 | 2,970,221 |
| Taxation and social insurance | 458,891 | 407,161 | 380,581 | 337,062 |
| Deferred grants | 5,208,549 | 2,549,916 | 4,154,867 | 2,532,677 |
| Deferred income | 1,362,177 | 1,200,535 | 778,814 | 458,166 |
| Other accruals | 164,279 | 133,691 | 108,327 | 91,989 |
| | <u>14,237,186</u> | <u>12,561,887</u> | <u>11,225,613</u> | <u>7,171,826</u> |
| Included in the above taxation and social insurance liability are the following: | | | | |
| VAT payable | 159,497 | 130,071 | 157,976 | 128,859 |
| RCT payable | 520 | 2,980 | 520 | 2,980 |
| PAYE | 141,186 | 133,280 | 108,153 | 98,766 |
| PRSI | 106,894 | 97,506 | 79,916 | 74,242 |
| Local property tax | 316 | 252 | 280 | 218 |
| Universal social charge | 28,853 | 26,277 | 21,611 | 19,884 |
| Company sponsored health insurance | 21,626 | 16,795 | 12,125 | 12,113 |
| | <u>458,891</u> | <u>407,161</u> | <u>380,581</u> | <u>337,062</u> |

Amounts owing to trade creditors are subject to agreed payment terms, which are generally 30 days. Tax and social insurance are repayable in accordance with the applicable statutory provisions.

16. Grants

| | Notes | Consolidated | | Company | |
|---|-----------|-------------------|-------------------|-------------------|-------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | € | € | € | € |
| (a) Grants | | | | | |
| Balance at beginning of the year | | 11,971,113 | 12,386,195 | 8,373,677 | 9,284,547 |
| Grants received/receivable during the year | | 39,940,617 | 31,836,098 | 23,200,044 | 17,683,975 |
| | | <u>51,911,731</u> | <u>44,222,293</u> | <u>31,573,720</u> | <u>26,968,522</u> |
| Less: | | | | | |
| Recurrent grant released to revenue | 5(a), (b) | (35,060,182) | (31,206,975) | (19,316,942) | (17,550,641) |
| Transfer to capital grants | 17 | (1,775,912) | (1,044,204) | (1,775,912) | (1,044,204) |
| Transfer to designated fund | | - | - | - | - |
| Deferred grants at end of year | | <u>15,075,637</u> | <u>11,971,114</u> | <u>10,480,866</u> | <u>8,373,677</u> |
| (b) Grants due within/after one year | | | | | |
| Thereof: | | | | | |
| Amounts falling due within one year | | 5,208,549 | 2,549,916 | 4,154,867 | 2,532,677 |
| Amounts falling due after one year | | <u>9,867,088</u> | <u>9,421,197</u> | <u>6,326,000</u> | <u>5,841,000</u> |
| | | <u>15,075,637</u> | <u>11,971,114</u> | <u>10,480,867</u> | <u>8,373,677</u> |

(c) Government grants

The majority of HEAnet Group's activity is supported by way of grant funding from the Department of Education.

Some grants (e.g. for operational costs the schools project, which is funded by the Department of Education) are 100% funded in arrears, based on matured liabilities.

Other grants are funded up to a certain agreed figure based on budgetary projections provided in advance by HEAnet. The Company is responsible for operating within the scope of the agreed budget.

Grants are provided on the basis of providing service in the periods to which the grants relate and are not contingent on meeting any future conditions.

The Group's obligations are organised so that the majority of contracts are cancellable on short notice periods (approximately three months) in the event grant funding was withdrawn.

16. Grants (continued)

(d) Analysis of deferred grants and grant income for the year ended 31 December 2022

| Name of grantor | Name of grant | Purpose of grant | Opening Deferral 1 January 2022 € | Grant Received 2022 € | Income and Expenditure 2022 € | Closing Deferral 31 December 2022 € | Reason for Closing Deferral |
|--|---------------|--|--|--------------------------------|--|---|--|
| Department of Education | Vote 26 C.16 | HEAnet Capital and Recurrent Research Grant | - | 896,063 | (896,063) | - | |
| Department of Education and the European Commission | Vote 26 C.12 | HEAnet Capital and Recurrent Research Grant | 7,766,125 | 9,237,512 | (8,264,485) | 8,739,152 | Commitments in 2022 for future expenditure |
| Department of Education | Vote 26 C.04 | Schools Broadband Network Capital and Recurrent Grant | 360,810 | 1,457,018 | (1,807,741) | 10,087 | Commitments in 2022 for future expenditure |
| Department of Education | Vote 26 C.04 | Schools Post-Primary Capital and Recurrent Grant | 246,742 | 6,204,526 | (6,385,141) | 66,128 | Commitments in 2022 for future expenditure |
| Department of Education | Vote 26 C.04 | Schools Primary Broadband intervention programme Capital and Recurrent Grant | - | 5,392,623 | (3,727,124) | 1,665,500 | Commitments in 2022 for future expenditure |
| Department of Further and Higher Education, Research, Innovation and Science | | Fund membership of European Open Science Cloud (EOSC) | - | 12,300 | (12,300) | - | |
| HEAnet Closing Balance | | | 8,373,677 | 23,200,044 | (21,092,854) | 10,480,867 | |

| Name of grantor | Name of grant | Purpose of grant | Opening Deferral 1 January 2022 € | Grant Received 2022 € | Income and Expenditure 2022 € | Closing Deferral 31 December 2022 € | Reason for Closing Deferral |
|---|---------------|---|--|--------------------------------|--|---|---|
| Department of Education | Vote 26 C.04 | These grants are utilised in providing quality IT and MIS shared services to the Institutes of Technology | 1,757,336 | 12,358,000 | (12,397,109) | 1,718,226 | Commitments in 2022 for future expenditure |
| Department of Education | Vote 26 C.16 | Funding the refresh of the remaining Managed Information Systems | 1,822,862 | 2,871,062 | (2,061,257) | 2,632,668 | Future capital purchase commitments for the MIS refresh project |
| TU Merge Projects | | Funding the Merging of Technological Universities | - | 1,480,296 | (1,236,420) | 243,876 | Future capital purchase commitments for the TU Merge projects |
| IT Sligo | | Funding the e-Invoicing project | 17,239 | 31,215 | (48,453) | - | |
| EduCampus Services closing balance | | | 3,597,436 | 16,740,574 | (15,743,240) | 4,594,770 | |
| HEAnet Group closing balance | | | 11,971,113 | 39,940,617 | (36,836,094) | 15,075,637 | |

17. Creditors (amounts falling due after more than one year)

| | Notes | Consolidated | | Company | |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | € | € | € | € |
| Deferred grants | 16(b) | 9,867,088 | 9,421,197 | 6,326,000 | 5,841,000 |
| Capital grants | 17(a) | 2,748,656 | 2,295,026 | 2,741,165 | 2,283,889 |
| | | <u>12,615,743</u> | <u>11,716,223</u> | <u>9,076,165</u> | <u>8,124,889</u> |
| (a) Capital Grants | | | | | |
| Balance at beginning of the year | | 2,295,026 | 2,387,014 | 2,283,888 | 2,353,063 |
| Grants received/receivable during the year | 16(a) | 1,775,912 | 1,044,204 | 1,775,912 | 1,044,204 |
| | | <u>4,070,938</u> | <u>3,431,218</u> | <u>4,059,799</u> | <u>3,397,267</u> |
| Amortisation for the year | | <u>(1,322,282)</u> | <u>(1,136,192)</u> | <u>(1,318,636)</u> | <u>(1,113,378)</u> |
| Balance at end of year | | <u>2,748,656</u> | <u>2,295,026</u> | <u>2,741,164</u> | <u>2,283,889</u> |
| Included in the amortisation of capital grants for the year is amortisation in respect of: | | | | | |
| Core HEAnet infrastructure | | 748,237 | 805,037 | 748,237 | 805,037 |
| Schools network | | 45,474 | 20,274 | 45,474 | 20,274 |
| Schools high speed | | 146,644 | 226,844 | 146,644 | 226,844 |
| Schools Primary Broadband | | 378,280 | 61,223 | 378,280 | 61,223 |
| EduCampus Services | | 3,646 | 22,814 | - | - |
| | | <u>1,322,282</u> | <u>1,136,192</u> | <u>1,318,636</u> | <u>1,113,378</u> |

18. Operating lease commitments

| | Consolidated | | Company | |
|--|-------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | € | € | € | € |
| Minimum lease payment under operating leases recognised as an expense during the year | <u>1,839,604</u> | <u>1,678,113</u> | <u>1,706,135</u> | <u>1,578,705</u> |
| At period end, the Company has outstanding commitments under non-cancellable operating lease that fall due as follows: | | | | |
| Within one year | 1,884,377 | 1,293,591 | 1,648,695 | 1,194,194 |
| Later than one year and not later than five years | 4,778,825 | 2,095,832 | 4,181,597 | 1,820,843 |
| Later than five years | <u>3,497,629</u> | <u>-</u> | <u>3,497,629</u> | <u>-</u> |
| Total lease payments due | <u>10,160,832</u> | <u>3,389,423</u> | <u>9,327,922</u> | <u>3,015,037</u> |

19. Funds note

| | Unrestricted funds - general reserve € | Designated funds - general reserve € | Total € |
|---|--|--|------------------|
| Consolidated | | | |
| Opening balance | 2,070,101 | 2,800,000 | 4,870,101 |
| Net movement in statement of comprehensive income | (29,814) | - | (29,814) |
| Movements between funds | - | - | - |
| Closing balance at 31 December 2021 | 2,040,288 | 2,800,000 | 4,840,288 |
| Net movement in statement of comprehensive income | (348,968) | - | (348,968) |
| Movements between funds | - | - | - |
| Closing balance at 31 December 2022 | 1,691,319 | 2,800,000 | 4,491,319 |
| Company | | | |
| Opening balance | 1,693,025 | 1,800,000 | 3,493,025 |
| Net movement in statement of comprehensive income | (29,814) | - | (29,814) |
| Movements between funds | - | - | - |
| Closing balance at 31 December 2021 | 1,663,211 | 1,800,000 | 3,463,211 |
| Net movement in statement of comprehensive income | (348,968) | - | (348,968) |
| Movements between funds | - | - | - |
| Closing balance at 31 December 2022 | 1,314,243 | 1,800,000 | 3,114,243 |

Restricted funds

Restricted funds comprise the following:

Restricted capital grants are grants received for capital expenditure relating to specific capital projects such as the Core HEAnet infrastructure capital project or the Schools network infrastructure capital project.

Grants are provided by the grant authority for the specific capital project stipulated. Amortisation of the relevant grants and the related depreciation expenditure are treated as restricted income and expenditure in the statement of comprehensive income and expenditure.

Other restricted funds relate to other income which has been received from a grant authority or other organisation with specific restrictions attaching to it. Such income is held in a restricted fund and utilised to fund the related expenditure when incurred. The Company does not have any restricted reserves €Nil (2021: €Nil).

Unrestricted funds

Unrestricted funds comprise the following:

Unrestricted general funds (primarily client contributions) comprise all funds which have been received and used in the ordinary course of business which are not subject to a specific restriction by the grantor or donor.

Designated funds

Designated funds include funds designated by the Board for a specific purpose. The Board designated an amount of €1.8m as a designated fund for infrastructure recurrent expenditure, ring-fenced for cash flow purposes because certain recurrent grants are received in arrears, and €1m as a designated fund ring-fenced for expenditure on the MIS project in future years.

20. Related party transactions

HEAnet provides network and related services to its members. It operates on a cost recovery basis, whereby the members approve a budget for HEAnet to provide the required services and HEAnet invoices the members in accordance with the services which have been requested. HEAnet is in receipt of grant funding which is used to offset the cost of providing these services.

In 2015, HEAnet established a subsidiary Company, EduCampus Services DAC, and HEAnet holds the majority of the shares (92%). The ultimate controlling party of the group is HEAnet. Business support services were provided to EduCampus Services DAC, which amounted to €412,976 (2021: €249,414).

On 1st March 2016, EduCampus Services became a client of HEAnet. Client contribution charges for 2022 were €10,674 (2021: €10,674).

Other services provided by HEAnet to EduCampus Services relate to Web-hosting, Managed IdP and Managed eduroam Radius Service. Other services charged by HEAnet for the period amounted to €9,340 (2021: €8,320). The balance receivable in respect of all services from EduCampus Services at the year-end was €Nil (2021: €249,414).

The receivable is unsecured, due in 30 days and no guarantees have been received.

Dr Orla Flynn is a director of HEAnet and is also the CEO of Atlantic Technological University ("ATU"). During the year HEAnet CLG provided services to ATU and received services from ATU. The services provided to ATU and provided from ATU were subject to normal commercial terms and amounted to the below:

During the year, HEAnet CLG provided services to ATU, and amounted to €66,500 (2021: €37,265). At the year end, the amount due from ATU was €800 (2021: €20).

During the year, HEAnet received services from ATU, and amounted to €2,100 (2021: €2,100). At the year end, the amount due to ATU was €1,500 (2021: €Nil).

Paul Feldman is a director of HEAnet CLG and is also a director of GÉANT. During the year HEAnet CLG provided services to GÉANT and received services from GÉANT. The services provided to GÉANT and provided from GÉANT were subject to normal commercial terms and amounted to the below:

During the year, HEAnet CLG provided services to GÉANT, and amounted to €12,000 (2021: €12,000). At the year-end, the amount due from GÉANT was €Nil (2021: €Nil).

During the year, HEAnet CLG received services from GÉANT, and this amounted to €438,050 (2021: €397,256). At the year-end, the amount due to GÉANT was €3,000 (2021: €86,525). Deferred expenditure in respect of GÉANT at year-end was €185,687 (2021: €181,289).

During the year, HEAnet CLG received grant income from GÉANT, and this amounted to €23,300 (2021: €85,062). The grant receivable in respect of GÉANT at year-end was €132,880 (2021: €Nil). The deferred grant in respect of GÉANT at year-end was €69,873 (2021: €350,755).

Limited by guarantee

The liability of members is limited to the amount (not to exceed €1.27) guaranteed by each member.

21. Pension plans

The pension entitlements of employees arise under a defined contribution plan, which commenced in September 1999. The Group's contribution charge to the profit and loss account for the year ended 31st December 2022 amounted to €798,800 (2021: €762,682).

22. Group structure

At 20th April 2015, HEAnet established a subsidiary Company EduCampus Services and retains a 92% controlling stake of the share capital of that Company.

23. Non-controlling interests

The movement in non-controlling interests was as follows:

| | 2022 € | 2021 € |
|---|-----------|-----------|
| At 1 January | 8 | 8 |
| Total comprehensive income attributable to non-controlling interest | - | - |
| At 31 December | 8 | 8 |

24. Subsidiaries and related undertakings

The related undertakings whose results or financial performance principally affect the figures shown in the consolidated financial statements are as follows:

| Company | Principal activity | Status | Country of incorporation |
|------------------------|---------------------|-----------|--------------------------|
| EduCampus Services DAC | MIS shared services | 92% owned | Ireland |

25. Subsequent events

There were no subsequent events to report.

26. Comparatives

Certain comparative figures have been re-classified for presentation purposes.

27. Approval of the financial statements

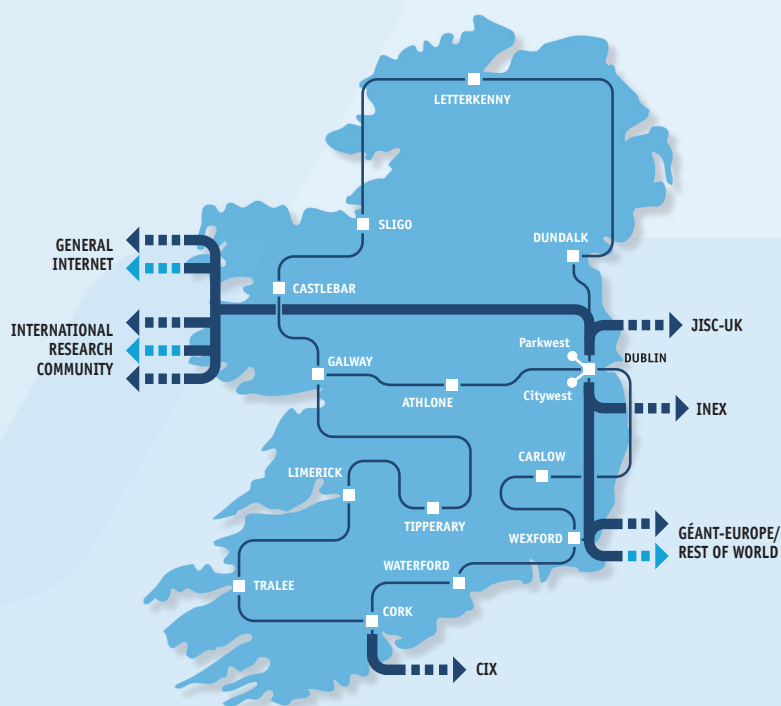
The directors approved the Group and Company financial statements on 11th May 2023.

HEAnet Network Infrastructure and Client List

- Atlantic Technological University
- Ballyfermot CFE
- Carlow College
- Cavan & Monaghan Education & Training Board
- Central Applications Office
- City of Dublin Education & Training Board
- College of Anaesthesiologists of Ireland
- Cork Education & Training Board
- CORU
- Department of Education
- Department of Further and Higher Education, Research, Innovation and Science
- Donegal Education & Training Board
- Dublin & Dun Laoghaire Education & Training Board
- Dublin City University
- Dublin Institute for Advanced Studies
- Dun Laoghaire Further Education Institute
- Dun Laoghaire Institute Of Art Design + Technology
- Dundalk Institute of Technology
- Economic and Social Research Institute
- EduCampus Services
- Education and Training Boards Ireland
- Education Shared Business Services
- Educational Research Centre
- Environmental Protection Agency
- Eurofound
- Galway & Roscommon Education & Training Board
- Grangegorman Development Agency
- Health Information and Quality Authority
- Health Research Board
- Higher Education Authority
- Houses of the Oireachtais
- IE Domain Registry
- Inland Fisheries Ireland
- Institute of Public Administration
- IOB
- Irish Centre for High-End Computing
- Irish College of General Practitioners
- Irish Prison Services
- Irish Universities Association
- Kerry Education & Training Board

- Kildare & Wicklow Education & Training Board
- Kilkenny & Carlow Education & Training Board
- Laois & Offaly Education & Training Board
- Limerick & Clare Education & Training Board
- Longford & Westmeath Education & Training Board
- Louth & Meath Education & Training Board
- Marine Institute
- Marino Institute of Education
- Mary Immaculate College
- Maynooth University
- Mayo, Sligo & Leitrim Education & Training Board
- Medical Council Ireland
- Met Eireann
- Mountbellew College
- Munster Technological University
- National Cancer Registry Ireland
- National College of Art and Design
- National College of Ireland
- National University of Ireland
- Ollscoil na Gaillimhe - University of Galway
- Ordnance Survey Ireland
- Professional Development Service for Teachers

- Quality and Qualifications Ireland
- Royal College of Physicians of Ireland
- Royal College of Surgeons in Ireland
- Royal Irish Academy
- Royal Irish Academy of Music
- SOLAS
- South East Technological University
- Teagasc
- Technological University Dublin
- Technological University of the Shannon - Midlands and Mid-West
- The Honorable Society of King's Inns
- Tipperary Education & Training Board
- Trinity College Dublin
- University College Cork
- University College Dublin
- University of Limerick
- Waterford & Wexford Education & Training Board



SCHOOLS

- Broadband for Schools Programme
- Schools 100Mbps Project 4,000 primary and post-primary schools, through the Department of Education & Skills.



Ireland's National Education & Research Network

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