

Annual Report

Group Financial Statements





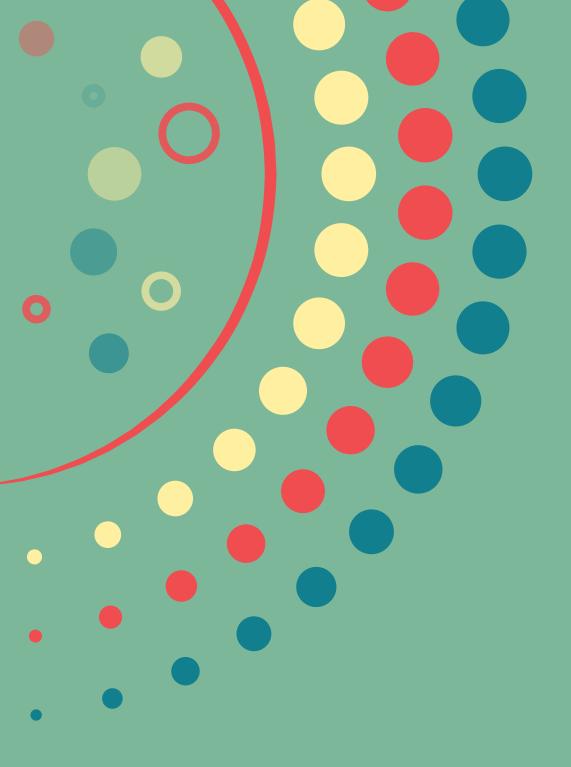




HEAnet Annual Report & Group Financial Statements 2023

CONTENTS

CHAIRPERSON'S REPORT	1-6
A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER	7-10
BOARD OF DIRECTORS AND OTHER INFORMATION	11-12
TRUSTEES' REPORT (incorporating directors' report)	13-54
STATEMENT OF INTERNAL CONTROL	55-58
STATEMENT OF DIRECTORS' RESPONSIBILITIES	59-60
INDEPENDENT AUDITORS' REPORT	61-64
CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE	65-66
CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY	67-68
CONSOLIDATED AND COMPANY BALANCE SHEETS	69-70
CONSOLIDATED STATEMENT OF CASH FLOWS	71-72
NOTES TO THE FINANCIAL STATEMENTS	73-95
CLIENT LIST	96-97



Chairperson's Report

CHAIRPERSON'S REPORT

On behalf of the HEAnet Group, I am pleased to submit the 2023 Annual Report and Group Financial Statements.



Mike MurphyChairperson, Board of HEAnet
Professor Emeritus,
Technological University Dublin

The year 2023 was another year of considerable achievement for both HEAnet CLG and EduCampus Services DAC. Both companies have sustained their client community successfully, while maintaining a great focus on our people. We were delighted to be able to gather in-person again with so many members of our client community at the HEAnet Conference, which was held in Killarney in November 2023. The event was very well attended, with Minister for Education, Norma Foley, TD, delivering the opening address to an audience of more than 400 attendees.

Both HEAnet and EduCampus have been included in the Leading in Wellbeing Top 100 Companies 2023. Published by Ibec in partnership with Business & Finance, the index acknowledges companies in Ireland who are leading the way for employee wellbeing and have improved their performance in supporting employee mental health and wellbeing. A key priority is to support our people who are at the centre of what we do.

HEAnet's standing as a trusted partner and provider of shared services continued to grow during 2023, demonstrating the adaptability that HEAnet contributes to Education Networking in Ireland. HEAnet provisioned Security Operations Centre ("SOC") and Security Information and Event Management ("SIEM") Services (the "SOC & SIEM Services") in partnership with a Managed Security Services Provider ("MSSP"). The first tranche of clients was successfully onboarded to the SOC &

SIEM Services in 2023, with further clients to be onboarded over the course of 2024. The SOC & SIEM Services will significantly bolster cyber security for our clients by providing rapid detection and alerting of security threats.

In 2023, we also saw the significant expansion of the ICT Security Services client base. The ICT Security Services are provided, utilising a dedicated HEAnet team, to augment an institution's Information Technology ("IT") Department resources, whilst using a suite of services that are common, shareable, and repeatable across HEAnet clients. HEAnet's ICT Security Services team is committed to working closely with educational institutions to help them develop and maintain effective ICT security practices.



In-person client engagement continued throughout 2023, with three successful 'Meet our Subject Matter Experts' workshops held during the year, the first of which was held in the University of Galway in March 2023, the second event was held in the University of Limerick ("UL") in June 2023, whilst the final event was held in the HEAnet office in October 2023. These events were well attended, and we received positive feedback from our clients. We will continue to meet with our clients across the country in 2024.

HEAnet and Irish quantum technology specialists are coming together to collaborate on a €10 million network project, designed to protect the transmission of sensitive data across the entire European Union. Headed by the Ireland Quantum Communications Infrastructure ("IrelandQCI"), HEAnet, in collaboration with ESB Networks, will build a network backbone using fibre-optic cables from Dublin to Cork, via Waterford.

The GÉANT Association connects HEAnet to its fellow National Research and Education Networks ("NRENS") in Europe and beyond, as well as carrying a significant percentage of HEAnet's general internet traffic. Previously, HEAnet connected to GÉANT at two locations in Dublin. As a result of a tender for international fibre conducted by GÉANT in 2022 (as part of the GN4-3N major network refresh project), one of those connections has been moved to Cork, specifically the Cork Internet Exchange ("CIX") data centre. The tender resulted in the award of two spectrum services from Dublin to London and Cork to Paris with HEAnet providing the spectrum service between Dublin and Cork. This move provides both GÉANT and HEAnet with greater geographical resilience. NREN partners and their research and education communities have seen a 30% increase in traffic per annum over the past five years. The GN4-3N project is helping to narrow the digital divide (the gap between demographics and regions that have access to modern information and communications technology, and those that do not or rely on restricted access), while stimulating the market in cross-border communications.

A sub-sea circuit from Galway to Reykjavik, Iceland is providing a new connection for HEAnet clients to connect to the Nordic Research and Education Network, NORDUnet. While this new connection will benefit all HEAnet clients, a significant first case features Met Éireann implementing a new weather forecasting model at a high-performance

computing centre for meteorology in Reykjavik. This new partnership between HEAnet and NORDUnet, provides a direct new connection at 100 Gbps between our two networks. This reduces latency and improves connectivity between Ireland and Iceland, while also providing improved connectivity to Northern Europe and increasing resilience for Iceland.

In supporting young scientists, HEAnet has been a proud advocate of the BT Young Scientist Award exhibition since 2017. January 2024 marked the 60th anniversary of the exhibition, making it the longest running exhibition of its kind globally. The Special Award sponsored by HEAnet was awarded to two students from Balinamore Community School in Limerick for their innovative project in the Behavioural and Social Sciences Category.

Over the course of 2023, the HEAnet team continued to work collaboratively with clients and various stakeholders on many initiatives which are aligned to the HEAnet strategic pillars of Connectivity, Identity, Brokerage, Security, and Research Engagement.



The Board of HEAnet looks forward to the ongoing development of HEAnet into the future, and the continued exemplar shared services that HEAnet provides.

In accordance with the 2016 Code of Practice for the Governance of State Bodies (the "Code"), 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 1 January 2023 to 31 December 2023.

- 1. 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.
- 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 page 57
- The Company has a Board Charter in place.
 A Group Code of Business Conduct for Directors and Employees is also in place.
- 7. 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.
- 8. 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.
- **9.** There are no post-balance sheet events to report.
- 10. The Company follows the principles of the Public Spending Code, as they are interpreted and agreed with its funders.
- 11. 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.
- 12. The Company strives to comply with Government travel policy in all respects as far as possible.
- **13.** The Company has complied with its obligations under tax law.
- 14. HEAnet is not involved in any legal disputes with any other state bodies. HEAnet's subsidiary company EduCampus is currently participating in a tri-partite mediation process with a third party vendor and a university client.
- 15. As far as possible, HEAnet is taking all necessary steps to comply with the 2016 Code of Practice for the Governance of State Bodies (the "Code"). A "compliance gap analysis" is carried out regularly to analyse compliance against the provisions of the Code. In advance of the end of the 2023 financial year, analysis on compliance was undertaken and reviewed by the Board at its December 2023 Board meeting. The analysis was conducted again during the first quarter of 2024 (the "Q1 2024 Compliance")

Analysis"). The Q1 2024 Compliance Analysis covered 260 Code Provisions and was reviewed by the HEAnet Board and the EduCampus Boards at their respective March 2024 Board meetings wherein full or partial compliance with 74% of the Code Provisions was noted for both HEAnet and EduCampus. Further detail on the Q1 2024 Compliance Analysis is set out in the Structure, Governance and Management Section of the Trustees' Report (incorporating Directors' Report).

- 16. HEAnet has a single subsidiary company, EduCampus Services DAC, and this company continues to operate for the purpose for which it was established.
- 17. As of 31 December 2023, 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, this was below target in 2023.

Having been appointed to the role as Board Chair in April 2023, I wish to acknowledge the work of the HEAnet Board, the Chief Executive Officer, and all HEAnet staff. I would also like to acknowledge the work of the EduCampus Chief Executive Officer and EduCampus staff. Their combined efforts and commitment allow us to deliver on the HEAnet Group mission of providing quality digital solutions on a shared-services basis to education and research in Ireland.

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

Professor Mike Murphy

Chairperson, Board of HEAnet Professor Emeritus, Technological University Dublin



HEAnet and Irish quantum technology specialists are coming together to collaborate on a

€10 million network project

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HEAnet Conference,

which was held in Killarney in November 2023 had over 400 attendees

Both HEAnet and EduCampus have been included in the

Leading in Wellbeing Top 100 Companies 2023





The first tranche of clients was

successfully onboarded

to the **SOC & SIEM Services** in 2023



In 2023, we also saw the significant expansion of the ICT Security Services client base



In-person client engagement continued throughout 2023, with three successful 'Meet our Subject Matter Experts' workshops

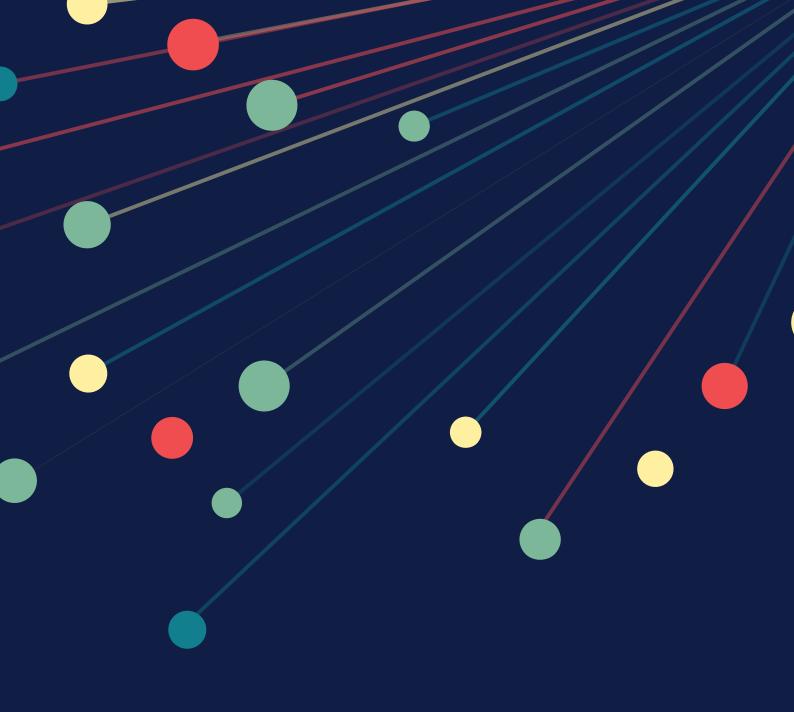


Over the course of 2023, the HEAnet team continued to work collaboratively with clients and various stakeholders



This new partnership between HEAnet and NORDUnet,

provides a direct new connection at 100 Gbps between our two networks.



A Message From The Chief Executive Officer

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The year 2023 stands as a very significant year in HEAnet's history. It was the year which saw us move into new state-of-the-art offices at North Dock, Dublin 1. In addition, in terms of service provision, it marks the year that HEAnet extended the provision of sectoral cyber security services in a very meaningful way.



Ronan Byrne
Chief Executive Officer
HEAnet

Following the conclusion of our office lease at George's Dock, IFSC, HEAnet relocated to new offices at North Dock, Dublin 1, in June 2023. This new office location will serve the accommodation needs of HEAnet for the next decade. I am pleased to report that this complex office design and fit-out project was delivered within the specified timeframe and budget. This relocation milestone also reflects the conclusion of an office search and relocation project that began in 2021.

In terms of service provision, and in response to urgent client needs, 2023 timestamps the year in which HEAnet extended its shared service credentials in terms of cyber-attack mitigation. HEAnet launched a new sectoral SOC & SIEM Service, with several clients onboarded for this critical service over the course of the year, and further clients in the onboarding pipeline for 2024.

A further security-related activity over 2023 was the expansion of our Information and Communications Technology ("ICT") Security Services offering, which has expanded from serving the needs of just nine clients, to a service that now scales to meet the service needs of all our eligible further and higher education institution members.

These sectoral service developments have been enabled through the support of government funding and we are very appreciative of the support of the Department of Education, and the Department of Further and Higher Education, Research, Innovation and Science. These service developments are a direct

response to the increasing levels of cyber security threats that have been experienced by the sector in recent years. HEAnet can report that the introduction of the SOC & SIEM Services is already assisting clients in identifying attack threats, thus reducing their risk of cyber-attack.

In 2023, Connectivity featured as a key strategic pillar at both national and international level. I am pleased to report that in the last quarter of the year, we upgraded our connectivity to the GÉANT pan-European network by implementing two new 25% Spectrum connections, each equivalent to a quarter of a dark fibre link, across the Irish Sea. These connections represent a significant upgrade on our previous capacity levels and offer the requisite scalability to meet our connectivity needs into the next decade. This EC-funded programme forms part of a wider multi-year GÉANT programme of works, to upgrade and expand the GÉANT pan-European network. Staying with international connectivity, during 2023 HEAnet also connected Ireland (from Galway) to Iceland (Reykjavík), in a collaboration with our NORDUnet colleagues. This new connection will facilitate Met Éireann's involvement in a European meteorological research project and opens the door for further HEAnet client collaboration with the Nordic research community.

At a national level, the HEAnet Schools Team concluded the year by upgrading the last of 990 primary schools that were identified for broadband improvement under a Department

of Education initiative. HEAnet supplied these 990 schools with symmetrical 100Mb connections over 2022, and 2023, connecting them at a faster rate of roll-out than we have achieved heretofore.

Throughout 2023, we also generated significant return on our research engagement efforts, as higher education institutions secured funding across various research activities in the areas of: Ireland's National Plan for Open Research, the European Commission Open Clouds for Research Environments ("OCRE") initiative, the European Open Science Cloud ("EOSC") partnership, and the European Quantum Communications Infrastructure ("EuroQCI") initiative.

Our inaugural Group Environmental, Social, and Governance ("ESG") Strategy was developed during 2023 and secured Board approval in December. The Group ESG Strategy reflects both our responsibilities and ambitions to innovate across the three sustainability pillars of Environment, Social and Governance.

In terms of HEAnet client feedback, I was very pleased that our Annual Client Survey returned our highest ever Net Promoter Score (scoring +79, representing an increase of +12 points over prior year) and we thank our client members for their continued support in this regard.

A key event in the calendar is our Annual Conference, and I was delighted that our conference held in Killarney during November of this year attracted 410 attendees. This sets a record in terms of attendance. I am also very grateful to Minister Norma Foley, TD, for formally opening our conference this year.

Personally, I was very pleased to end the year by securing election to the GÉANT Board of Directors at their General Assembly meeting during November. HEAnet is a long-time member of the GÉANT Association, and the continued development of GÉANT brings direct benefit to HEAnet and other NREN members across Europe by leveraging the strength of the collective research and education community at a pan-European level.

Lastly, a key highlight for HEAnet during 2023 was the recognition by Ibec as a Top 100 Company for Leading in Wellbeing. This award comes swiftly on the foot of successfully retaining our Ibec KeepWell Mark accreditation for the period 2023-2024. This external recognition acknowledges the collective efforts we invest in our approach to employee mental health and wellness.

I would like to thank the HEAnet Board Directors, who volunteer their time and energy



to support the HEAnet mission. As set out in the HEAnet 2022 Annual Report and Group Financial Statements, having served as Board Director and Board Chair from July 2018, Professor Anne Scott retired as Board Chair and Director in April 2023. Professor Mike Murphy, who has served as a Board Director since September 2017, was appointed as Board Chair in April 2023. I am deeply grateful to both, for their wise counsel, governance, and strategic guidance.

Further details in relation to the HEAnet Boards as well as Board and Group Committees activities during 2023 are set out in the Structure, Governance and Management Section of the Trustees' Report.

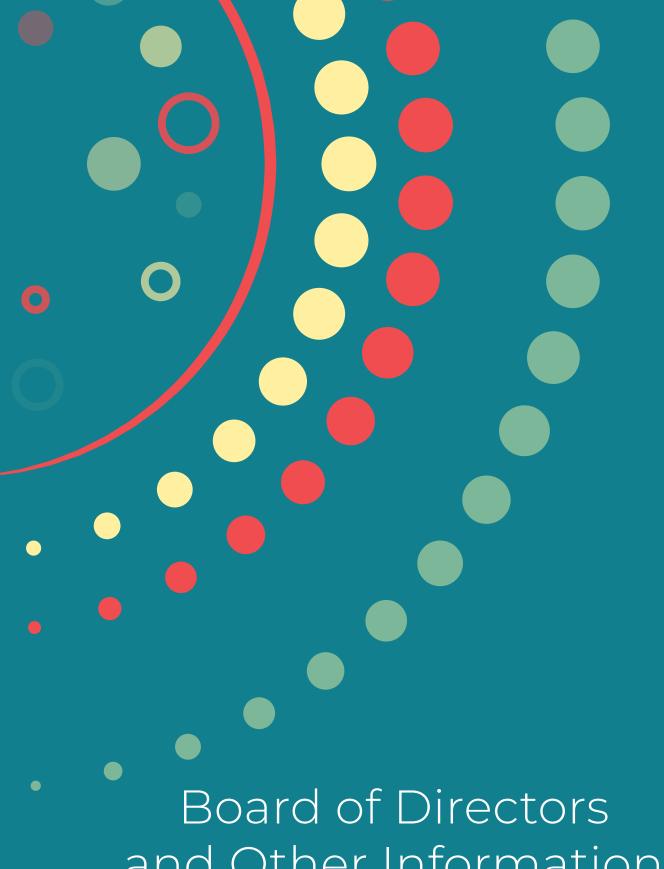
To summarise, 2023 has proven another highly successful year for HEAnet. We have continued to execute against our stated strategy. We have materially expanded our services portfolio in response to sectoral need, increasing our impact and value for our client members.

As I reflect on a rewarding and impactful year, I wish to express sincere thanks to my HEAnet colleagues, HEAnet client members, our national and international partners, and our government stakeholders. Our success is built on our collective strengths and the collaborative partnerships that this enables. I look forward to building on this collective success in 2024.

Ronan Byrne

Chief Executive Officer, HEAnet





and Other Information

BOARD OF DIRECTORS AND OTHER INFORMATION

Members of the Board of Directors as at 9 May 2024

Professor Mike Murphy (Board Chairperson)

Dr. Billy Bennett

Mr. Gary Butler

Dr. Gerard Culley

Dr. Paul Feldman

Mr. Phillip Fischer

Dr. Orla Flynn

Mr. Patrick Magee

Ms. Rachel O'Connell

Professor Noel O'Connor

Ms. Aoife Tuohy

Ms. Allison Kavanagh

Ms. Orla Christle

Secretary and Registered Office

Mr. David Burke

Third Floor

North Dock Two

93/94 North Wall Quay

Dublin D01 V8Y6

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

TBC.

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 1

D01 X9R7

Banks

Bank of Ireland

IFSC Branch

Dockline

Mayor Street Lower

Dublin D01 K8N7

Ireland

Allied Irish Bank

1 - 4 Lower Baggot Street

Dublin 2

D02 X342

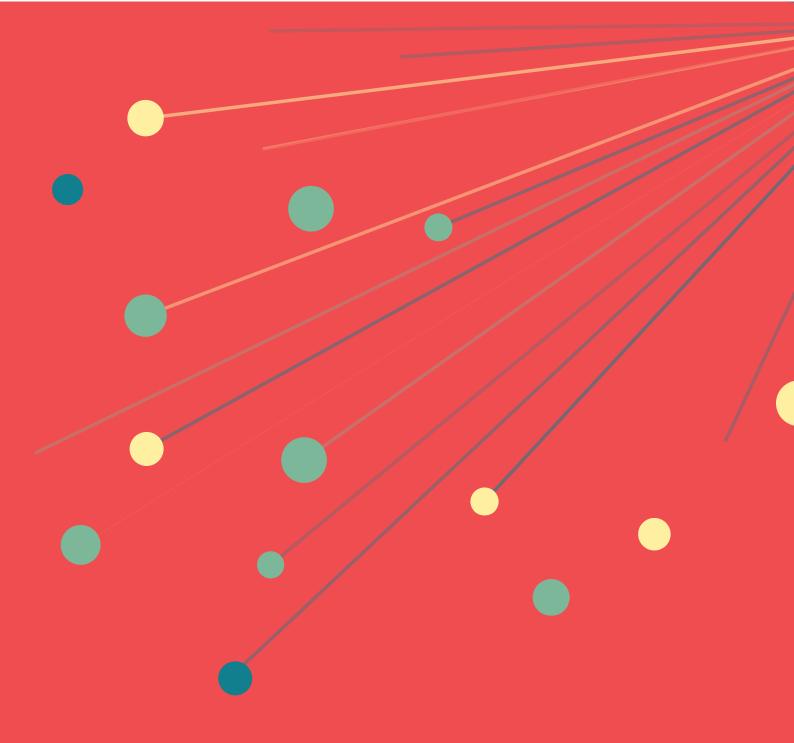
Solicitors

O'Connor LLP

8 Clare Street

Dublin 2

D02 E021



Trustees' Report (incorporating Directors' Report)

TRUSTEES' REPORT (INCORPORATING DIRECTORS' REPORT)

OBJECTIVES AND ACTIVITIES

STRATEGIC DIRECTION

The HEAnet Strategy 2023-24 will continue to guide our performance over the next year and allow HEAnet to deliver on our vision to enable Ireland's digital ambition by creating common, repeatable, and shareable solutions for education, research, and innovation in Ireland.

A key strategic area in 2024 is the continued rollout of our ICT Security Services, and the establishment of a sectoral SOC & SIEM solution, to all eligible further and higher education clients.

Sustainability will be a key focus area for HEAnet in 2024, as we implement our Environmental Social and Governance ("ESG") Strategy. Our ambition is to be "a sustainability champion for the Irish education sector that generates positive economic, environmental, and social impact for our upstream and downstream value chain stakeholders".

Another key strategic goal 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.

We will continue to foster our relationship with our European counterparts via GÉANT, to work together to access and promote European funding programmes, such as the Connecting Europe Facility ("CEF").

In 2024, we will work with our clients, the

Department of Education ("DoE") and the Department of Further and Higher Education, Research, Innovation and Science ("DFHERIS"), to develop our new strategy ("Strategy 2025-2029") to enhance our current service offerings and create new solutions to meet the challenges within the education and research sector.

HEAnet Strategy



ACHIEVEMENTS AND PERFORMANCE RESEARCH ENGAGEMENT

Throughout 2023, we conducted a series of stakeholder webinars to raise awareness of



HEAnet services that may be of interest to researchers across Ireland. We have supported researchers in leveraging funding and collaboration opportunities including funding opportunities for commercial cloud services available via the GÉANT laaS+2020 framework and facilitated a funding award from the GÉANT Innovation Programme. We are supporting TCD in the establishment of a partnership with Cape Verde and will continue to support the development and implementation of EOSC infrastructure.

THE GÉANT INNOVATION PROGRAMME

The GÉANT Innovation Programme is a community programme, which aims to support innovative ideas raised by the GÉANT community. In 2023, a project from University of Galway was the successful application from Ireland. The project is Secure Data

Management for Multi-Cloud Environments ("SecMC") and aims to address the challenges faced by industries in managing and securing data in a multi-cloud environment, developing a solution that solves data fragmentation and silos caused by the use of multiple clouds from organisations.

NATIONAL AND INTERNATIONAL COLLABORATION

HEAnet encourages collaboration at a national and international level. At a national level, HEAnet has 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. This equipment also supports new timing protocols. HEAnet is working with the NSAI and our clients to



HEAnet encourages collaboration at a national and international level.

explore how HEAnet clients can utilise modern timing services in their research. Several cases have been identified through this investigation. 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.

In 2023, a collaboration started with Atlantic Technological University ("ATU"), and Queens University Belfast ("QUB"), to use time and frequency information disseminated by the network to support research in analysis of Ireland's electrical power grid. As well as leveraging the time and frequency dissemination, HEAnet supports the project by deploying Phasor Measurement Units ("PMU") in some of our Points of Presence ("PoP"), to gather phase data from the power grid. This allows time synchronization to be possible, without using space-based time.

HEAnet continues to work closely with our Brazilian counterpart to connect researchers in São Paolo to TCD 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.

RESIN

The national forum for Research Services and Infrastructure ("RESIN"), brings together IT, library, and research management staff from higher education institutions to discuss, share

and collaborate on topics of mutual interest related to research support.

In 2023, the forum focused on two primary actions:

- The development of a research support maturity assessment model, covering the functions of IT, data management, research management, and how they are coordinated within institutes to support research. The first version was published in November 2023 and is available here: Research Support Maturity Assessment (https://zenodo.org/); and
- The development of research management services, including the Current Research Information System ("CRIS"), research metrics, grant management, and more. The work has resulted in a formal request to HEAnet's brokerage team to organise a national approach to the procurement of such services. This result was achieved via a consultation and support from the Irish Universities Association ("IUA") Vice President and Directors of Research Group.

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 €1.8 million through the Higher Education Authority ("HEA") in 2023 to fund five collaborative projects to advance Open Research. HEAnet is participating in one of these projects as an associate member. The project is led by the University of Limerick, ("UL"), to define and implement a national research data management framework. It will leverage the work of RESIN on the definition of the Research Support Maturity Assessment Model.

In addition, HEAnet supported the establishment of Ireland's first festival on Open Science, NORFest, as a member of the programme committee. The festival ran from 2-3 November 2023 in Dublin and was attended by 100 participants. As part of the event, HEAnet hosted a workshop on EOSC developments which was attended by 45 participants. The agenda and report on this workshop are available here: EOSCIrelandNT3November-RESIN-NationalForu mResearchServicesandInfrastructure (heanet.ie)

EUROPEAN OPEN SCIENCE CLOUD (EOSC)

HEAnet continues to support the activities of the EOSC Association, as Ireland's mandated member. We represent DFHERIS on the EOSC Steering Group, comprised of representatives of European Union ("EU") member states and associated countries. The role of the steering group is to advise the EC and agree on strategies and policies related to the governance and strategy of the EOSC.

Following the National EOSC Tripartite event in September 2022, the EOSC-Ireland forum was established, with the aim to co-ordinate national activities in Open Science (primarily via NORF) at European level. Several workshops were held in 2023, and as part of this work Irish stakeholders contributed to the multi-annual roadmap of EOSC, which directly influences the Horizon Europe work programme for 2025-2027.

In 2023, the European Commission ("EC") procured the core element of the European

EOSC digital infrastructure, the EOSC EU node, which will enable the development of the web of Findable, Accessible, Interoperable and Reusable ("FAIR") data and services for science. Discussions commenced in 2023 on how relevant initiatives in Ireland will contribute to its development and the broader goal of Open Science.

Progress has also started on defining a new governance structure for the EOSC from 2027 onwards. This timeline is relevant because the contract for the EOSC node procured by the EC is for three (3) years, and it is not expected that the EC will continue to manage the operations of the EOSC node beyond that date.

CLOUD FUNDING

In 2023, the EU funded EOSC-Future project, of which GÉANT is a member, launched two calls for cloud adoption funding. The distribution of cloud adoption funding is a key milestone in the EU's goal of piloting a digital single market for cloud and digital services for European research.

HEAnet supported three (3) Irish research groups in preparing and submitting proposals for cloud funding across the two calls. As a result of these efforts, two proposals from HEAnet clients were awarded funding of €0.9 million. One project, awarded to Munster Technological University ("MTU"), will utilise the cloud services of Amazon Web Services. The other, granted to UCD, will use the funding to procure access to commercial data for research purposes, making the data available via EOSC. It is worth highlighting that MTU's achievement is particularly notable, as it secured funding against a backdrop of stringent budget constraints, with only two projects from all of Europe being funded. This underscores the merit of MTU's project, as it successfully secured funding in a highly competitive environment with limited available resources.

CONNECTIVITY



With a focus on innovation, over the past year we have collaborated on several innovation projects at a national and international level.

THE GÉANT & INTERNATIONAL CONNECTIVITY

The GÉANT pan-European network connectivity upgrade was completed in 2023. This has resulted in the replacement of the two 100Gbit/s leased lines, connecting Ireland from Dublin to London, and Cork to Paris (via London). This is a 15-year contract that provides GÉANT with the technical flexibility to add additional circuits and to increase the speed of those circuits without the need to procure new circuits or fibre. This is a significant improvement on the previous 100Gbit/s leased line circuits and provides HEAnet clients with the ability to participate in future European projects such as the European High-Performance Computing ("EuroHPC") and the European Organisation for Nuclear Research ("CERN").

In tandem with the new GÉANT connectivity, NORDUnet, the Scandinavian National Research and Education Network, has established a 100Gbit/s circuit from Iceland to Dublin, through a new submarine cable that lands in Galway Bay. This development allows HEAnet to connect to NORDUnet in Dublin, benefiting HEAnet clients including Met Éireann.

NATIONAL CONNECTIVITY

HEAnet continues to connect to two international Tier-1 Internet Service Providers ("ISPs") in Dublin at 100Gbit/s. This combined connectivity to the general Internet, along with GÉANT, NORDUnet, and the UK National Research and Education Network ("JISC"), provides HEAnet clients with an appropriate level of international connectivity, resilience, and security.

HEAnet established a new core point of presence at the Cork Internet Exchange ("CIX") Data Centre, to provide the company with its first international connection outside of the greater Dublin area. This reduces the reliance on Dublin while connecting the international circuit at the first available location in Ireland.

IRELANDQCI

Ireland Quantum Communications Network, ("IrelandQCI") an Irish consortium led by the Walton Institute and including HEAnet, is undertaking a €10 million project funded by the EU Digital Europe Programme and the Department of Environment, Climate and Communications. The initiative aims to establish a quantum communication network between Dublin, Waterford, and Cork, while also testing the integration of quantum communication devices into conventional networks. The project commenced in March 2023 and runs for thirty (30) months. HEAnet's role in the project is to build and operate the staging quantum communications network.

The IrelandQCI consortium members are: South-East Technological University ("SETU"), Trinity College Dublin ("TCD"), University College Cork ("UCC"), University College Dublin ("UCD"), Maynooth University ("MU"), University of Galway, ESB Telecoms, and the Greek National Research and Education Network ("GRnet"). At the request of HEAnet, GRnet has been included in the IrelandQCI consortium due to its experience testing Quantum Key Distribution ("QKD"), with the European Space Agency. GRnet and IrelandQCI will work together to prepare for the upcoming EU-funded CEF proposal in early 2024 for interconnecting the EU national EuroQCI networks via fibre and satellite networks.

GÉANT 5

In January 2023, the EU-funded GÉANT 5 project commenced. GÉANT 5 is the successor to the GÉANT 4 Project which concluded at the end of 2022. GN5-1 is one of the first in a series of projects planned under a 7-year strategic framework that outlines the overall direction, objectives, and impacts of individual projects within that timeframe as part of Horizon Europe – the EU's key funding programme for research and innovation.

Several HEAnet staff members are involved in GN5-1 in areas such as brokerage, security, research engagement, and networking. Planning for the second phase of the GÉANT 5 project, GN5-2 (estimated budget of €80 million from 2025-2028) has started and it is anticipated that HEAnet staff will continue to participate in GN5-2.

HEANET CONNECTIVITY

In the realm of education and research, the

HEAnet network stands as an indispensable connection for over one million learners, staff, and researchers each day.

Serving as the primary connectivity provider for Ireland's educational landscape, from primary, post–primary to further and higher education, HEAnet plays a crucial role in facilitating the operation of education and research activities across the sector. The connectivity we provide underpins a myriad of essential services, allowing users to access resources from campus, from home, and on the move. The reliability and speed of the network are central to our service focus, ensuring always-on, always-available, and fast connectivity.

The nationwide dependence places a significant responsibility on HEAnet, requiring key elements of our network design to proactively address unexpected outages. For the year 2023, HEAnet is proud to report another year of high performance, with service availability exceeding stated service



level commitments. HEAnet can report that all resilient client connections exceeded their annual 99.99% availability target, while all non-resilient client connections exceeded their annual 99.5% availability target.





The network we provide nationally is part of the wider European Research and Education network, and this year we welcomed 100 Gbit/s connectivity to NORDUnet via undersea cable routing through Iceland and inaugurated our second GÉANT network PoP in Cork.

In 2023, our client connectivity programme brought twenty-one (21) new sites online and upgraded our four (4) existing sites to higher bandwidth. Beyond expansion, we successfully renewed contracts for twenty (20) sites approaching their end through our tendering process and extended contracts for sixteen (16) other sites within existing terms, resulting in cost savings through reduced annual charges. A significant achievement in 2023 was the first upgrade of a client connection to 100 Gbit/s to the network backbone for UCD, thus underlining the incredible growth in the use of our network connectivity as a foundational aspect of our clients' businesses.

SCHOOLS NETWORK CONNECTIVITY

The HEAnet Schools Network connects all primary and post-primary schools in Ireland, catering to the needs of over 1 million students and teachers across approximately 3,950 schools every day.

This year saw continued and significant growth in schools' traffic, continuing the trend from previous years. This increased demand requires continuous upgrades in the core network and for individual school connections. Aggregate traffic levels continue to grow at pace and this traffic is served by a 200 Gbps uplink.

Using EU National Recovery and Resilience Plan ("NRRP") funding, the Department of Education

committed to a project to support students at risk of educational disadvantage through lack of access to digital infrastructure. Part of this initiative was 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. This project was successfully completed in 2023 and these schools are actively using their new high-speed connections. This achievement represents a significant milestone in delivering high-speed connectivity to Irish schools and contributes to a more equitable and digitally enriched learning environment, empowering teachers, and students to thrive in the digital era.

A further 700 primary schools were selected for improved connectivity through the National Broadband Plan, beginning in 2022 and continuing through 2023. Once this programme has completed (in early 2024), 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.

This critical connectivity across primary and post-primary schools underpins one of the three pillars of the DoE's Digital Strategy for Schools to 2027 - 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.

Reliable, ubiquitous broadband continues to transform the educational experience across the country allowing teachers and students develop their digital skills.

In summary, HEAnet plays a crucial role in connecting and empowering the Irish education and research community, facilitating collaboration, innovation, and the advancement of knowledge.

IDENTITY AND ACCESS



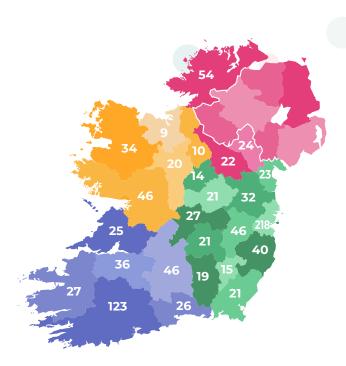
IDENTITY

The HEAnet Edugate service serves as a Single-Sign-On ("SSO") solution for the Irish education community, connecting users with various campus services. In 2023, this vital service facilitated over 40 million connections. The service was further extended this year to make it easier to merge Identity Provider databases (directories of users) from multiple sources, which is of value in the context of institutions merging and looking to bridge their databases. We have also enhanced Edugate to improve the capability to expand support beyond Security Assertion Markup Language ("SAML"). As security of access and identity is so vital, we have also stepped up our efforts to protect our clients' IDP's (Identity Provider) with improved firewall support.

ACCESS

eduroam is a Wi-Fi service designed to provide secure internet access to students, researchers, and staff in participating institutions at their college or university, and whilst visiting other participating institutions both in Ireland and globally. This means that students and staff are connected anywhere within their campuses, and beyond, as eduroam is available in an ever-increasing number of hotspots. In 2022 we completed the eduroam Everywhere project, which provided hotspots beyond the traditional campus locations, and expanded into community libraries, sporting venues, and transport and working hubs.

The facilitation of connections to the eduroam service is made possible through our optional Managed RADIUS WiFi authentication Service, which clients can use to control access to campus WiFi services. Notably, the number of our clients benefiting from our RADIUS services has increased to twelve (12) this year, with an additional four (4) of our national colleges joining the network. This managed service enables us to ensure a consistently high-quality, always-on eduroam experience for end users, while relieving support staff in participating institutions of additional tasks.



1,000 Primary SchoolsConnected Across Ireland

BROKERAGE SERVICES



HEAnet's Brokerage Service is designed to simplify the acquisition of Information and Communications Technology ("ICT") services and assets by our clients.

We provide up-to-date frameworks and direct support so that our clients can leverage frameworks in their own procurements. As a trusted sectoral representative, we represent and aggregate client demand for the education sector and gain access to discounts that would otherwise be impossible to reach.

Through close collaboration with other NRENs in Europe and our Partnership with GÉANT, we can harness the collective demand of the European education community. This collaborative effect enables us to access highly sophisticated cloud service provider platforms and infrastructure, presenting our clients with unprecedented opportunities and efficiencies. To help clients make the best use of our considerable catalogue of brokerage and

procurement arrangements we put in place comprehensive education and training. Throughout the year, we conducted a series of workshops for Brokerage Service users, covering a diverse range of topics to over 480 attendees. The feedback we received was positive, highlighting the significant value these services bring by simplifying interactions with their key suppliers of services and products.

In addition, we established new agreements that have now been put in place, for additional categories of educational and IT specialist products and services. These agreements span areas such as Telephony, Servers, Virtual Learning Environments, Software Licencing, and IT cyber security related services.

SECURITY

HEANET INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) SECURITY SERVICES

As a trusted shared services provider, HEAnet continues to be uniquely positioned to provide security services to our client community.

HEAnet provides a range of ICT Security services. The objective is to provide a standardised set of core security services, which are common to all clients. These will be provided using a dedicated HEAnet team to augment an institution's Information Technology ("IT") Department resources, utilising a suite of services which are common, sharable, and repeatable across HEAnet clients.

The range of services provided are outlined below.

HEAnet's ICT Security Services team is committed to working closely with educational institutions to help them develop and maintain effective ICT security practices. By partnering with HEAnet, institutions can be confident that they are taking the necessary steps to further protect their data, systems, and networks from cyber threats.

Sustainable funding was secured to extend ICT Security Services to a broader client base. The expansion of the team, initiated in 2023,

is central to the provision of the ICT Security Services to a broader client base.

The ICT Security Services offered by HEAnet are continuously evolving to meet the changing ICT security needs of our clients. In 2023 our services experienced a high demand from clients for Security Awareness training, Phishing Simulation, and Penetration Testing. In 2023:

- The ICT Security Services team completed a total of eighty-five (85) online training sessions, including two face-to-face sessions.
- The team delivered sixteen (16) penetration tests and vulnerability scans throughout the year.
- Five (5) phishing campaigns were completed.
- Two (2) workshops for clients were conducted at the annual HEAnet Conference in November 2023.
- Several policy reviews and policy developments took place for our clients.
 Some key ICT security policies requested from our clients included Acceptable Usage Policy, Information Security Policy and Bring Device Policy.
- Members of the ICT Security team actively participated in four (4) client face-to-face workshops, during the HEAnet Subject Matter Experts ("SME") workshops across Ireland.

RANGE OF SERVICES











Security and Risk Assessment Policy Review and Development Vulnerability Assessment and Penetration Testing Security and Awareness Training (incuding Phishing

Simulation)

Acess to Security Competence

SOC & SIEM SERVICES



In response to strong client demand and following the securing of an initial funding allocation in 2022, HEAnet initiated a programme to establish a SOC & SIEM service to meet the needs of Ireland's Further and Higher Education sector.

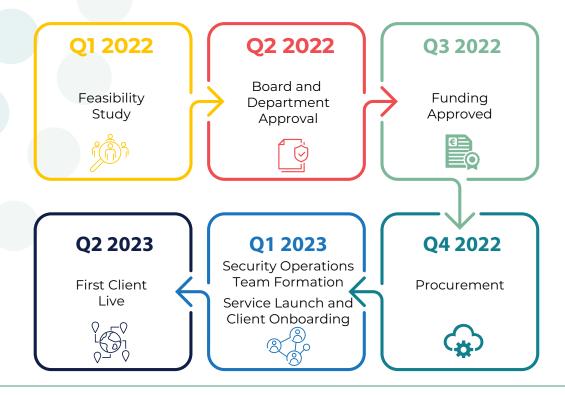
We are pleased to report that the implementation of SOC & SIEM has been advancing well since the start of 2023, and the services are now operational for the clients that have completed the onboarding process.

HEAnet clients availing of this service have the benefit of reduced time to detect and respond to threats, thereby reducing the likelihood of breach and minimising the associated impact of security incidents.

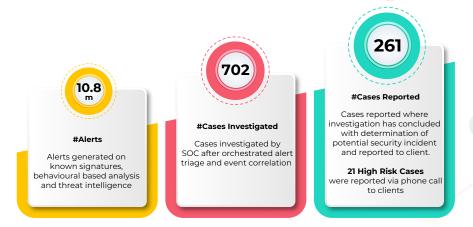
The sectorial approach to providing this service removes the high upfront costs and complexity associated with managing a SIEM platform and the establishment of a SOC. This approach also leverages the power of the community in terms of cost benefits, knowledge sharing, and insights.

The status of onboarding at the end of 2023, is that we have engaged fifteen (15) clients in total in the process of onboarding. Seven (7) clients are live with the service, and eight (8) clients are actively deploying the solution, the majority of whom are in the advanced stages of deployment with go live expected in Q1 2024. Furthermore, we have engaged and identified prospective clients for 2024, with the expectation that we will onboard up to ten (10) additional clients, targeting a total twenty-five (25) clients by the end of 2024. Further onboarding in 2024 is subject to the approval of the funding application submitted in 2023 for the following year.

BRIEF HISTORY OF THE PROGRAMME



SOC & SIEM Operational Statistics and Observations 2023 Alerts and Case numbers June-Dec '23



SECURITY OPERATIONS SUMMARY REPORT 2023

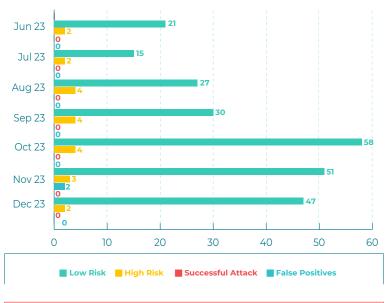
The Security Operations Summary Report provides the high-level security operations statistics for the clients that are live with the service, from June through to December 2023.

These metrics not only indicate the value but also provide validation of the SOC & SIEM service benefits. The figure above illustrates on the left side a large number of alerts that we input from a comprehensive range of client log sources and network sensor alerts. In contrast, the output of the service, the Cases Reported, provide fine-tuned, actionable

case reports, allowing clients to prioritise and focus their attention where it is most required. This facilitates the client's response teams providing early and actionable response steps to investigate, contain and remediate against the reported threat.

Since go-live, twenty-one (21) High Risk Cases were reported and notified via phone call for our clients' urgent attention, the majority of which were reported within normal business hours. The rest of the low-risk cases were reported via the Cyber Threat Management Portal ("CTMp") and notified via email.

Overview of the reported cases per month #261 Cases Reported



6

21 High Risk Cases - Reported and notified via phone call to clients

OTHER STRATEGIC AREAS OF FOCUS

SUSTAINABILITY

At HEAnet, we understand the importance of prioritising both the health of our business and our planet. As a leading provider of network infrastructure and services to the education and research community, we have a responsibility to minimise our environmental impact.

In 2023, alongside our subsidiary company, EduCampus, we developed our Group Environmental Social and Governance, ("ESG"), Strategy. Our ambition is to be "a sustainability champion for the Irish education sector that generates positive economic, environmental, and social impact for our upstream and downstream value chain stakeholders".

In defining our sustainability ambition, HEAnet will align with several national and international sustainability guidelines such as the Public Sector Climate Action Mandate, with targets reflected in the performance metrics outlined in the ESG Strategy.

As part of the ESG Strategy development process, a benchmarking exercise was conducted against a database of nearly 4,000 organisations and their ESG practices, with HEAnet scoring particularly highly against both the Governance and Social dimensions of ESG

SUSTAINABLE BUSINESS FRAMEWORK

To adopt sustainability practices, HEAnet subscribes to the following three-pillared sustainable business framework:

Sustainable Business Framework

Environmental



Climate change Energy efficiency Water resources Resource use and circular economy

Waste reduction

Social



Equity, diversity and inclusion

Employee wellness

Human employee rights

Community engagements

Governance



Corporate governance

Business conducts

and ethics

Sustainability reporting and disclosure

Responsible sourcing and procurement



ENVIRONMENTAL

We recognise the importance of minimising our environmental footprint and promoting sustainable practices. This includes reducing energy consumption, minimising waste, and promoting renewable energy sources. We take a careful approach to our environmental efforts and believe that environmental stewardship makes sound business sense as we can identify new efficiencies and make strategic investments that can reduce our operating costs.

SOCIAL

We are committed to being responsible and inclusive employers, fostering an equal, diverse, and inclusive work environment, and supporting the wellbeing and development of our employees. We also aim to contribute positively to the communities in which we operate, through initiatives such as volunteering and partnerships with local organisations.

GOVERNANCE

We aim to embed trust and integrity into our culture by building and evolving strong corporate governance and compliance frameworks that support transparency, risk management, ethical conduct, and accountability. We strive to maintain the highest standards of corporate governance and ethics. This includes ensuring compliance with relevant laws and regulations.

ADOPTION

ESG adoption influences the entire organisation and has an impact on multiple aspects of the business model, including but not limited to funding and resources. An implementation roadmap has been developed and will be driven by a newly established ESG Council, to drive sustainability initiatives. The ESG Council will be chaired by the Head of ESG who will manage and co-ordinate sustainability related activities.

The HEAnet Board of Directors will oversee the implementation of responsible practices consistent with the evolving governance environment and will receive regular updates on ESG initiatives and goals across the three ESG dimensions, from the ESG Council.

The organisation's value proposition may evolve, and we will continue to monitor the impact of ESG matters on our business model, ensuring changes are reflected in our Strategy 2025-2029, to be developed in 2024.



PEOPLE OPERATIONS



After 16 years in our office in 5 George's Dock, HEAnet relocated to our new office in North Dock Two in June 2023. The fit-out and design stage of this project required significant input from and collaboration with our HEAnet and EduCampus colleagues to ensure a space that meets all our practical requirements, as well as functioning as a collaborative, flexible, and welcoming environment for all. The staff welcome event, held in the new office on 1 June 2023, marked the successful conclusion of a project that showcased the collective efforts of many individuals across both HEAnet and EduCampus over a two -year period. new office is an exciting development, and this expansion will further strengthen our infrastructure and capabilities to meet the evolving needs of our clients and partners. HEAnet occupies the third floor in North Dock Two, and we look forward to welcoming our EduCampus colleagues to the new office space in 2025.

KEEPWELL MARK & IBEC TOP 100 COMPANIES INDEX

The HEAnet Group continues to focus on employee wellbeing, and we successfully retained our accreditation through Ibec's KeepWell Mark following our engagement with Ibec in October 2023. Year-on-year, the HEAnet Group has increased its scoring across eight (8) key pillars of employee wellbeing measured by the KeepWell Mark audit. This noteworthy progress can be attributed to our key wellbeing support systems, proving valuable resources that enhance the overall wellbeing of our workforce. Central to this success are our people-centric policies and practices, trained mental health first aiders, employee assistance programmes, and various initiatives across all pillars of health, wellbeing, and engagement.

In recognition of this, HEAnet and EduCampus were selected for inclusion in the Ibec Top 100

Companies Leading in Wellbeing Index, in association with Business and Finance. This index recognises companies across Ireland who are at the forefront in employee wellbeing.

The KeepWell Mark mid-term report noted that "HEAnet and EduCampus continue to prioritise wellbeing in the workplace, having made significant progress since their initial assessment in 2018".

GROUP EQUALITY DIVERSITY & INCLUSION ROADMAP 2022 - 2025

Our Equality Diversity and Inclusion ("EDI") Council, with representatives from both HEAnet and EduCampus, has been actively working towards the implementation of our EDI strategy under each of the five key EDI pillars: Governance | Strategy | Leadership | Systems | Data. In 2023, this included the development and rollout of our new Group EDI Policy along with review and assessment of many of our internal processes from an EDI perspective.

RESOURCING

2023 saw the successful on-boarding of twentynine (29) new colleagues across the HEAnet Group, spanning all areas of the Company, with the emphasis on the security service. In addition to the colleagues new to the Company, 2023 saw four (4) HEAnet colleagues' transition to new opportunities within the business, having been successful in the associated recruitment Internal resourcing such as this processes. has provided HEAnet with valuable retention opportunities and our new colleagues with great opportunity for professional development. Key strategic resourcing priorities in 2023 related to the expansion of HEAnet's ICT Security Services and the launch of HEAnet's sectoral SOC & SIEM solution. Notwithstanding a tough candidate market, we have been successful in attracting and engaging the highly skilled security candidates required to deliver these key strategic priorities.

EDUCAMPUS SERVICES MIS SERVICES

Established in 2015 as a subsidiary of HEAnet, EduCampus procures, implements, maintains, and supports business critical management information systems for its client community across the Higher Education and Research sector in Ireland. Its vision is to provide new, imaginative, and flexible approaches to IT shared services. Any Higher Education or Research organisation in Ireland may avail of services from EduCampus by becoming a member of the client community.

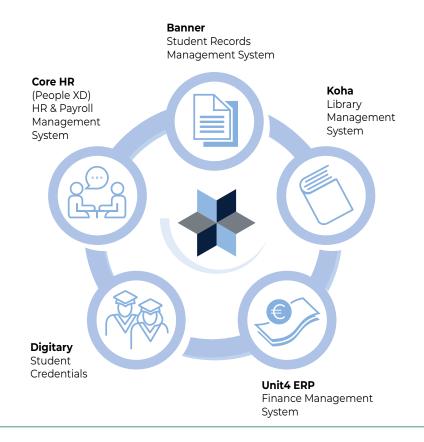
The portfolio of cloud-hosted business applications available to clients through the EduCampus Management Information Systems ("MIS") shared services solution are set out below. These applications are the pillar systems that any higher education body requires to operate their business.

EduCampus 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 and cutting-edge technology aligned with the clients' strategic ambition. The EduCampus service offering is designed to reduce cost, save time, increase efficiency, mitigate risk, and decrease the public procurement burden for EduCampus client members.

2023 was a significant year of accomplishment for EduCampus with continued adoption of its services across the sector. By the end of the year, EduCampus was delivering services to approximately 142,000 students and 22,000 staff across four Universities, five Technological Universities, two Institutes of Technology, four Colleges, and one Government commission.

A key strategic goal for EduCampus since its inception has been to transition all applications of the service offering from on-premise to cloud-based solutions. The latest phase of the





22,000 Staff



Students **143,000**

Client Community



4 Universities
5 TU's
2 LOT's

4 Colleges
1 House of the
Oireachtas

Banner 9 SRMS Upgrade project has seen the Institutes of Technology (IoTs) and Technological Universities (TU's) fully transitioned to the state-of-the-art cloud-hosted Banner 9 system for their Student Records Management System. With the completion of this transition, EduCampus achieved this core objective, and all five applications are now modernised to future-proofed secure solutions for the client base, critically mitigating risk and considerably enhancing the user experience.

Over the course of 2023, EduCampus continued to be instrumental in assisting Technological Universities meeting their goal of consolidating their MIS Applications, which has been a key deliverable for both EduCampus and its TU clients since 2020. The successful deployment of the merged Atlantic Technological University Financial Management System in June 2023 marked the completion of the EduCampus TU Merger Projects related to the business systems (Human Resource Management and Payroll System & Financial Management System). Greater emphasis and attention have since been transferred to projects focused on merging the academic systems (Student Credentials, Library Service Platform & Student Records Management System) with multiple projects underway.

EduCampus continues to follow the direction set out in its Strategic Plan 2020-2024 and has begun comprehensive stakeholder engagement for the development of a new Strategic Plan from 2025. Underpinning the successful delivery of all EduCampus activity is strong adherence to our core values of Accountability, Innovation, Excellence and Collaboration. Going forward, EduCampus will continue to evolve and adapt to the changing needs of its ever-expanding client base, providing transformational leadership, while harnessing new and emerging concepts to support the Higher Education and Research sectors in Ireland.

PLANS FOR FUTURE PERIODS



NETWORK UPGRADE

In late 2022, HEAnet's core router equipment supplier published a series of equipment end-of-life notifications that had an impact on the HEAnet backbone and routers at client sites. Typically, a five-year end-of-life notice for equipment is provided, but due to component shortages, our supplier accelerated its end-of-life for some of their products. This compelled HEAnet to accelerate its plan to replace some router equipment and client routers ahead of the originally scheduled timeline.

Following a successful request for funding from the Department of Education in 2023, capital funding has been secured to replace the end-of-life components in the HEAnet core router equipment. This work will be carried out in the first half of 2024. Two additional requests for funding are planned; the first for late 2024 to replace the end-of-life equipment at the Technological Universities and Institutes of Technologies. The second in early 2025 will be submitted to replace the equipment at smaller campus sites.



RESEARCH ENGAGEMENT

In 2024, as well as continuing the research support activities outlined above, we will place additional emphasis on supporting the development of EOSC by:

- Advocating for the enhancement of national research infrastructure to support the European web of FAIR data and services. This will require strategic engagement with stakeholders such as the managers of large research infrastructures and "data spaces" in Ireland; and
- Engaging with DFHERIS, to discuss governance and funding to support these initiatives.

EOSC is now at a pivotal juncture, with the roll-out of the EOSC EU node expected to be completed in summer 2024. There are European funded projects (e.g. EOSC-Beyond) which will facilitate the connection of national initiatives to the EOSC-EU node. Ireland is currently not a participant in these projects. While our broader investment in EOSC promises valuable insights, it is imperative for Ireland to proactively engage on a national level, to ensure our researchers do not lag behind. Consequently, we aim to elevate this matter to a priority status within HEAnet research engagement.



The full year results for 2023 show another strong performance with Group turnover increasing year on year and the directors are happy to report total income of €58,986,050 (2022: €44,191,205). The majority of the increased turnover was attributable to the parent company which saw year on year growth in turnover of approximately 24%, largely driven by the expansion of the project to provide high speed internet connectivity to the schools network. The continued roll-out of the new SOC & SIEM service also contributed an increase of approximately €1.8M in turnover as additional clients were on-boarded during the year. In the subsidiary company turnover increased approximately 48% to €25,988,674 (2022: €17,608,601). Overall, there was a small reduction year on year in grant-funded operational and project activities, but costs recognised on client funded projects increased significantly to €11,775,731 (2022: €1,860,554).

The majority of Group income continues to be earned from a combination of state grants, via the Department of Education (representing about 69% of total income), membership fees charged to clients (8% of total), and income earned from other chargeable services (23%). The total state grant funding recognised in income in 2023 was €40,839,344 (2022: €36,382,465). 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 increased substantially and this was primarily driven by activity on projects to implement MIS systems in client sites. The 2023 figure includes costs of €1.57M relating to 2022 that were deferred at the end of the 2022 financial year, and have been recognised in 2023. The total income recognised for the full year under this category was €13,606,987 (2022: €3,442,968).

There was a surplus recorded in the year of €329,983 (2022: deficit of €348,968). This was primarily driven by reduced administrative costs. This surplus 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 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 €38,229,097 (2022: €31,344,260). Tangible fixed assets at 31 December were €6,083,668 (2022: €2,730,523). The total investment in fixed assets during the year was €5,571,854 (2022: €1,775,912) which exceeded the depreciation charge of €1,699,920 (2022: €1,325,770) and total asset disposals amounted to €Nil (2022: €1,579,639). The single biggest investment in fixed assets in the amount of €3,832,050 was in respect of the fit-out works associated with moving into a new premises. This has been capitalised as a leasehold improvement in the accounts, and will be depreciated over the term of the lease.

Within current assets, trade debtors increased to €4,358,551 (2022: €377,598) and this related to charges to clients for project work. No provision for impairment against trade debtors is recognised in the accounts although there is a contingent liability being disclosed in these accounts in respect of some uncertainly as to the timing and amount of settlement of all client charges. The cash balance at year end was €19,541,276 (2022: €19,543,223).

All cash is held in demand deposit accounts. The Group does not have any loans or other borrowings outstanding (2022: €0M). As at 31 December 2023 there are reserves of €4,821,314 (2022: €4,491,319) of which €2,800,000 (2022: €2,800,000) is in a designated fund in unrestricted reserves, with the remaining €2,021,314 in unrestricted reserves.

KEY PERFORMANCE INDICATORS

Key Performance Indicators for HEAnet CLG	2023	2022
Internally generated income as a proportion of total income	21.4%	24.7%
HEAnet service income as a proportion of total income	19.7%	23.8%
Debtors days at year end	25	19
Capital expenditure/total expenditure	22.3%	11.4%
Payroll cost/total cost	27.3%	28.5%
Staff turnover in %	7%	11.5%
Training days per staff member per year	2.7	2.0
Cash reserves	€17.7M	€15.2M
Number of clients	79	81
Average number of employees	98.5	87
Customer satisfaction (Net Promoter Score)	+79	+67

Key Performance Indicators for EduCampus Services DAC	2023	2022
Project expenditure / total expenditure	8%	26%
Payroll cost / total cost	19%	19%
Staff turnover in %	17.7%	11%
Training days per staff member per year	2.0	2.3
Cash reserves	€1.8M	€4.3M
Number of client entities	23	23
Average number of employees	34	31.7



Key **Performance** Indicators



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 2023 to a high of approximately 11%. Continuing cost of living pressure and the effects of persistent, albeit reducing, inflation place further pressure on the Group to compete for staff.

DISRUPTION DUE TO CYBER-ATTACK INCLUDING RANSOMWARE ATTACKS

The Directors consider cyber risks to be the most significant operational threat facing the organisation. There are two perspectives on this for the group whereby the company must safeguard and protect its own assets and data, but is also in the business of providing IT security services to clients including a training and awareness service, and a security operations centre service.

The impact could be manifested operationally as data loss, or as a reputational risk associated with provisions of security services to 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, and the Board have directed that cyber-attack preparedness reviews take place on an annual basis.

FUNDING RISKS

As organisations primarily reliant on State funding, the risk exists that any reduction allocated funding will impact organisations' abilities to achieve their strategic objectives. The funding landscape tightened significantly during 2023, and corrective action was necessary during the year where a reforecasting exercise had to be carried out to ensure the Group companies could operate within the funding envelope that had been allocated. While relations with the funding organisations are strong, this funding pressure has continued into 2024. There is a reality to be acknowledged that State funding must be re-awarded every year, and Government departments budgets' can be impacted by other national priorities, such as housing and healthcare.

ENERGY COSTS AND SUPPLY CONCERNS

There are two dimensions to energy risks: financial in terms of increased energy costs, and business continuity in terms of the risk of disruption to services in the event of an energy supply interruption. There is another consideration arising from the Group's commitments to environmental, sustainable

and governance ("ESG") goals set during 2023. The equipment that is used to operate HEAnet's national network is located in a number of geographically diverse data centres, and while the pressure on the energy supply system eased slightly in 2023 compared to the prior year there remains some risk of disruption to services.

The directors have considered the impact that both the domestic and current geopolitical uncertainties including ongoing regional conflicts, and the consequent sanctions imposed on the latter, are generating on the global economy. At the time of finalisation of these financial statements, there were no significant impacts for this organisation. The directors will continue to monitor the impacts of same on costs, budgets and cash flow projection.

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 Third Floor, North Dock Two, 93/94 North Wall Quay, Dublin, D01 V8Y6, Ireland.



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) was incorporated in April 2015 as a subsidiary company of HEAnet to implement, maintain, and support businesscritical systems to clients in the education sector.

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

HEAnet and EduCampus (each a Company and together the Group) are governed by the Companies Act 2014 and the specific legal obligations set out in the legislation. In addition, the HEAnet Board and the EduCampus Board are each committed to following best practice corporate governance and both entities comply with the Code of Practice for the Governance of State Bodies (the "Code") to the extent practicable and possible.

HEAnet and EduCampus are registered charities, and both comply with the Charities Act 2009 and the Charities Governance Code and make an annual return to the Charities Regulator and file annual financial statements. The HEAnet Board and the EduCampus Board are each responsible for promoting their

Companies' success by leading and directing their activities. The Boards provide strategic guidance to their organisations and monitor and review the Companies' 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.

Under the HEAnet Constitution, 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. In addition, any person appointed as Chair of the Company shall from the date of appointment be entitled to serve as Chair 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.

Article 42(c) of the HEAnet Constitution allows the Directors to appoint one person to be a Director as an addition to the existing Directors appointed by the Ordinary Members and the Higher Education Authority. Any Director appointed under Article 42 (c) of the Constitution shall retire from office at each Annual General Meeting and shall then be eligible for re-election by the Directors.

Under the EduCampus Constitution, as updated during 2023, the Directors are appointed for a term of four years and may be

re-appointed for a second term of four years. In exceptional circumstances, in order to ensure succession and continuity, a Director's second term may be extended for a period for not more than one year. A Director may not be appointed for more than two consecutive terms and at the end of their second term, such Director must retire from office. Under no circumstances shall a Director remain in office for a period in excess of nine consecutive years. 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.

The HEAnet Board and the EduCampus Board share Group Committees (the "Group Committees"). There are four standing Group Committees. The standing Group Committees are (i) the Group Audit & Risk Committee; (ii) the Group Finance Sub-Committee; (iii) the Group Nomination Committee; and (iv) the Group Remuneration Committee. Further details on the membership of each of the Group Committees and their activities during 2023 are detailed in the "HEAnet Group Committees" section of the Trustees' Report incorporating Directors' Report.

As appropriate, 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 sub-committee membership will be based on the purpose for which the sub-committee is established as well as the skills, experience and expertise required.

GROUP ADVISORY FORUM

A Group Advisory Forum was established in 2021 comprising of representatives from the HEAnet and EduCampus Boards, the Chief Executive Officers of HEAnet and EduCampus as well as external stakeholders. The Group Advisory Forum considers and provides advice on issues pertaining to Group services as well as national and international developments in the MIS /Networking Sectors.

The Group Advisory Forum convened in April 2023 and October 2023.

HEANET CHAIRPERSON SEARCH COMMITTEE

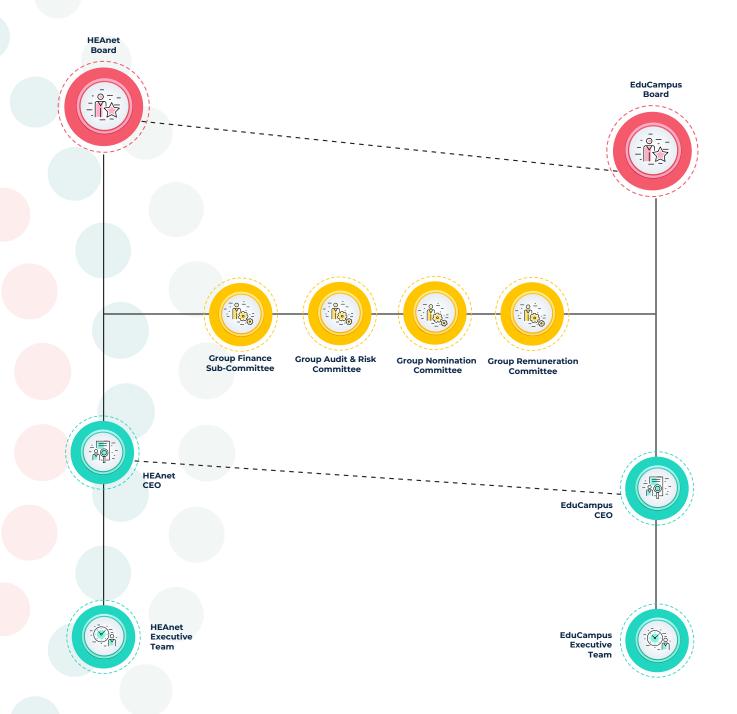
A HEAnet Chairperson Search Committee was established by the HEAnet Board in 2022 to lead the incoming HEAnet Board Chair selection campaign. Following a comprehensive process, the HEAnet Chairperson Search Committee recommended, to the HEAnet Board, the appointment of Professor Mike Murphy as Board Chair. Professor Anne Scott retired as HEAnet Board Chair with effect from 14 April 2023 and Professor Mike Murphy was appointed as Board Chair, also with effect from 14 April 2023. The HEAnet Chairperson Search Committee concluded its role during Q1 2023.

HEANET CONSTITUTION REVIEW STEERING COMMITTEE

During 2023, a HEAnet Constitution Review Steering Committee was appointed by the HEAnet Board to lead a review of the current Constitution and recommend proposed amendments, if any, to the HEAnet Board. The HEAnet Constitution Review Steering Committee, which consists of Board Directors as well as members of Management convened during Q1 2023, Q2 2023, and Q3 2023 and provided regular updates to the HEAnet Board in relation to its activities. In Q4 2023, a stakeholder engagement exercise in relation to the Constitution commenced.

The Group Governance Structure, incorporating the standing Group Committees is as follows:

Figure 1: Group Governance Structure



HEAnet BOARD OF DIRECTORS

BOARD STRUCTURE

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

Under the current Constitution, the Higher Education Authority ("the HEA"), the seven university members and Technological University Dublin, ("TU Dublin"), (previously Dublin Institute of Technology), may appoint one Director each to the HEAnet Board. In addition, the HEA, following consultation with the Technological Higher Education Association ("THEA"), the Consortium of National and University Libraries ("CONUL"), and the Department of Enterprise, Trade and Employment (previously referred to as the Department of Jobs, Enterprise and Innovation), as the case may be, 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 Consortium of National and Universities Libraries ("CONUL").
- 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 Jobs, Enterprise, and 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.

The following HEAnet Directors served during the financial year ending 31 December 2023:

Name	Appointed	Resigned/Retired
Dr. Billy Bennett		
Mr. Gary Butler		
Dr. Sandra Collins		March 2024
Dr. Gerard Culley		
Dr. Paul Feldman¹	Re-appointed in June 2023	June 2023
Mr. Phillip Fischer		
Dr. Orla Flynn		
Mr. Patrick Magee (Deputy Chair)		
Professor Mike Murphy (Chair) ²	Appointed as Chair in April 2023	
Ms. Rachel O'Connell	July 2023	
Professor Noel O'Connor		
Professor Anne Scott		April 2023
Ms. Aoife Tuohy		
Ms. Allison Kavanagh	Appointed in March 2024	
Ms. Orla Christle	Appointed in March 2024	

¹ Dr Paul Feldman is appointed in accordance with Article 42(c) of the Constitution.

² Professor Mike Murphy was appointed to the HEAnet Board in September 2017 and was appointed as Board Chair in April 2023.

Professor Anne Scott retired from the HEAnet Board with effect from 14 April 2023 and Ms Rachel O'Connell was appointed to the HEAnet Board with effect from 1 July 2023. As at 31 December 2023, the HEAnet Board had four (4) / 33% female and eight (8) / 67% male members³, with two (2) vacant positions.

Dr Sandra Collins resigned from the HEAnet Board with effect from 14 March 2024. Ms Allison Kavanagh and Ms Orla Christle were appointed to the HEAnet Board with effect from 26 March 2024.

As at the end of 2023, the HEAnet Board did not meet the Government target of a minimum

of 40% representation of each gender. The HEAnet Board continues to be highly cognisant of the benefits of diversity, particularly gender diversity. This is a key area of consideration for, inter alia, the Group Nomination Committee, as well as the HEAnet Board and the EduCampus Board, as each gives consideration to Board and Group Committee composition, as well as Director tenure, rotation, and succession planning. The Group Nomination Committee continues to work with the HEAnet Board and the EduCampus Board to foster and support gender balance, diversity and inclusion on the Boards and the Group Committees.

Attendance at scheduled HEAnet Board meetings held in 2023:

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Name	Attendance
Dr. Billy Bennett	5/6
Mr. Gary Butler	1/6
Dr. Sandra Collins	6/6
Dr. Gerard Culley	6/6
Dr. Paul Feldman	5/6
Mr. Phillip Fischer	6/6
Dr. Orla Flynn	6/6
Mr. Patrick Magee (Deputy Chair)	6/6
Professor Mike Murphy (Chair)	5/6
Professor Noel O'Connor	6/6
Ms. Rachel O'Connell	3/3
Professor Anne Scott	2/3
Ms. Aoife Tuohy	6/6

Attendance at additional HEAnet Board meetings held in 2023:

Name	Attendance
Dr. Billy Bennett	2/4
Mr. Gary Butler	1/4
Dr. Sandra Collins	2/4
Dr. Gerard Culley	3/4
Dr. Paul Feldman	1/4
Mr. Phillip Fischer	4/4
Dr. Orla Flynn	4/4
Mr. Patrick Magee (Deputy Chair)	4/4
Professor Mike Murphy (Chair)	3/4
Professor Noel O'Connor	4/4
Ms. Rachel O'Connell	2/2
Professor Anne Scott	1/1
Ms. Aoife Tuohy	3/4

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

BOARD RESPONSIBILITIES

The HEAnet Board held six scheduled meetings during 2023. The scheduled meetings were held in February 2023; March 2023; May 2023; September 2023; November 2023; and December 2023. In addition, the HEAnet Board held four additional Board meetings during 2023. The additional HEAnet Board meetings were held in February 2023; June 2023; September 2023; and December 2023.

Details of attendance at HEAnet Board meetings is set out in the "Board Meeting Attendance 2023" section of the Trustees' Report. The work and responsibilities of the HEAnet 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 HEAnet Board has a schedule of 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 Chief Executive Officer.
- Declaration of Conflicts of Interests.
- Reports from Group Committees.
- Updates on Financial Reporting and Budgeting.
- Corporate Governance Matters.

In 2023, the HEAnet Board also considered, and where appropriate approved, the following key matters:

- The HEAnet Annual Report & Financial Statements for the year ended 31 December 2022, having convened with the External Auditor.
- The HEAnet Quarterly Financial Statements.
- The HEAnet Three-Year Budget for 2024 -

2026.

- The HEAnet Five-Year Capital Budget 2023 to 2027.
- The HEAnet Capital Grant Projects for 2023 and 2024, as well as material contracts and capital expenditure initiatives.
- The HEAnet Group Pension Plan 2022 Governance and Operational Report.
- The HEAnet Group Strategy to 2024.
- The HEAnet Group Environmental, Social & Governance Strategy.
- The HEAnet Group Protected Disclosures Policy.
- The output of the 2022 Cyber Security Management Review and the 2023 Cyber Security Management Review.
- The update in relation to employee engagement and wellness.
- The output of the System of Internal Financial Controls Review.

The HEAnet Board also received the Group Audit & Risk Committee's quarterly updates, and where appropriate recommendations, as well as the Group Audit & Risk Committee's Annual Report for 2023, which set out in comprehensive detail the Group Audit & Risk Committee's activities during 2023.

The HEAnet Board approved updates to HEAnet Board risk register and noted the progress made on implementing recommendations arising from internal audit reviews. It also received updates in relation to the implementation of the recommendations arising from the Group Risk Framework Management Review.

The HEAnet Board 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 in the Directors' Compliance Statement section of the Trustees' Report (incorporating Directors'

⁴ Code of Practice for the Governance of State Bodies – Business and 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."

Report), and the Directors' Compliance Policy Statement. It reviewed HEAnet's compliance with the Charities Governance Code and the Code of Practice for the Governance of State Bodies.

It also received updates, and where appropriate recommendations, from the Group Finance Sub-Committee, the Group Nomination Committee, and the Group Remuneration Committee.

In September 2023 and December 2023, the Chair of the EduCampus Board of Directors and the EduCampus Chief Executive Officer presented an update on EduCampus' activities and strategic matters to the HEAnet Board.

The HEAnet Board also considered Board and Group Committee refreshment and succession planning, and approved Director changes, in particular the appointment of Professor Mike Murphy as Board Chair with effect from April 2023 and the appointment of Ms Rachel O'Connell to the HEAnet Board with effect from July 2023. It also approved amendments to the Terms of Reference of the Group Audit & Risk Committee, the Group Finance Sub-Committee and the Group Nomination Committee as well as changes to the membership of each of the aforementioned Committees. It also approved the membership of the Group Remuneration Committee.

CORPORATE GOVERNANCE



GOVERNANCE CODES

The Code of Practice for the Governance of State Bodies

Analysis on HEAnet and EduCampus' compliance with the provisions of the Code of Practice for the Governance of State Bodies (the "Code") was undertaken during October 2023 and November 2023, and was reviewed by the Group Audit & Risk Committee in November 2023.

A further review also took place following the conclusion of the 2023 financial year. The results of which were shared with the Group Audit & Risk Committee in February 2024 and the HEAnet Board and EduCampus Board in March 2024.

The Code compliance analysis involved a review of 260 Code Provisions. HEAnet and EduCampus are in either full or partial compliance with 74% of the Code Provisions, whilst 25% of the Code Provisions are not deemed to apply to HEAnet and EduCampus. HEAnet and EduCampus are non-compliant with 1% of the Code Provisions.

Figure 2: HEAnet and EduCampus Code Compliance:



Partial or Full Compliance (74%)

Not Applicable (25%) Non-Compliance (1%)

As HEAnet and EduCampus 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

A Business Performance and Delivery Agreement ("BPDA") between the Department of Education ("DoE"), the Department of Further and Higher Education, Research, Innovation and Science ("DFHERIS"), HEAnet and EduCampus was executed by all parties in December 2021⁶. During 2021, in finalising the BPDA, HEAnet and EduCampus engaged extensively with the DoE on HEAnet and EduCampus' compliance with the Code.

The Charities Governance Code

In 2023, HEAnet continued to ensure compliance with the Charities Governance Code. The HEAnet Charities Governance Code Compliance Record Form for 2023 was approved by the HEAnet Board in March 2024. The EduCampus Charities Governance Code Compliance Record Form for 2023 was approved by the EduCampus Board in May 2024. A copy of the approved Charities Governance Code Compliance Record Form for each Company is available on each Company's website.

HEAnet and EduCampus confirm their compliance with the Charities Governance Code for 2023.

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 Board at its meeting in December 2021



At the end of 2023, both the HEAnet and EduCampus Boards commenced an Internal Board Evaluation. The Internal Board Evaluation for each of HEAnet and EduCampus consisted of the completion by the Directors of an Internal Board Evaluation Questionnaire. Thereafter, the responses to both Internal Board Evaluation Questionnaires were summarised and presented to the relevant Chairs. In Q1 2024, the HEAnet Chair held engagements with each of the HEAnet Directors to discuss the performance and effectiveness of the Similarly, in Q1 2024, the HEAnet Board. EduCampus Chair held engagements with each of the EduCampus Directors to discuss the performance and effectiveness of the EduCampus Board.



HEANET GROUP STRATEGY

The updated HEAnet Group Strategy was considered, and approved, by the EduCampus Board and HEAnet Board at their respective Board meetings held in September 2023. The revised Group Strategy, (which focuses on the strategic themes of leadership, innovation, stakeholder engagement, services strategy, environmental, social and governance, and embracing artificial intelligence) enables HEAnet and EduCampus to continue to collaborate on key initiatives. The Group mission is to provide quality digital solutions on a shared services bases to education and research in Ireland, with a vision of enabling Ireland to have the best education and research digital environment in Europe.

HEANET STRATEGY

During 2022, the HEAnet Board approved the extension of the HEAnet Strategy 2020 – 2022 for a two-year period. During 2023, the HEAnet Board provided oversight of the HEAnet Strategic Plan for 2023 – 2024 (which focuses on five core pillars of the Connectivity, Security, Identity, Brokerage and Research Engagement), which is available in the "Our Strategy" section of the HEAnet website.

EDUCAMPUS STRATEGY

EduCampus' current strategy runs to 2024 and focusses on its ambition to realise the vision to empower higher education through quality IT Shared Services



The Group Audit & Risk Committee supports both HEAnet and EduCampus in meeting their responsibilities in respect of risk management, controls, and governance.

Both HEAnet and EduCampus have an actively maintained Board-level risk register. The HEAnet and EduCampus Board-level risk registers are reviewed and discussed at each quarterly Group Audit & Risk Committee meeting to ensure new risks are identified and expended risks are deleted. Each Board receives quarterly updates from the Group Audit & Risk Committee on risk management in its respective Company, and the updated Board level risk registers are considered, and approved as appropriate.

In addition, corporate level risk registers are supported by functional 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.

Both HEAnet and EduCampus have a separate Risk Management Policy. The purpose of the Risk Management Policies is to ensure that the Companies are equipped to monitor and manage key risks in line with good practice. The policies are intended to support compliance with the Code of Practice for the Governance of State Bodies. The revised HEAnet Risk Management Policy was approved by the HEAnet Board in Q4 2023, whilst the revised EduCampus Risk Management Policy was also approved by the EduCampus Board in Q4 2023.

The HEAnet Board approved Risk Appetite Statement is as follows:

"HEAnet seeks to mitigate risk as far as possible. It is recognised, however, that to successfully achieve its objectives, it 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. HEAnet has a low-risk appetite for matters pertaining to cyber security risk".

As set out in the 2022 Annual Report & Financial Statements, during 2022 an external review was undertaken on the Group Risk Management Framework (the "Risk Management Framework Review"). The results of the Risk Management Framework Review were presented to the Group Audit & Risk Committee at its November 2022 meeting. During 2023, the work on implementation of recommendations from the Risk Management Framework Review Report continued.



HEAnet and EduCampus are publicly funded companies, and both 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.



HEAnet and EduCampus share the following standing Group Committees⁷:

Group Audit & Risk Committee

The Group Audit & Risk Committee provides support to the HEAnet and EduCampus Boards in meeting their responsibilities for matters relating to risk management, controls, and governance. The role of the Group Audit & Risk Committee is to provide assurance to the HEAnet Board and the EduCampus Board 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. The Group Audit & Risk Committee approves a risk based internal audit plan on a three-year rolling basis, which is updated as appropriate. The Internal Auditor undertakes an annual audit of the system of internal financial controls and other risk-based audits that focus on key

 7 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;"

business areas identified in the risk registers. The Internal Audit Plan for 2024 – 2026 for each of HEAnet and EduCampus was considered at the November 2023 Group Audit & Risk Committee. Subsequent to which the HEAnet Board approved the HEAnet Internal Audit Plan for 2024 – 2026 at its December 2023 Board meeting, whilst the EduCampus Board approved the EduCampus Internal Audit Plan for 2024 – 2026 at its November 2023 Board meeting.

The Group Audit & Risk Committee held four scheduled meetings during 2023. The scheduled meetings were held in February 2023; April 2023; September 2023; and November 2023. In addition, the Group Audit & Risk Committee held one additional meeting during 2023. The additional Group Audit & Risk Committee meeting was held in November 2023.

At its meetings, the Group Audit & Risk Committee, amongst other matters, reviewed, and where appropriate, approved the following matters:

- The Annual Report & Financial Statements for each of HEAnet and EduCampus for the year ended 31 December 2022, having convened with the External Auditor.
- The effectiveness of the External Audit and the 2022 external audit.
- The External Auditor's Letter of Engagement.
- Prior internal audit progress reports for HEAnet and EduCampus.
- The internal audit reports and associated recommendations, arising from the HEAnet and EduCampus' System of Internal Financial Controls audits.

- The internal audit reports, and associated recommendations, arising from operational audits undertaken at HEAnet and EduCampus.
- The HEAnet and EduCampus Board-level risk registers.
- The effectiveness of the Internal Auditor.
- The HEAnet and EduCampus Internal Audit Plan for 2024 to 2026.
- The Group's Protected Disclosure Policy.
- The Compliance and Internal Control Assessment 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.
- 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.
- The HEAnet and EduCampus Risk Management Policy and Risk Appetite Statement.
- Progress on the implementation of the recommendations arising from the 2022 Risk Management Framework Review.

In addition to the above, the Group Audit & Risk Committee also undertook a review of its Terms of Reference and made recommendations in relation to amendments thereto to the HEAnet Board. The Group Audit & Risk Committee also undertook a review of its own effectiveness and provided an update to the HEAnet and EduCampus Boards on the output of the effectiveness review.

Membership of the Group Audit & Risk Committee during 2023 and meeting attendance:

Member	Date Appointed/Retired	Attendance at 2023 committee meetings
Dr. Gerard Culley (HEAnet nominee)	Retired in November 2023	5/5
Dr. Billy Bennett (HEAnet nominee)	Joined Committee in September 2020. Appointed Chair of Committee in December 2023	3/5
Dr. Paul Feldman (HEAnet nominee)	Joined Committee in December 2023	Not Applicable
Ms. Mary Kerr* (EduCampus nominee)	Joined Committee in September 2017	5/5
Mr. Cormac McSweeney (Independent external member)	Joined Committee in February 2023	2/5
Ms. Aoife Tuohy (HEAnet nominee)	Joined Committee in May 2022	5/5

^{*}Ms. Mary Kerr retired from the Group Audit & Risk Committee in February 2024 and Ms. Geraldine Minogue was appointed, as an EduCampus nominee, to the Group Audit & Risk Committee in February 2024.

Group Finance Sub-Committee

The Group Finance Sub-Committee considers all financial matters relating to HEAnet and EduCampus and reports its findings and recommendations to the respective Boards. During 2023, the Group Finance Sub-Committee held four scheduled meetings. The meetings were held in February 2023; April 2023, September 2023, and November 2023.

At its meetings, the Group 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.
- The HEAnet and EduCampus' Annual Report & Financial Statements for the year ended 31 December 2022.

- The HEAnet and EduCampus budgets, including major capital grant applications for the organisation.
- The relocation of the HEAnet head office.
- The financial implications and risks of major funded project activity.
- Capital Projects.

In addition to the above, the Group Finance Sub-Committee also undertook a review of its Terms of Reference and made recommendations in relation to amendments thereto to the HEAnet Board. The Group Finance Sub-Committee also undertook a review of its own effectiveness and provided an update to the HEAnet and EduCampus Boards on the output of the effectiveness review.

Membership of the Group Finance Sub-Committee during 2023 and meeting attendance:

Member	Date Appointed/Retired	Attendance at 2023 committee meetings
Mr. Phillip Fischer (HEAnet nominee)	Joined Committee in May 2022 Appointed Chair of Committee in September 2023	4/4
Professor Mike Murphy (HEAnet nominee)	Joined Committee in September 2020 Retired as Chair of Committee in September 2023	4/4
Ms. Rachel O'Connell (HEAnet nominee)	Joined Committee in September 2023	1/1
Mr. David Smith (EduCampus nominee)	Joined Committee in April 2022	4/4
Professor Anne Scott (HEAnet nominee)	Retired in April 2023	1/1

Group Remuneration Committee

In December 2022, the HEAnet Board approved a revised membership structure and revised Terms of Reference for the Group Remuneration Committee. Under the revised membership structure of the Group Remuneration Committee, a single Group Remuneration Committee considers matters pertaining to the HEAnet and EduCampus Chief Executive Officer's remuneration. In addition, the Group Remuneration Committee

consists of two members from the HEAnet Board and two members from the EduCampus Board. Both the HEAnet Board Chair and the EduCampus Board Chair serve on the Group Remuneration Committee, however, neither acts as Chair of the Group Remuneration Committee. In addition, with effect from 2023, the Remuneration Committee convenes twice per year. The Group Remuneration Committee held its inaugural meeting in March 2023.

Membership of the Group Remuneration Committee during 2023 and meeting attendance:

Member	Date Appointed/Retired	Attendance at 2023 committee meetings
Mr. Gary Butler (HEAnet nominee)	Joined Committee in March 2023 Appointed Chair of Committee in March 2023	1/2
Professor Mike Murphy (HEAnet nominee)	Joined Committee in April 2023	1/1
Dr. Aidan McGrath (EduCampus nominee)	Joined Committee in March 2023	2/2
Dr. Joseph Ryan (EduCampus nominee)	Joined Committee in March 2023	2/2
Professor Anne Scott (HEAnet nominee)	Joined Committee in March 2023 Retired in April 2023	1/1

Group Nomination Committee

The Group Nomination Committee considered matters pertaining to HEAnet and EduCampus Board and Group Committee composition, refreshment, and succession planning.

During 2023, the Group Nomination Committee held four scheduled meetings. The scheduled meetings were held in January 2023; February 2023; April 2023; and October 2023. In addition, the Group Nomination Committee convened for additional meetings in August 2023, September 2023, and November 2023.

In addition to considering matters pertaining to Board and Group Committee composition, refreshment, and succession planning, taking into account the Board and Group Committee Skills Matrix and the benefits of diversity, during 2023 the Group Nomination Committee also undertook a review of its Terms of Reference and made recommendations in relation to amendments thereto to the HEAnet Board. The Group Nomination Committee also undertook a review of its own effectiveness and provided an update to the HEAnet and EduCampus Boards on the output of the effectiveness review.

Membership of the Group Nomination Committee during 2023 and meeting attendance

Member	Date Appointed/Retired	Attendance at 2023 committee meetings
Mr. Patrick Magee (HEAnet nominee)	Joined Committee in September 2021 Appointed Chair of Committee in September 2021	7/7
Dr. Orla Flynn (HEAnet nominee)	Joined Committee in September 2021	6/7
Mr. John Gill (EduCampus nominee)	Joined Committee in September 2021 Retired in July 2023	2/3
Mr. Noel O'Connor (HEAnet nominee)	Joined Committee in September 2021	5/7
Mr. David Denieffe (EduCampus nominee)	Joined Committee in September 2023	2/2



INDUCTION AND TRAINING FOR DIRECTORS

Newly appointed Directors receive a Letter of Appointment and undergo an Induction Programme, which includes briefing meetings with relevant personnel and the provision of Group and Company related documentation, including strategy documentation, relevant policies, briefing materials and information pertaining to Directors' duties.

The 2023 Director Development Programme was approved by the Boards of both HEAnet and EduCampus in Q4 2022. The H1 2023 Director Briefing Sessions under the 2023 Director Development Programme included training on Directors' Duties, Conflicts of Interest, and Protected Disclosures. The H2 2023 Director Briefing Sessions under the 2023 Director Development Programme included training on the Code of Practice for the Governance of State Bodies, the Charities Governance Code, an update on Data Protection (including the General Data Protection Regulation), as well as an overview of the Freedom of Information Act, EU Artificial Intelligence Act, and technology law developments.

In addition, in May 2023 the HEAnet and EduCampus Boards received an overview on the Network and Information Security 2 Directive ("NIS2").

The 2024 Director Development Programme was noted by the Boards of both HEAnet and EduCampus in Q4 2023.

BOARD AND COMMITTEE EXPENSES

HEAnet and EduCampus 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 2023 was €2,761.93 (HEAnet: €2,761.93; EduCampus: €Nil).

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 31 December 2023.

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:

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

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

- i. 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.
- ii. 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
- iii. a review has been conducted, during the financial year, of the arrangements and structures referred to in paragraph (ii).

INTERNAL FINANCIAL CONTROLS

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 2023.

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 2023 (2022: 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 formal legal proceedings or settlements in 2023, however €21,660 was incurred in the subsidiary company in respect of a mediation process that they are participating in and which remains on-going. Expenditure incurred in relation to general legal advice received by HEAnet is disclosed in consultancy costs below.

CONSULTANCY COSTS

The breakdown of consultancy costs is presented below:

presented below.		
	2023	2022
Tax and financial advisory	€74,672	€ 40,727
Consultancy other	€108,352	€223,366
Pension and human resources	€53,794	€ 31,769
Legal	€105,150	€ 29,684
Public relations and marketing	€97,386	€ 89,201
Total	€439,35 <mark>5</mark>	€414,746

TRAVEL AND SUBSISTENCE AND HOSPITALITY EXPENDITURE

Travel and subsistence and hospitality expenditure are categorised as follows:

	2023	2022
International Travel	€75,747	€ 45,116
National Travel	€42,614	€ 17,204
Hospitality	€87,529	€ 52,679
Total	€205,889	€114,999

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 31 December 2023 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 31 December 2023.

RESEARCH AND DEVELOPMENT

The Company did not engage in research and development activities during the financial period ended 31 December 2023.

DISCLOSURE OF INFORMATION TO AUDITOR

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

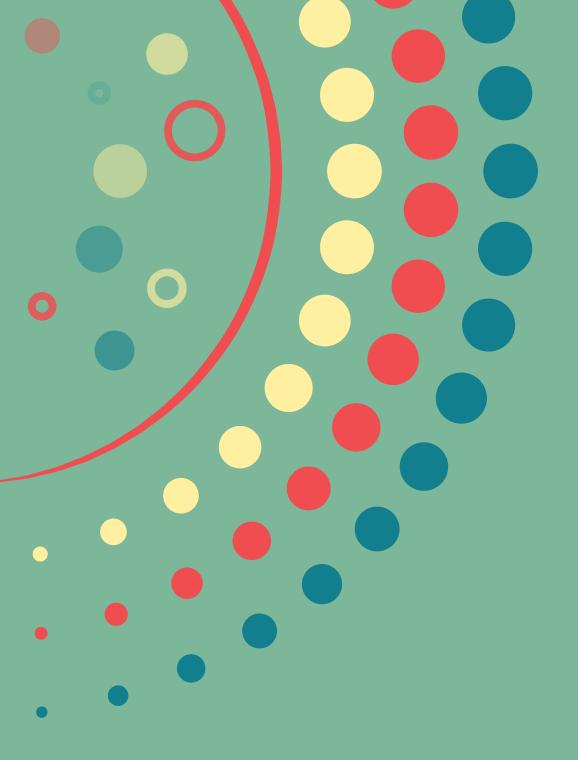
- As far as he/she is aware, there is no relevant audit information of which the Company's external auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the External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

9 May 2024



Statement of Internal Control

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 Board of HEAnet and the Board of EduCampus Services are served by a common, permanent Group Audit & Risk Committee, comprising members from the Board of EduCampus Services, the Board of HEAnet, and an independent external member. 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 2023 were provided on an outsourced basis by Mazars LLP under a contract awarded in 2023 under an Office of Government Procurement (OGP) Framework. At a minimum the internal audit work programme always includes a review of the system of internal financial controls. At least one further internal audit review of another part of HEAnet operations also normally takes place during the year. During 2023 three targeted internal audit reviews took place.

REVIEW OF THE SYSTEM OF INTERNAL FINANCIAL CONTROLS

This review took place during May 2023 and the final report was presented by the Internal Auditor to the Group Audit & Risk Committee in September 2023. There were no high priority findings, and a number of medium and low level findings were made.

The overall audit opinion was that: "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. Overall, there is an adequate and effective system of governance, risk management and internal control. While some control risks were identified, this should not significantly impact on the achievement of objectives. The disclosure of some high and/or medium priority observations means that normal ongoing management supervision, together with the resolution of any findings raised in this report, should ensure that the control risk remains low."

CYBER SECURITY MANAGEMENT REVIEW

This review took place during 2023. 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 September 2023, and was considered by the HEAnet Board in September 2023. No high priority findings requiring immediate management attention were identified, and a number of medium and low priority findings were made, with associated recommendations for resolution. The auditor's overall opinion following the review was that the results indicate "reasonable assurance can be placed on the adequacy and operating effectiveness of internal controls to mitigate and / or manage...risks".

REVIEW OF PROCUREMENT COMPLIANCE

This review took place during September 2023 and the final report was presented by the Internal Auditor to the Group Audit & Risk Committee in February 2024. No high priority findings were made and a number of medium and low priority findings were made, with associated recommendations for resolution. There are further details on the findings in section seven below.

The overall audit opinion was that "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. Overall, there is an adequate and effective system of governance, risk management and internal control. While some control risks were identified, this should not significantly impact on the achievement of objectives. The disclosure of some high and/or medium priority observations means that normal ongoing management supervision, together with the resolution of any findings raised in this report, should ensure that the control risk remains low."

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

I can confirm that for the year ended 31 December 2023 the Board of HEAnet carried out certain 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 strives for compliance with public procurement rules and guidelines. During the year certain breaches of procurement compliance were identified. This included two contracts with aggregate expenditure in each of €272,477 and €47,110 that were not properly sent out for tender. A contract for software support has been identified as being out of compliance following the end of the contract period. The ependiture in 2023 €19,357.

In addition, in the subsidiary Company the following issues more identified. A contract with expenditure of €31,133 was not properly sent out for tender. Two other separate contracts were identified where procurement had taken place in the past, but the aggregate expenditure had exceeded estimated contract value and the services were not properly retendered. The amounts in question were expenditure of €7.5m where the estimate was €3m, and expenditure of €11.5m where the estimate was €6m.

On behalf of the Board

Professor Mike Murphy

9 May 2024



Statement of Directors' Responsibilities

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. 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.

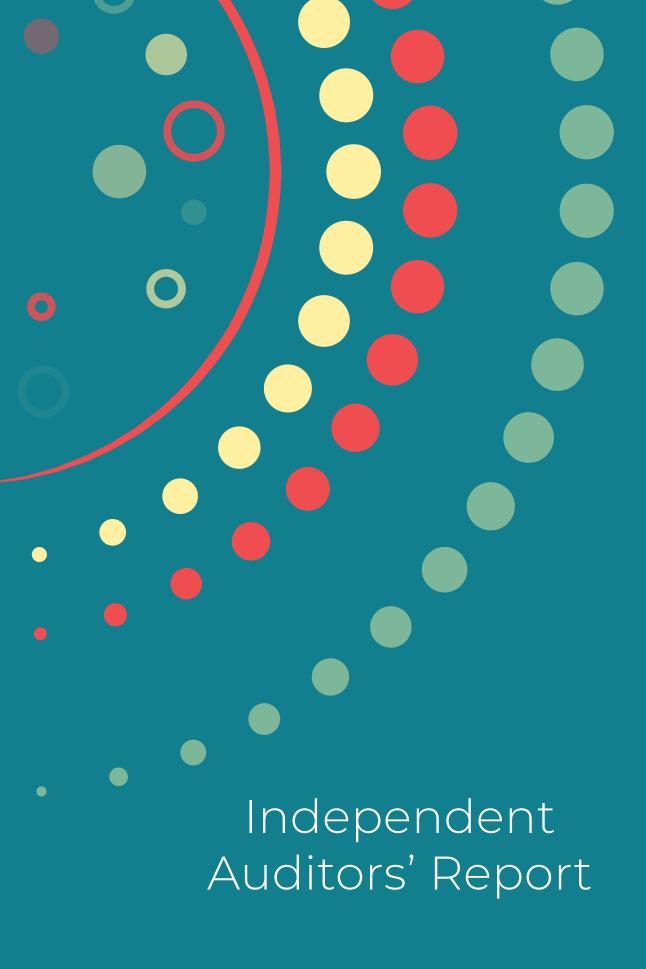
The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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. Billy Bennett

9 May 2024





Independent auditors' report to the members of HEAnet CLG group

Report on the audit of the financial statements

Opinion

In our opinion:

- HEAnet CLG group'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 2023 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); and
- 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 2023;
- the Consolidated and Company Statement 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 as 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 31 December 2023 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 60, 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 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

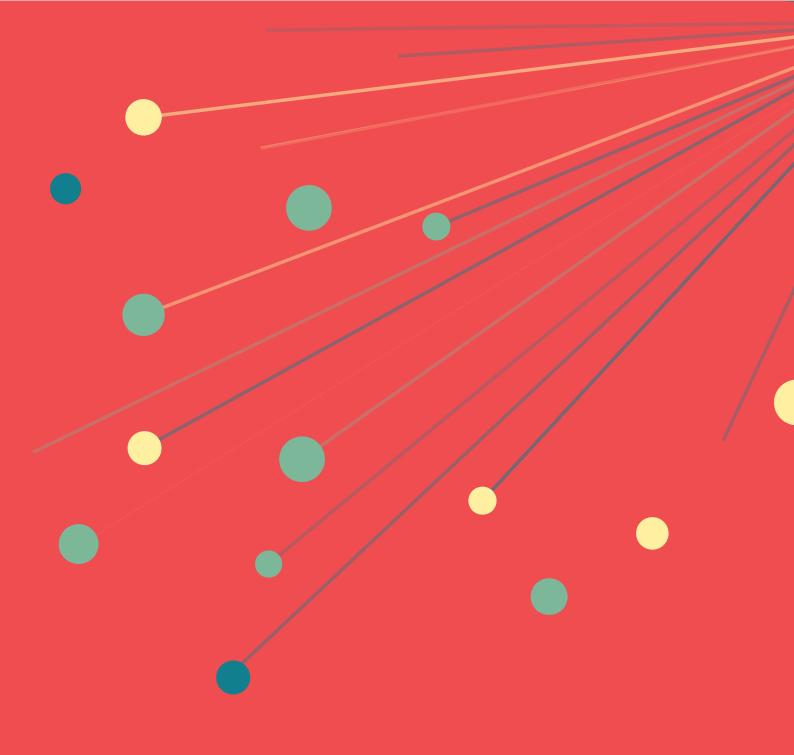
Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Aisling Fitzgerald

for and on behalf of PricewaterhouseCoopers Chartered Accountants and Statutory Audit Firm

Dublin

9th May 2024



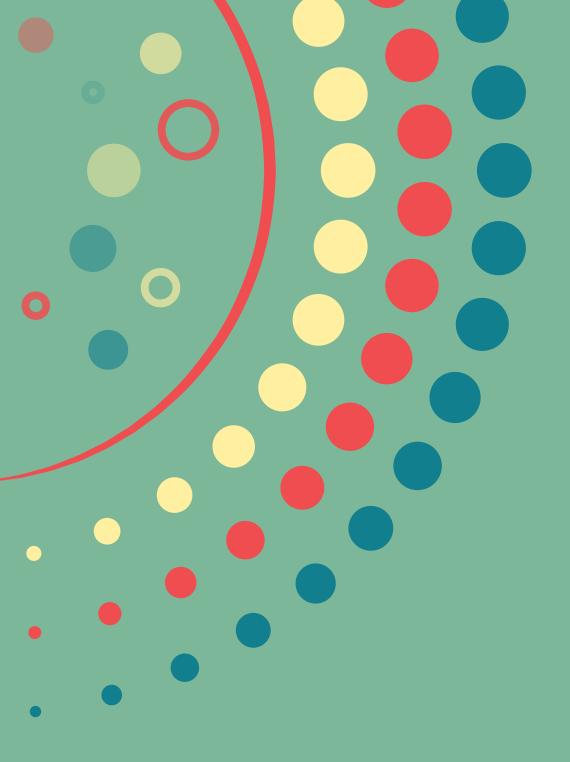
Consolidated and Company Statements of Comprehensive Income and Expenditure

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE

Financial Year Ended 31 December 2023

		203	23	2022		
	Notes	Consolidated €	Company €	Consolidated €	Company €	
Income						
Funding body grants	5	40,839,344	26,626,862	36,382,465	20,635,578	
Client connectivity income	6	4,533,657	4,544,331	4,361,779	4,372,453	
Other client income	7	13,606,987	2,698,898	3,442,968	2,355,367	
Investment income	8	6,062	5,601	3,993	2,753	
		58,986,050	33,875,691	44,191,205	27,366,151	
Expenditure						
Staff costs	9	(12,264,298)	(9,151,818)	(10,576,372)	(7,851,594)	
Direct costs of delivering services	10	(30,422,187)	(19,403,495)	(19,447,878)	(16,194,391)	
Administration expenses	10	(4,784,877)	(3,586,039)	(3,661,112)	(2,853,147)	
Other operating expenses	10	(11,191,744)	(1,411,397)	(10,859,000)	(820,175)	
		(58,663,106)	(33,552,748)	(44,544,361)	(27,719,307)	
Surplus/(Deficit) before other gains/(losses)		322,943	322,943	(353,156)	(353,156)	
Gain on disposal of assets		7,040	7,040	4,188	4,188	
Total comprehensive income/(loss) for the year	12	329,983	329,983	(348,968)	(348,968)	
Represented by:						
-Restricted comprehensive loss/income for the year		-	-	-	-	
-Unrestricted comprehensive loss/ income for the year		329,983	329,983	(348,968)	(348,968)	
-Attributable to the organisation		329,983	329,983	(348,968)	(348,968)	
		329,983	329,983	(348,968)	(348,968)	

All items of income and expenditure relate to continuing activities.



Consolidated and Company Statements of Changes in Equity

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY

Financial Year Ended 31 December 2023

		d expenditure ount	Total excluding non- controlling interest	Non- controlling interest	Total
	Restricted €	Unrestricted €	€	€	€
CONSOLIDATED					
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
Balance at 1 January 2023	-	4,491,319	4,491,319	8	4,491,327
Gain from the income and expenditure statement	-	329,983	329,983	4	329,987
Release of restricted funds spent in year	-	-	-	-	-
Total comprehensive income for the year	-	329,983	329,983	4	329,987
Balance at 31 December 2023	-	4,821,302	4,821,302	12	4,821,314
COMPANY					
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
Balance at 1 January 2023	-	3,114,243	3,114,243		3,114,243
Gain from the income and expenditure statement	-	329,983	329,983		329,983
Release of restricted funds spent in year	-	-	-		-
Total comprehensive income for the year	-	329,983	329,983		329,983
Balance at 31 December 2023		3,444,226	3,444,226		3,444,226



Consolidated and Company Balance Sheets

CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 December 2023

		20	23	202	22
	Notes	Consolidated €	Company €	Consolidated €	Company €
Non-current assets					
Intangible assets	11	540,870	540,870	22,082	22,082
Tangible assets	12	6,083,668	6,079,076	2,730,523	2,723,032
Financial assets	13	-	92	-	92
		6,624,538	6,620,039	2,752,604	2,745,205
Current assets					
Trade and other receivables (including €Nil (2022: €Nil) due after more than one year)	14	12,063,283	5,530,266	9,048,432	5,445,797
Cash and cash equivalents		19,541,276	17,725,078	19,543,223	15,216,020
		31,604,558	23,255,344	28,591,655	20,661,818
Less: Creditors (amounts falling due within one year)	15	(16,444,131)	(12,401,057)	(14,237,186)	(11,225,613)
Net current assets		15,160,427	10,854,286	14,354,470	9,436,205
Total assets less current liabilities		21,784,966	17,474,325	17,107,074	12,181,410
Creditors (amounts falling due after more than one year)					
Deferred grants	17	(10,426,959)	(7,498,000)	(9,867,088)	(6,326,000)
Capital grants	17	(6,536,689)	(6,532,097)	(2,748,656)	(2,741,165)
		(16,963,648)	(14,030,097)	(12,615,743)	(9,067,165)
Total net assets		4,821,314	3,444,226	4,491,327	3,114,243
Restricted reserves					
Income and expenditure reserve - restricted reserve	19	-	-	-	-
Unrestricted reserves					
Income and expenditure reserve - unrestricted	19	4,821,302	3,444,226	4,491,319	3,114,243
Non-controlling interest	19	12		8	-
Total reserves		4,821,314	3,444,226	4,491,327	3,114,243

The Financial Statements were approved by the Governing Body on 9 May 2024 and were signed on its behalf on that date by:

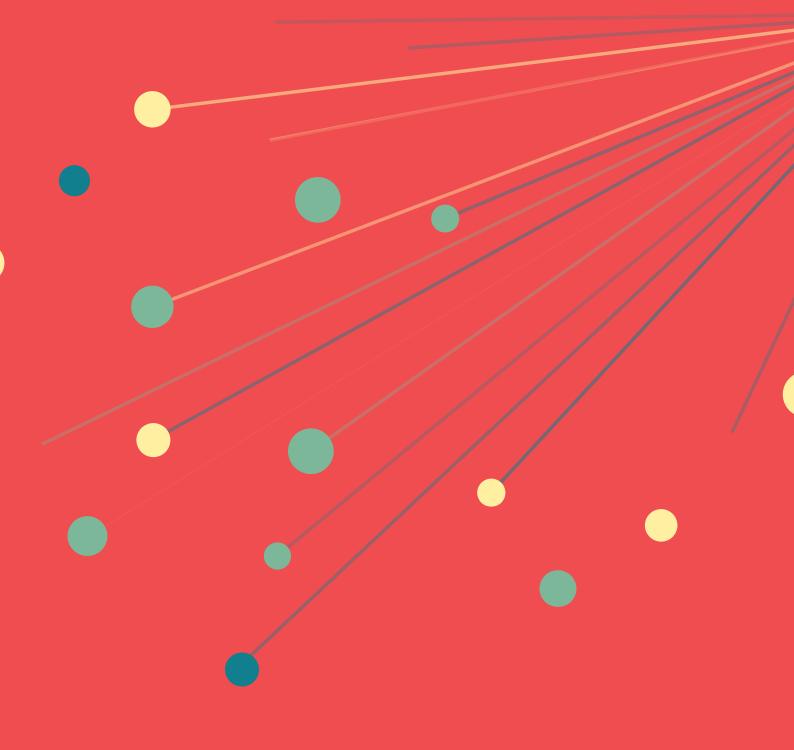
On behalf of the Board Professor Mike Murphy Dr. Billy Bennett



CONSOLIDATED STATEMENT OF CASH FLOWS

Financial Year Ended 31 December 2023

Cash flow from operating activities	C 1: - - +	
Cash flow from operating activities	Consolidated	Consolidated
Dasii non moni operating activities		
Surplus/(deficit) for the year	329,983	(348,968)
Adjustment for non-cash items		
Amortisation of intangible assets	22,085	51,971
Depreciation on tangible assets	1,677,835	1,273,799
Profit on sale of tangible assets	(7,040)	(4,188)
Investment income	(6,062)	(3,993)
Decrease/(Increase) in prepayments	1,114,734	(2,852,964)
(Increase)/Decrease in debtors	(3,965,872)	3,490,670
Increase in creditors	2,043,233	1,301,087
Increase in long term creditors	4,347,905	899,521
Net cash generated from/(used in) operating activities	5,556,801	3,806,934
Cash flows from investing activities		
Proceeds from sales of tangible assets	7,040	4,188
Purchases of tangible fixed assets	(5,030,980)	(1,775,912)
Purchases of intangible assets	(540,874)	-
Interest received	6,062	3,993
Net cash used in investing activities	(5,558,752)	(1,767,731)
Cash flows from financing activities		
Issue of ordinary share capital	4	
Net cash used in financing activities	4	
Net (Decrease)/Increase in cash and cash equivalents in the year	(1,948)	2,039,203
Cash and cash equivalents at beginning of the year	19,543,223	17,504,014
Cash and cash equivalents at end of the year	19,541,276	19,543,223
Common anto of soah and soah a water lands		
Components of cash and cash equivalents		
Cash at bank and in band	10 5 (1 200	10 5 / 7 207
Cash at bank and in hand	19,541,276	19,543,223
Short term deposit accounts Cash equivalents	19,541,276	19,543,223



Notes to the <u>Financial Statements</u>

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 North Dock Two, 93-94 North Wall Quay, Dublin 1, Dublin, D01 V8Y6.

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 2024 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, continue to show that the Group and 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 31 December 2023.

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 Education.

(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, Company Secretarial & 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

Group defined The operates plan contribution pension for its employees. The pension entitlements employees are secured contributions to separately by а 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 Remainder of Improvements 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, nonfinancial 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.

(I) 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

		20	23	2022	
	Notes	Consolidated €	Company €	Consolidated €	Company €
(a) Recurrent grant					
HEAnet recurrent grants		10,658,214	10,658,214	8,428,328	8,428,328
Schools network infrastructure recurrent grants		1,484,844	1,484,844	1,639,607	1,639,607
Schools high speed recurrent grants		6,298,079	6,298,079	6,553,275	6,553,275
Schools Primary Broadband recurrent grants		6,118,430	6,118,430	2,526,644	2,526,644
EduCampus operational recurrent grants		12,033,597	-	12,397,110	-
		36,593,163	24,559,566	31,544,963	19,147,853

5 Funding body grants

		20	23	20:	22
	Notes	Consolidated €	Company €	Consolidated €	Company €
(b) Specific grants					
European Commission grant		373,596	373,596	169,089	169,089
Integration project funding		356,533	-	-	-
MIS refresh project grant		875,674	-	2,061,257	-
Credentials		20,213	-	-	-
N-TUTORR		20,910	-	-	-
TU Merge Project		896,573	-	1,236,421	-
e-Invoicing funding		6,082	-	48,453	-
		2,549,581	373,596	3,515,220	169,089
Total non-capital funding body grants	16 (a)	39,142,744	24,933,162	35,060,183	19,316,942

5 Funding body grants

		20	23	20	22
	Notes	Consolidated €	Company €	Consolidated €	Company €
(c) Capital grants					
Core HEAnet infrastructure capital amortisation	17(a)	719,088	719,088	748,237	748,237
Schools network infrastructure capital amortisation	17(a)	3,826	3,826	45,474	45,474
Schools high speed capital amortisation	17(a)	53,577	53,577	146,644	146,644
Schools Primary Broadband Amortisation	17(a)	645,053	645,053	378,280	378,280
Operational capital amortisation	17(a)	275,056	272,156	3,646	-
		1,696,600	1,693,700	1,322,282	1,318,636
Total funding body grants		40,839,344	26,626,862	36,382,465	20,635,578

6 Client connectivity income

	2023		2022	
	Consolidated €	Company €	Consolidated €	Company €
Unrestricted client contribution charges	4,317,147	4,327,821	4,198,700	4,209,374
Unrestricted income from client connectivity charges	216,510	216,510	163,079	163,079
	4,533,657	4,544,331	4,361,779	4,372,453

7 Other client income

	2023		2022	
	Consolidated €	Company €	Consolidated €	Company €
Client service income	12,595,198	845,987	3,000,840	1,149,626
ICT Procurement	1,011,789	1,358,934	442,128	792,765
Intercompany SLA support	-	493,978	-	412,976
	13,606,987	2,698,898	3,442,968	2,355,367

8 Investment Income

	2023		2022	
	Consolidated €	Company €	Consolidated €	Company €
Interest Received	6,062	5,601	3,993	2,753

9 Staff costs

	2023		2022	
	Consolidated €	Company €	Consolidated €	Company €
(a) Staff costs				
Salaries	9,936,938	7,509,426	8,505,235	6,433,746
Secondee costs	130,022	-	172,228	-
Social security costs	1,072,612	808,758	900,930	676,348
Retirement benefit costs	919,320	673,758	798,800	590,174
Company sponsored health insurance	127,770	100,770	111,346	82,626
Company sponsored risk	77,636	59,106	87,833	68,700
	12,264,298	9,151,818	10,576,372	7,851,594

9 Staff costs

		2023	2022
		Number	Number
b)	Remuneration		
	Remuneration of other higher paid staff (company):		
	€60,000 - €69,999	14	12
	€70,000 - €79,999	18	12
	€80,000 - €89,999	13	8
	€90,000 - €99,999	7	8
	€100,000 - €109,999	10	8
	€110,000 - €119,999	5	3
	€120,000 - €129,999	1	2
	€130,000 - €139,999	2	-
	€140,000 - €149,999	-	-
	€150,000 - €159,999	-	-
	€160,000 - €169,999	-	1
	€170,000 - €179,999	1	-
		71	54
	Remuneration of other higher paid staff (consolidated including secondees):		
	€60,000 - €69,999	19	20
	€70,000 - €79,999	24	14
	€80,000 - €89,999	15	12
	€90,000 - €99,999	8	9
	€100,000 - €109,999	12	9
	€110,000 - €119,999	7	4
	€120,000 - €129,999	1	2
	€130,000 - €139,999	2	1
	€140,000 - €149,999	1	-
	€150,000 - €159,999	-	-
	€160,000 - €169,999	1	2
	€170,000 - €179,999	1	-
		91	73

9 Staff costs

		2023	2022
		Number	Number
(c)	Average staff numbers by major category (HEAnet):		
	Management	8	7
	Administration	20	19
	Technical/engineers/service delivery	69	62
		97	88
	Average staff numbers by major category (consolidated, including secondees):		
	Management	14	12
	Administration	25	24
	Technical/engineers/service delivery	98	84
		137	120

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 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 (14 personnel)

(2022: 12). The total compensation paid to these personnel in 2023 was €1,971,559 (2022: €1,701,400) and this includes salary, pension contributions and health insurance contributions.

10 Analysis of total expenditure by activity

	20	23	20	22
	Consolidated €	Company €	Consolidated €	Company €
Staff costs (note 9 (a))	12,264,298	9,151,818	10,576,372	7,851,594
Direct cost of delivering services	30,422,187	19,403,495	19,447,878	16,194,391
Administration expenses	4,784,877	3,586,039	3,661,112	2,853,147
Other operating expenses	11,191,744	1,411,397	10,859,000	820,175
	58,663,106	33,552,748	44,544,361	27,719,307
Administration expenses include:				
Rent, rates, service charge and office support	2,241,825	1,491,972	1,858,088	1,412,809
Consultancy and professional fees	648,457	416,661	490,668	414,500
Depreciation and amortisation	2,900	-	3,646	-
External auditors' remuneration in respect of audit services *	75,737	46,822	69,950	42,890
External auditors' remuneration in respect of non-audit services *	9,077	6,002	8,389	5,547
Foreign exchange (gain)/loss	-	-	-	-
Other operating expenses include:				
IT Service costs	9,226,788	-	9,502,073	-
Service continuity	933,698	-	907,402	-
HEAnet conference	51,666	51,666	33,465	33,465

^{*} Auditors remuneration is inclusive of VAT.

11 Intangible assets

	2023		2022	
	Consolidated €	Company €	Consolidated €	Company €
Cost				
At 1 January	635,926	465,257	635,926	465,257
Additions in the year	540,874	540,874	-	-
Disposals	-	-	-	-
At 31 December	1,176,800	1,006,131	635,926	465,257
Accumulated amortisation				
At 1 January	(613,845)	(443,176)	(561,874)	(391,205)
Charge for the year	(22,085)	(22,085)	(51,971)	(51,971)
Disposals	-	-	-	-
At 31 December	(635,930)	(465,261)	(613,845)	(443,176)
Net book value				
At 31 December	540,870	540,870	22,082	22,082

12 Tangible assets

12 Tangible assets				
	Leaseholds €	Fixtures, fittings and equipment €	Computer hardware €	Total €
CONSOLIDATED				
Cost				
At 1 January 2023	211,865	428,458	15,242,171	15,882,493
Additions	3,620,185	5,469	1,318,105	4,943,759
Assets awaiting commission	87,221	-	-	87,221
Disposals	-	-	-	_
At 31 December 2023	3,919,271	433,926	16,560,276	20,913,473
Accumulated depreciation				
At 1 January 2023	-	(420,967)	(12,731,004)	(13,151,970)
Charge for the year	(246,744)	(3,697)	(1,427,394)	(1,677,835)
Disposals	-	-	-	_
At 31 December 2023	(246,744)	(424,664)	(14,158,398)	(14,829,805)
Net book value				
At 31 December 2023	3,672,527	9,262	2,401,878	6,083,668
At 31 December 2022	211,865	7,491	2,511,167	2,730,523
COMPANY				
Cost				
At 1 January 2023	211,865	21,713	15,154,936	15,388,514
Additions	3,620,185	5,469	1,318,105	4,943,759
Assets awaiting commission	87,221	-	-	87,221
Disposals	-	-	-	-
At 31 December 2023	3,919,271	27,182	16,473,041	20,419,494
Accumulated depreciation				
At 1 January 2023	-	(21,713)	(12,643,770)	(12,665,483)
Charge for the year	(246,744)	(798)	(1,427,394)	(1,674,935)
Disposals	-			-
At 31 December 2023	(246,744)	(22,510)	(14,071,163)	(14,340,418)
Net book value				
At 31 December 2023	3,672,527	4,671	2,401,878	6,079,076
At 31 December 2022	211,865	-	2,511,167	2,723,032

12 Tangible assets continued

	Consolidated		Com	pany
	2023 €	2022 €	2023 €	2022 €
Disposal figure includes the following:				
Cost				
Hardware	-	1,579,639	-	1,579,639
Software	-	-	-	-
Fixtures and fittings	-	-	-	-
Accumulated depreciation				
Hardware	-	(1,579,639)	-	(1,579,639)
Software	-	-	-	-
Fixtures and fittings	-	-	-	-
Profit on disposal				
Hardware	-	4,188	-	4,188
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 €87,221 of assets awaiting commissioning for work completed on the fitout of the new office in North Dock Two. This asset will be capitalised and commissioned upon completion of the defects liability period from the fitout works in 2024.

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, North Dock Two, 93-94 North Wall Quay, Dublin 1, Dublin, D01 V8Y6.

EduCampus Service 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 1 October 2015.

14 Trade and other receivables

	Consol	idated	Company	
	2023 €	2022 €	2023 €	2022 €
Amounts falling due within one year:				
Trade debtors	1,287,104	371,946	538,435	371,671
Accrued income	3,071,447	5,652	49,644	5,652
Amounts owed by group companies	-	-	193,481	206,112
Other debtors	3,664	8,198	<mark>2,35</mark> 0	4,925
Grant receivable	826,165	673,003	76 <mark>2,88</mark> 0	641,062
VAT receivable	-	-	-	-
Deferred expenditure	6,874,899	7,989,632	3,983,477	4,216,375
	12,063,283	9,048,432	5,530,266	5,445,797

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	
	2023 €	2022 €	2023 €	<mark>20</mark> 22 €
Trade creditors	1,622,537	1,488,769	819,435	1,325,877
Accruals	7,483,687	5,554,520	5,337,553	4,477,146
Taxation and social insurance	737,204	458,891	651,664	380,581
Deferred grants	4,926,309	5,208,549	4,671,836	4,154,867
Deferred income	1,452,422	1,362,177	772,794	778,814
Other accruals	221,972	164,279	147,775	108,327
	16,444,131	14,237,186	12,401,057	11,225,613
Included in the above taxation and social insurance liability are the following:				
VAT payable	383,978	159,497	382,871	157,976
RCT payable	3,835	520	3,835	520
PAYE	171,851	141,186	129,747	108,153
PRSI	125,253	106,894	95,794	79,916
Local property tax	320	316	249	280
Universal social charge	34,475	28,853	25,959	21,611
Company sponsored health insurance	17,491	21,626	13,210	12,125
	737,204	458,891	651,664	380,581

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

	Consolidated		Comp	pany
	2023 €	2022 €	2023 €	2022 €
(a) Grants				
Balance at beginning of the year	15,075,636	11,971,113	10,480,866	8,373,677
Grants received/receivable during the year	44,905,009	39,940,617	32,106,763	23,200,044
	59,980,645	51,911,731	42,587,629	31,573,720
Less:				
Recurrent grant released to revenue (note 5(a),(b))	(39,142,744)	(35,060,182)	(24,933,162)	(19,316,942)
Transfer to capital grants (note 17)	(5,484,633)	(1,775,912)	(5,484,633)	(1,775,912)
Transfer to designated fund	-	-	-	-
Deferred grants at end of year	15,353,267	15,075,637	12,169,836	10,480,866
(b) Grants due within/after one year				
Thereof:				
Amounts falling due within one year	4,926,309	5,208,549	4,671,836	4,154,867
Amounts falling due after one year	10,426,959	9,867,088	7,498,000	6,326,000
	15,353,267	15,075,637	12,169,836	10,480,867

(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. operational costs for 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 (d)Analysis of deferred grants and grant income for the year ended 31 December 2023

(a), triary 515 Gr	40.00	u grants and gr	and mooning	c for the ye	car criaca si	December	2025
Name of grantor	Name of grant	Purpose of grant	Opening deferral 1 January 2023 €	Grant received 2023 €	Income and Expenditure 2023 €	Closing deferral 31 December 2023 €	Reason for closing deferral
Department of Education	Vote 26 C.16	HEAnet Capital and Recurrent Research Grant	-	5,547,888	(5,547,888)	-	
Department of Education and the European Commission	Vote 26 C.12	HEAnet Capital and Recurrent Research Grant	8,739,152	12,669,599	(10,734,263)	10,674,488	Commitments in 2023 for future expenditure
Department of Education	Vote 26 C.04	Schools Broadband Network Capital and Recurrent Grant	10,087	1,579,351	(1,484,844)	104,594	Commitments in 2023 for future expenditure
Department of Education	Vote 26 C.04	Schools Post- Primary Capital and Recurrent Grant	66,128	6,555,800	(6,298,079)	323,849	Commitments in 2023 for future expenditure
Department of Education	Vote 26 C.04	Schools Primary Broadband intervention programme Capital and Recurrent Grant	1,665,500	5,741,825	(6,340,420)	1,066,905	Co <mark>m</mark> mitments in 2023 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			10,480,867	32,106,763	(30,417,794)	12,169,836	
Department of Education	Vote 26 C.04	These grants are utilised in providing quality IT and MIS shared services to the Technological Universities / Institutes of Technology	1,718,226	11,778,000	(12,033,596)	1,462,630	Commitments in 2023 for future expenditure
Department of Education	Vote 26 C.16	Funding the refresh of the remaining Managed Information Systems	2,632,668	179,093	(1,232,209)	1,579,552	Future capital purchase commitments for the MIS refresh project

Name of grantor	Name of grant	Purpose of grant	Opening deferral 1 January 2023 €	Grant received 2023 €	Income and Expenditure 2023 €	Closing deferral 31 December 2023 €	Reason for closing deferral
TU Merge Projects		Funding the Merging of Technological Universities	243,876	767,161	(896,574)	114,463	Future capital purchase commitments for the TU Merge projects
IT Sligo		Funding the e-Invoicing project	-	6,082	(6,082)	-	
Department of Education		Funding the MTU (Cork) Credentials	-	47,000	(20,213)	26,787	Commitments in 2023 for future expenditure
Technological Higher Education Association		Funding the N-TUTORR project	-	20,910	(20,910)	-	
EduCampus closing balance			4,594,770	12,798,246	(14,209,582)	3,183,431	
HEAnet Group closing balance			15,075,637	44,905,009	(44,627,378)	15,353,267	

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

	Consol	idated	Com	oany
	2023 €	2022 €	2023 €	2022 €
Deferred grants (note 16(b))	10,426,959	9,867,088	7,498,000	6,326,000
Capital grants (note 17(a))	6,536,689	2,748,656	6,532,097	2,741,165
	16,963,648	12,615,743	14,030,097	9,076,165
(a) Capital grants				
Balance at beginning of the year	2,748,656	2,295,026	2,741,164	2,283,888
Grants received/receivable during the year (note 16(a))	5,484,633	1,775,912	5,484,633	1,775,912
	8,233,289	4,070,938	8,225,796	4,059,799
Amortisation for the year	(1,696,600)	(1,322,282)	(1,693,700)	(1,318,636)
Balance at end of year	6,536,689	2,748,656	6,532,096	2,741,164
Included in the amortisation of capital grants for the year is amortisation in respect of:				
Core HEAnet infrastructure	719,088	748,237	719,088	748,237
Schools network	3,826	45,474	3,826	45,474
Schools high speed	53,577	146,644	53,577	146,644
Schools Primary Broadband	645,053	378,280	645,053	378,280
Leasehold improvements	272,156	-	272,156	-
EduCampus	2,900	3,646	-	-
	1,696,600	1,322,282	1,693,700	1,318,636

18 Operating lease commitments

	Consolidated		Company			
	2023 €	2022 €	2023 €	2022 €		
Minimum lease payment under operating leases recognised as an expense during the year	1,995,551	1,839,604	1,580,355	1,706,135		
At period end, the Company has outstanding commitments under non-cancellable operating lease that fall due as follows:						
Within one year	1,750,223	1,884,377	1,459,939	1,648,695		
Later than one year and not later than five years	3,920,592	4,778,825	3,522,643	4,181,597		
Later than five years	2,696,645	3,497,629	2,696,645	3,497,629		
Total lease payments due	8,367,459	10,160,832	7,679,226	9,327,922		

19 Funds note

	Unrestricted funds - general reserve €	Designated funds - general reserve €	Total €
Consolidated			
Opening balance	2,040,287	2,800,000	4,870,287
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
Net movement in statement of comprehensive income	329,983	-	329,983
Movements between funds	-	-	-
Closing balance at 31 December 2023	2,021,302	2,800,000	4,821,302
Company			
Opening balance	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
Net movement in statement of comprehensive income	329,983	-	329,983
Movements between funds	-	-	-
Closing balance at 31 December 2023	1,644,226	1,800,000	3,444,226

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 (2022: €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 €493,978 (2022: €412,976).

On 1 March 2016 EduCampus Services became a client of HEAnet. Client contribution charges for 2023 were €10,674 (2022: €10,674).

Other services provided by HEAnet to EduCampus Services relate to Webhosting, Managed IdP and Managed eduroam Radius Service. Other services charged by HEAnet for the period amounted to €8,320 (2022: €9,340). The balance receivable in respect of all services from EduCampus Services at the year-end was €Nil (2022: €Nil).

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 President 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 €112,798 (2022: €66,500). At the year end, the amount due from ATU was €440 (2022: €800).

During the year, HEAnet received services from ATU, and amounted to €2,100 (2022: €2,100). At the year end, the amount due to ATU was €1,200 (2022: €1,500).

Ronan Byrne is Chief Executive Officer 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 €104,000 (2022: €12,000). At the year-end, the amount due from GÉANT was €Nil (2022: €Nil).

During the year, HEAnet CLG received services from GÉANT, and this amounted to €469,230 (2022: €438,050). At the year-end, the amount due to GÉANT was €Nil (2022: €3,000). Deferred expenditure in respect of GÉANT at year-end was €6,134 (2022: €185,687).

During the year, HEAnet CLG received

grant income from GÉANT, and this amounted to €323,676 (2022: €23,300). The grant receivable in respect of GÉANT at year-end was €132,880 (2022: €132,880). The deferred grant in respect of GÉANT at year-end was €108,727 (2022: €69,873).

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 31 December 2023 amounted to €919,320 (2022: €798,800).

22 Group structure

At 20 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

	2023 €	2022 €
The movement in non-controlling interests was as follows:		
With voting rights		
At 1 January	8	8
Total comprehensive income attributable to non-controlling interest	-	-
At 31 December	8	8
Without voting rights	-	-
At 1 January	-	-
Total comprehensive income attributable to non-controlling interest	4	-
At 31 December	4	-

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

25 Subsequent events

There were no subsequent events to report.

26 Comparatives

Certain comparative figures have been reclassified for presentation purposes.

27 Contingent liability

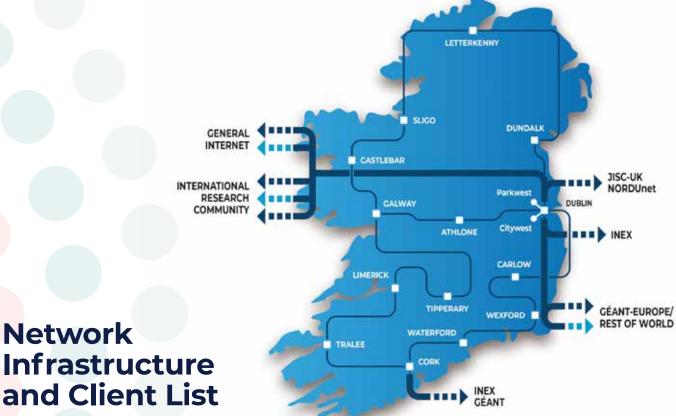
EduCampus is currently engaged in a large multi-annual project with a university client for the implementation of a student records management system. The parties involved, including EduCampus, the university client and the vendor, have agreed to enter into a mediation process to resolve a number of issues that have arisen in the delivery of the project. The 2023 accounts include costs incurred and paid to the third party vendor of €1.570m and further costs accrued amounting to €1.318m, as well as a matching accrued income receivable balance of €2.889m in the accounts in respect of the amount EduCampus anticipates will be recovered from the University client on completion of the mediation process.

Currently, there is no indication that EduCampus will not be able to recover all of its costs from the client, and the company's legal advisor has provided advice to support this judgement. However, as the mediation process is ongoing there is a certain degree of estimation uncertainty as to the ultimate outcome of the process and whether or not this will involve any future outflow by EduCampus in addressing issues following completion of the mediation process. At this stage it is too early to estimate with any degree of reliability the extent of such outflows if any, and on that basis no provision has been included in the financial statements in relation to same.

28 Approval of the financial statements

The Directors approved the Group and Company Financial Statements on 9 May 2024.

CLIENT



- Atlantic Technological University
- Ballyfermot College of Further Education
- Carlow College

Network

- Cavan and Monaghan Education and Training Board
- Central Applications Office
- City of Dublin Education and Training Board
- College of Anaesthesiologists of Ireland
- Cork Education and Training Board
- CORU
- Department of Education
- Department of Further and Higher Education, Research, Innovation and Science

- Donegal Education and Training Board
- Dublin City University
- Dublin Institute for Advanced Studies
- Dublin and Dún Laoghaire Education and Training Board
- Dún 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 and Roscommon Education and Training Board
- Grangegorman Development Agency
- Health Information and Quality Authority
- Health Research Board
- Higher Education Authority
- Houses of the Oireachtas
- 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 and Training Board
- Kildare and Wicklow Education and Training Board
- Kilkenny and Carlow Education and Training Board
- Laois and Offaly Education and Training Board
- Limerick and Clare Education and Training Board
- Longford and Westmeath Education and Training Board
- Louth and Meath Education and Training Board
- Marine Institute
- Marino Institute of Education
- Mary Immaculate College
- Maynooth University

- Mayo, Sligo and Leitrim Education and Training Board
- Medical Council Ireland
- Met Éireann
- Mountbellew Agricultural 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 Midwest
- The Honorable Society of King's Inns
- Tipperary Education and Training Board
- Trinity College Dublin
- University College Cork
- University College Dublin
- University of Limerick
- Waterford and Wexford Education and Training Board

