

**FINANCIAL REPORT  
YEAR ENDED 30 SEPTEMBER 2012**

**1 INTRODUCTION**

The financial statements for the year to 30 September 2012 have been prepared in accordance with this historically agreed harmonised format jointly developed by the universities, the Higher Education Authority, and the Comptroller & Auditor General.

A consolidated set of financial statements, based on generally accepted accounting principles (GAAP) is also being prepared for the year to 30 September 2012, which incorporates the activities of the University's subsidiary companies, together with the core revenue and expenditure outlined in this set of financial statements.

**2 RECURRENT INCOME**

Income increased to €122.55 million from €112.29 million, representing an increase of 9.1% over the previous year.

Total State grants increased from €37.97 million to €41.99 million representing an increase of 10.6%, however this increase was due entirely to the increase in pension costs. The underlying recurrent State grant decreased by 5.1% from €28.46m to €27.0m. Student fee income increased 8.1% from €65.69 million to €70.99 million, reflecting the State's decision to continue reducing the State grant to the third level sector.

Income from other sources increased from €8.63 million to €9.57 million, a growth of 10.9%, due mainly to increases in non-EU student fee income and interest income.

**3 ACADEMIC AND RELATED SERVICES EXPENDITURE**

Expenditure on Academic and Related Services increased from €112.07 million to €122.24 million, an increase of 9.1%. More than half of this increase (54%) is due to the increase in pension costs. Pay represents 71% of total expenditure (2011: 70%). Colleges and Departments now account for 78% of the total pay expenditure excluding pensions (2011: 77%).

**4 CONTRACT RESEARCH AND OTHER SELF FUNDED PROJECTS**

Contract Research income increased by 8.7% from €22.35 million to €24.28 million during the year under review. After significant decreases in the last two years, this stabilisation is to be welcomed. However research income remains at a level last seen in 2007. This reflects the difficulty in attracting research projects in the current economic conditions.

Expenditure on self-funded projects decreased by 43.1% from €16.15 million to €9.19 million, which reflects the decision of the University to mainstream much of the activities in this area along with the negative impact the current economic environment is having on the remaining projects in this category.

**REPORT OF DIRECTOR OF FINANCE**

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**5 CAPITAL PROGRAMME**

University capital expenditure amounted to €20.3 million during the year, €4.4 million related to equipment, and the balance relating to land and buildings. This is an increase of €7.5 million on the total capital expenditure in the previous year.

€3.4m was spent on the Sports Pavilion and Artificial Pitches which opened during the year. €5.4m was spent on the Graduate Medical School Building and Medical School Accommodation which opened in September 2012 and is featured on the cover of these accounts.

€2.9m was spent on the renovation of the Physical Education and Sport Science Buildings.

The successful implementation of the University's physical development programme is being made possible by the very significant funds being provided to the University from private sources in partnership with State funding.

**6 CONCLUSION**

The financial out turn for the year under review shows a surplus of €314k and a reduction in the cumulative deficit to €1.5m. Once again, significant cutbacks were made in the areas of pay and non-pay, and a proactive approach was taken in generating and maintaining non State income.

The financial environment in which the University operates continues to pose significant challenges in achieving balanced outturns, as many of the cutbacks made in recent years are now having an impact on the quality of the student experience in the University. The University is committed to the achievement of a balanced outturn for the year ended 30 September 2013 and will continue to endeavour to eliminate the remaining accumulated deficit.

**John Field**  
**Director of Finance**  
**28 June 2013**

STATEMENT OF RESPONSIBILITIES

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**Statement of Responsibilities**

The University is required to keep in such form as may be required by the Harmonisation of Financial Accounts agreement as adopted by all Irish Universities all proper and usual accounts of money received and expended by it. In preparing those accounts, the University is required to:

- Select Suitable accounting policies that are in accordance with the Harmonisation of Financial Accounts agreement and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless that basis is inappropriate;

The University is responsible for keeping proper books of account which disclose at any time the financial position of the University and which enables it to ensure that its financial statements are prepared in accordance with the Harmonisation of Financial Accounts agreement. The University is also responsible for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A separate set of financial statements will be prepared to comply and in accordance with generally accepted accounting principles in Ireland and the UK whereas these financial statements prepared for the Higher Education Authority are prepared in accordance with the Harmonisation of Financial Accounts Agreement.

The financial statements have been prepared in accordance with the terms of the foregoing statement of responsibilities and have been audited by PricewaterhouseCoopers, the management auditors of the University.

It should be noted that the Comptroller and Auditor General is the statutory auditor of the University.

On behalf of the University

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President

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Director of Finance

STATEMENT OF ACCOUNTING POLICIES

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**1. Financial Statements**

The financial statements reflect the teaching, research and related service activities of the University.

**2. Accounting Convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings. They are presented in accordance with the existing Harmonisation of Financial Accounts Agreement as adopted by all Irish Universities. The Financial Statements for the year ended 30 September 2012 will also be prepared in the new format on a consolidated basis and in accordance with the generally accepted accounting principles in Ireland and the U.K.

**3. State Grants for Recurrent Expenditure**

Recurrent Grants have been recognised on an accruals basis. Recurrent Grants, which have been used for the purchase of fixed assets and for the financing of the capital portion of lease charges, are included in the General Reserve.

**4. Grants for Capital Expenditure**

State and Other Grants for capital expenditure are included in the financial statements of the period to the extent of cash received.

**5. Fee Income**

Fee income is accounted for on an accruals basis and reported at EU fee levels. Non-EU fee income is included up to the EU level with any excess (up to the most recent related Unit Cost) being reported under Other Income. Any further excess over the most recent related Unit Cost is included in Restricted Reserves.

**6. Other Income**

Other Income includes a charge levied on certain capital projects in respect of the interest income foregone by the University by the funding of these projects from its own funds. The charge is levied based upon the average rate of interest earned by the University on its deposits and forms part of the overall cost of the relevant project.

**7. Approved Allocations**

The income and expenditure account is prepared on an accruals basis with the following exceptions:

- i) Non-pay expenditure of academic departments and certain service departments.
- ii) Departmental Equipment and Minor Works.

In these cases internal balances are carried forward in the Balance Sheet under Current Assets or Liabilities, as appropriate.

STATEMENT OF ACCOUNTING POLICIES - / Continued

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**8. Fixed Assets and Depreciation**

Land has been valued on the existing use basis on 1 October 1998 at a valuation of €126,974 per acre. All subsequent additions are stated at cost.

Buildings, acquired and constructed prior to 1 October 1998, have been valued on an existing use basis at a standard cost of €2,413 per square metre. Buildings, partially constructed at 1 October 1998, are valued at actual cost. All subsequent additions are stated at cost. All buildings are depreciated as noted below.

Finance costs where applicable, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Equipment, Fixtures and Fittings are stated at cost less accumulated depreciation. Equipment costing less than €25,000 per individual item is written off to the income and expenditure account in the year of acquisition.

The estimated useful lives of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:

Buildings	50 years
Equipment and Furniture	Up to 10 years
Computer Equipment	3 years
Leased Assets	5 years or primary lease period if shorter

The revalued amounts include certain buildings, which were originally funded by the Department of Education and Science.

**9. Capital Expenditure met from Core Teaching Budget**

Capital Expenditure, which is financed from the Core Teaching Budget, is charged against income in the year in which the expenditure is incurred. The expenditure is also credited to General Reserve, shown as a part of Fixed Assets and depreciated in accordance with the Accounting Policy set out above.

**10. Leased Assets**

The cost of Fixed Assets acquired under finance leases is included in Fixed Assets and written-off over the estimated useful lives of the assets at the rates set out in the policy above, or over the lease period if shorter.

**11. General Reserve**

The General Reserve represents the value of funding, after amortisation, applied for capital purposes together with the reserve generated on the revaluation of the buildings and the balance on ancillary service activities.

STATEMENT OF ACCOUNTING POLICIES - / Continued

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**12. Research Grants and Projects**

Contract research expenditure is shown net of contribution to indirect costs. Income from contract research grants is included in the Income and Expenditure Account to the extent that the related expenditure has been incurred. Contract research contribution to the University's indirect costs is included in Other Income.

**13. Pensions**

Superannuation benefits are conferred by the University of Limerick Superannuation (Amendment) Scheme. The scheme, which provides for defined benefits, is non-funded and benefits are met from current revenue as they arise. Accordingly, the financial statements do not provide for the University's liability in respect of contributions made by members of the scheme or its actuarial superannuation liability to the members of the scheme. The disclosure requirements of the recently issued accounting standard FRS 17 'Retirement Benefits' have not been adopted in these financial statements which are presented in accordance with the 'Harmonisation of Accounts format as adopted by all Irish universities.

**14. Foreign Currency**

Costs denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Euros at the rate of exchange ruling at the Balance Sheet date. The resulting profits or losses are dealt within the Income and Expenditure Account.

**15. Taxation**

No provision has been made for taxation as the University holds tax-exempt status.

**16. Ancillary Services**

Ancillary Services are services provided on campus, on a cost recovery basis, and are planned to break-even in the medium term. The net out-turn on such activities is transferred to the General Reserve.

**17. Restricted Reserves**

Restricted Reserves comprise the unused portion of funds made available to the University for specified purposes.

**18. Mary Immaculate College**

In accordance with the memorandum of understanding between the University and Mary Immaculate College, which sets out the terms of the linkage between both institutions, funds received by the University on behalf of Mary Immaculate College are transferred immediately following receipt.

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**UNIVERSITY OF LIMERICK**


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**CURRENT INCOME AND EXPENDITURE ACCOUNT**
**YEAR ENDED 30 SEPTEMBER**

INCOME	NOTES	2012 €'000	2011 €'000
State Grants	1	41,989	37,965
Student Fees	2	70,988	65,691
Other Income	3	9,573	8,634
		<u>122,550</u>	<u>112,290</u>
Contract Research and Other Self-Funded Projects	4	33,476	38,499
		<u>156,026</u>	<u>150,789</u>
Mary Immaculate College			
State Grants		11,470	11,561
Student Fees		8,521	9,603
Less amount transferred to College		<u>(19,991)</u>	<u>(21,164)</u>
<b>Total</b>		<b><u>156,026</u></b>	<b><u>150,789</u></b>
<b>EXPENDITURE</b>			
Colleges and Departments	5	67,134	62,889
Academic and Other Services	6	9,186	9,402
Premises	7	12,495	12,497
Amount allocated for Capital Purposes	8	1,207	1,100
Central Administration and Services	9	12,334	11,295
General Educational Expenditure	10	1,875	2,024
Student Services	11	3,374	3,726
Miscellaneous Expenditure	12	14,631	9,134
		<u>122,236</u>	<u>112,067</u>
Contract Research and Other Self-Funded Projects	4	33,476	38,499
<b>Total</b>	13	<b><u>155,712</u></b>	<b><u>150,566</u></b>
<b>Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets</b>		<b>314</b>	<b>223</b>
Surplus on Ancillary Services	14	<b>567</b>	<b>39</b>
Depreciation of Fixed Assets	15	<b>(11,275)</b>	<b>(10,802)</b>
General Reserve Movement	16	<b>10,708</b>	<b>10,763</b>
<b>NET SURPLUS for year</b>	24	<b><u>314</u></b>	<b><u>223</u></b>

The statement of Accounting Policies, Cash Flow Statement and Notes 1 to 35 form part of these Financial Statements.

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 President

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 Director of Finance

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**UNIVERSITY OF LIMERICK**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES      YEAR ENDED 30 SEPTEMBER**

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	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
SURPLUS for year	314	223
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to year</b>	<b><u>314</u></b>	<b><u>223</u></b>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 35 form part of these Financial Statements.

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President

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Director of Finance

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**UNIVERSITY OF LIMERICK**

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**BALANCE SHEET****YEAR ENDED 30 SEPTEMBER**

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	NOTES	2012 €'000	2011 €'000
<b>TANGIBLE FIXED ASSETS</b>	17	<u>367,860</u>	<u>358,826</u>
<b>INVESTMENTS</b>	18	<u>6,275</u>	<u>6,260</u>
<b>CURRENT ASSETS</b>			
Bank Balances and Cash		80,787	75,142
Debtors and Prepayments	19	<u>6,575</u>	<u>8,844</u>
		87,362	83,986
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	(93,159)	(86,844)
		<u>          </u>	<u>          </u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(5,797)</u>	<u>(2,858)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	27	<u>(10,486)</u>	<u>(11,841)</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u><u>357,852</u></u>	<u><u>350,387</u></u>
<b>REPRESENTED BY</b>		<b>€'000</b>	<b>€'000</b>
General Reserve	22	334,715	327,740
Restricted Reserves	23	24,640	24,464
Revenue Deficit	24	<u>(1,503)</u>	<u>(1,817)</u>
		<u><u>357,852</u></u>	<u><u>350,387</u></u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 35 form part of these Financial Statements.

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President

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Director of Finance

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**UNIVERSITY OF LIMERICK**

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**CASH FLOW STATEMENT****YEAR ENDED 30 SEPTEMBER**

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	<b>NOTES</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>	5,933	6,542
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest Received (Net)		2,338	2,167
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire Tangible Fixed Assets		(20,340)	(12,807)
Receipts from Sale of Tangible Fixed Assets		1	-
<b>NET CASH (OUTFLOW) BEFORE FINANCING</b>		<u>(12,068)</u>	<u>(4,098)</u>
<b>FINANCING</b>			
HEA Capital Grants		9,336	5,123
Non HEA Capital Receipts		8,377	13,128
<b>CASH INFLOW FROM FINANCING</b>		<u>17,713</u>	<u>18,251</u>
<b>NET CASH INFLOW AFTER FINANCING</b>		<u>5,645</u>	<u>14,153</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>28</b>	<u>5,645</u>	<u>14,153</u>

The Statement of Accounting Policies and Notes 1 to 35 form part of these Financial Statements.

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President

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Director of Finance

NOTES TO THE FINANCIAL STATEMENTS

<b>NOTE 1</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>STATE GRANTS</b>		
Recurrent Grant	26,999	28,458
Pension Grant	14,631	9,134
Targeted Funding for Special Initiatives	296	305
Minor Works	63	68
	<u>41,989</u>	<u>37,965</u>
<b>Total</b>	<b><u>41,989</u></b>	<b><u>37,965</u></b>
<b>NOTE 2</b>		
	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>STUDENT FEES</b>		
Student Fees	69,992	64,695
Miscellaneous Fee Income	996	996
	<u>70,988</u>	<u>65,691</u>
<b>Total</b>	<b><u>70,988</u></b>	<b><u>65,691</u></b>
<b>NOTE 3</b>		
	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>OTHER INCOME</b>		
Interest Receivable (Net)	2,401	2,236
Funded Posts	0	0
Contract Research and Other Self-Funded Projects Contributions	1,593	1,776
Non-EU Fees	5,569	4,621
Miscellaneous Income	10	1
	<u>9,573</u>	<u>8,634</u>
<b>Total</b>	<b><u>9,573</u></b>	<b><u>8,634</u></b>
<b>NOTE 4</b>		
	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS</b>		
Contract Research Projects	24,282	22,348
Other Self-Funded Projects	9,194	16,151
	<u>33,476</u>	<u>38,499</u>
<b>Total</b>	<b><u>33,476</u></b>	<b><u>38,499</u></b>

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €'000	Non Pay €'000	2012 €'000	2011 €'000
<b>COLLEGES AND DEPARTMENTS</b>				
Academic	45,333	-	45,333	43,534
Technical	3,185	-	3,185	2,961
Administrative Support	7,395	-	7,395	6,884
Materials and Expenses	(12)	11,115	11,103	9,360
Miscellaneous	-	118	118	150
<b>Total</b>	<b>55,901</b>	<b>11,233</b>	<b>67,134</b>	<b>62,889</b>
<b>NOTE 6</b>				
	Pay Costs €'000	Non Pay €'000	2012 €'000	2011 €'000
<b>ACADEMIC AND OTHER SERVICES</b>				
Library	1,993	1,919	3,912	4,145
Information Technology	2,207	1,110	3,317	3,227
Cooperative Education and Careers Division	972	985	1,957	2,030
<b>Total</b>	<b>5,172</b>	<b>4,014</b>	<b>9,186</b>	<b>9,402</b>
<b>NOTE 7</b>				
	Pay Costs €'000	Non Pay €'000	2012 €'000	2011 €'000
<b>PREMISES</b>				
Premises Maintenance	1,687	4,109	5,796	6,142
General Services	92	3,775	3,867	3,763
Minor Works	-	287	287	98
Insurance	-	354	354	365
Energy Costs	-	2,191	2,191	2,129
<b>Total</b>	<b>1,779</b>	<b>10,716</b>	<b>12,495</b>	<b>12,497</b>
<b>NOTE 8</b>				
	Pay Costs €'000	Non Pay €'000	2012 €'000	2011 €'000
<b>AMOUNT ALLOCATED FOR CAPITAL PURPOSES</b>				
Capital Projects	-	1,179	1,179	1,100
Equipment	-	28	28	-
<b>Total</b>	<b>-</b>	<b>1,207</b>	<b>1,207</b>	<b>1,100</b>

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

<b>NOTE 9</b>	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>CENTRAL ADMINISTRATION AND SERVICES</b>				
Staff	6,850	-	6,850	6,263
Materials and Services	-	4,992	4,992	4,537
Professional Charges	-	68	68	68
Miscellaneous	-	424	424	427
<b>Total</b>	<b>6,850</b>	<b>5,484</b>	<b>12,334</b>	<b>11,295</b>
<b>NOTE 10</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>GENERAL EDUCATIONAL EXPENDITURE</b>				
Examination Expenses	245	272	517	481
Scholarships/ Grants/ Waivers	-	773	773	867
Miscellaneous Expenses	196	389	585	676
<b>Total</b>	<b>441</b>	<b>1,434</b>	<b>1,875</b>	<b>2,024</b>
<b>NOTE 11</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>STUDENT SERVICES</b>				
Capitation and Other Grants	-	994	994	1,028
Sports and Recreation	409	125	534	632
Health and Counselling	671	53	724	795
Student Services	807	315	1,122	1,271
<b>Total</b>	<b>1,887</b>	<b>1,487</b>	<b>3,374</b>	<b>3,726</b>
<b>NOTE 12</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>MISCELLANEOUS EXPENDITURE</b>				
Pensions	14,631	-	14,631	9,134
<b>Total</b>	<b>14,631</b>	<b>-</b>	<b>14,631</b>	<b>9,134</b>
<b>NOTE 13</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2012 €'000</b>	<b>2011 €'000</b>
<b>COMPOSITION OF TOTAL EXPENDITURE</b>				
Academic and Related Services	86,661	35,575	122,236	112,077
Contract Research and Other	14,544	18,932	33,476	38,500
Self-funded Projects	-	-	-	-
<b>Total Expenditure</b>	<b>101,205</b>	<b>54,507</b>	<b>155,712</b>	<b>150,577</b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2012 Surplus / (Deficit) €'000	2011 Surplus / (Deficit) €'000
<b>ANCILLARY SERVICES</b>	<b>€'000</b>	<b>€'000</b>		
Reprographic Services	302	(299)	3	(19)
National Coaching and Training Centre	2,034	(1,377)	657	97
Killaloe Activity Centre	348	(441)	(93)	(39)
	<u>2,684</u>	<u>(2,117)</u>	<u>567</u>	<u>39</u>
<b>Movement on Ancillary Services</b>				

NOTE 15	2012 €'000	2011 €'000
<b>DEPRECIATION OF FIXED ASSETS</b>		
Land and Buildings	8,092	7,773
Equipment	3,183	3,029
	<u>11,275</u>	<u>10,802</u>
<b>Total</b>		

NOTE 16	2012 €'000	2011 €'000
<b>GENERAL RESERVE MOVEMENT</b>		
Amortisation in line with Depreciation (Surplus)/Deficit of Ancillary Services to General Reserve Account	11,275 (567)	10,802 (39)
	<u>10,708</u>	<u>10,763</u>
<b>Total</b>		

NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2012 Total €'000
<b>Tangible Fixed Assets</b>				
<b>Cost/Valuation At 30 September 2011</b>				
Valuation	190,308	-	-	190,308
Cost	<u>224,665</u>	<u>42,461</u>	<u>665</u>	<u>267,791</u>
	<b>414,973</b>	<b>42,461</b>	<b>665</b>	<b>458,099</b>
<b>Additions/Disposals:</b>				
<b>Additions</b>	15,945	4,395	-	20,340
<b>Disposals</b>	<u>-</u>	<u>(1,664)</u>	<u>(114)</u>	<u>(1,778)</u>
	15,945	2,731	(114)	18,562
<b>Cost/Valuation At 30 September 2012</b>				
Valuation	190,308	-	-	190,308
Cost	<u>240,610</u>	<u>45,192</u>	<u>551</u>	<u>286,353</u>
<b>Total</b>	<b><u>430,918</u></b>	<b><u>45,192</u></b>	<b><u>551</u></b>	<b><u>476,661</u></b>
<b>Depreciation</b>				
<b>At 30 September 2011</b>	(71,404)	(27,204)	(665)	(99,273)
Disposals	-	1,633	114	1,747
Depreciation for Year	<u>(8,092)</u>	<u>(3,183)</u>	<u>-</u>	<u>(11,275)</u>
<b>At 30 September 2012</b>	<b><u>(79,496)</u></b>	<b><u>(28,754)</u></b>	<b><u>(551)</u></b>	<b><u>(108,801)</u></b>
<b>Net Book Value 2011</b>	<b><u>343,569</u></b>	<b><u>15,257</u></b>	<b><u>-</u></b>	<b><u>358,826</u></b>
<b>Net Book Value 2012</b>	<b><u>351,422</u></b>	<b><u>16,438</u></b>	<b><u>-</u></b>	<b><u>367,860</u></b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2012 €'000	2011 €'000
<b>INVESTMENTS</b>		
Investments	6,275	6,260
<b>Total</b>	<b>6,275</b>	<b>6,260</b>

These amounts primarily include funds deposited on a medium/long-term basis in relation to specific capital projects. These amounts are stated at cost.

NOTE 19	2012 €'000	2011 €'000
<b>DEBTORS AND PREPAYMENTS</b>		
Contract Research & Other Self-Funded Projects	(400)	(551)
Debtor Balances	2,671	1,989
Other Debtors and Prepayments	4,304	7,406
<b>Total</b>	<b>6,575</b>	<b>8,844</b>

NOTE 20	2012 €'000	2011 €'000
<b>CAPITAL INCOME AND CAPITAL EXPENDITURE</b>		
<b>INCOME</b>		
Grant from Higher Education Authority	9,336	5,123
Grants from Private Donors	761	870
Capital Income - Other Sources	6,409	11,158
Transfer from Current Income and Expenditure Account	1,207	1,100
<b>Total</b>	<b>17,713</b>	<b>18,251</b>

<b>EXPENDITURE</b>		
Land/Buildings	15,945	11,044
Equipment	4,395	1,763
<b>Total</b>	<b>20,340</b>	<b>12,807</b>
<b>(Deficit)/Surplus for year</b>	<b>(2,627)</b>	<b>5,444</b>
<b>Deficit at beginning of year</b>	<b>(31,306)</b>	<b>(36,750)</b>
<b>Deficit at end of year</b>	<b>(33,933)</b>	<b>(31,306)</b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 21	2012 €'000	2011 €'000
<b>CREDITORS AND ACCRUED EXPENDITURE</b>		
Contract Research & Other Self-Funded Projects	35,415	35,491
State Grants for Recurrent Expenditure received in advance	7,466	5,841
Academic Fees received in advance	19,027	19,397
Bank Loans (Note 27)	1,903	1,853
Other Creditors and Accruals	29,348	24,262
<b>Total</b>	<b>93,159</b>	<b>86,844</b>

Included in Other Creditors and Accruals at 30 September 2012 is an amount €12.156m (2011: €10.186m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2011 Opening Balance €'000	Current Year Movement €'000	2012 Closing Balance €'000
<b>GENERAL RESERVE</b>			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	17,683	1,816	19,499
State Capital Grants	126,896	9,336	136,232
Recurrent Funding Transfer	39,161	1,207	40,368
Capital Donations	76,821	761	77,582
Other	9,124	3,383	12,507
	<b>427,013</b>	<b>16,503</b>	<b>443,516</b>
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(137,294)	(11,275)	(148,569)
Less Accumulated Amortisation on Disposals	35,681	1,747	37,428
<b>Total</b>	<b>327,740</b>	<b>6,975</b>	<b>334,715</b>

NOTE 23	2012 €'000	2011 €'000
<b>RESTRICTED RESERVES</b>		
Balance at beginning of year	24,464	24,345
Student Levies Interest and Other Income (Net)	176	119
<b>Balance at end of year</b>	<b>24,640</b>	<b>24,464</b>

These funds comprise monies allocated by the University to fund a range of capital developments including a Multi-Purpose Sports Building and a Student Centre.

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 24	2012 €'000	2011 €'000
<b>REVENUE DEFICIT</b>		
Balance at beginning of year	(1,817)	(2,040)
Surplus for the year	314	223
<b>Balance at end of year</b>	<b><u>(1,503)</u></b>	<b><u>(1,817)</u></b>

NOTE 25	2012 €'000	2011 €'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Surplus for the year	314	223
Less Interest Received (Net)	(2,338)	(2,167)
Depreciation of Fixed Assets	11,275	10,802
Amortisation of General Reserves	(11,275)	(10,802)
Surplus in Ancillary Services	567	39
(Increase)/Decrease in Investments	(15)	14
Decrease in Debtors and Prepayments	2,269	6,506
Increase in Creditors and Accruals	6,315	3,164
(Decrease) in Long Term Liabilities	(1,355)	(1,356)
Increase in Restricted Reserves	176	119
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b><u>5,933</u></b>	<b><u>6,542</u></b>

NOTE 26	At 30 September 2011 €'000	Cash Flow €'000	At 30 September 2012 €'000
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
Net Cash	75,142	5,645	80,787
Bank Loans	(13,694)	1,305	(12,389)
<b>Total</b>	<b><u>61,448</u></b>	<b><u>6,950</u></b>	<b><u>68,398</u></b>

NOTE 27	2012 €'000	2011 €'000
<b>BANK LOANS</b>		
Due within one year (Note 21)	1,903	1,853
Due in more than one year, but not more than two years	1,089	1,356
Due in more than two years, but not more than five years	2,963	2,980
Due in more than five years	6,434	7,505
Total Due in more than one year	10,486	11,841
<b>Total</b>	<b><u>12,389</u></b>	<b><u>13,694</u></b>

The above loans are interest bearing but there is no security attaching to same.

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**UNIVERSITY OF LIMERICK**


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**NOTES TO THE FINANCIAL STATEMENTS-/Continued**

<b>NOTE 28</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance at beginning of year	75,142	60,989
Net Cash inflow	5,645	14,153
	<hr/>	<hr/>
<b>Balance at end of year</b>	<b><u>80,787</u></b>	<b><u>75,142</u></b>
 <b>NOTE 29</b>		
<b>PENSION</b>		
Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €4.202m (2011: €4.338m) and benefits are met from pension revenue provided on a recurrent basis by the State). Pensions paid in the year and included in miscellaneous expenditure amounted to €14.631m (2011: €9.134m).		
<b>Pension Control Account</b>	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>Opening Balance</b>	<u>0</u>	<u>0</u>
<b>Income</b>		
Employer Contribution	409	854
Employee Contribution	799	668
Pension Transfers In	-	-
Supplementation Income	-	-
Other	13,423	7,612
	<hr/>	<hr/>
<b>Total Income</b>	<b><u>14,631</u></b>	<b><u>9,134</u></b>
<b>Expenditure</b>		
Pension in Payment (including supplementation)	8,767	7,192
Lump sum payments on retirement	5,947	1,871
Death in Service payments	-	90
Pension transfer out (cash payments)	-	-
Refunds of contribution	356	225
Administration & Other Costs	-	-
Income in respect of the purchase of added years	(439)	(244)
	<hr/>	<hr/>
<b>Total Expenditure</b>	<b><u>14,631</u></b>	<b><u>9,134</u></b>
<b>(Deficit)/Surplus in year</b>	<u>0</u>	<u>0</u>
<b>Closing Balance - Grant receivable from/(payable to) the HEA</b>	<b><u>0</u></b>	<b><u>0</u></b>
 <b>NOTE 30</b>		
	<b>2012</b>	<b>2011</b>
	<b>€'000</b>	<b>€'000</b>
<b>CAPITAL COMMITMENTS</b>		
Contracted at 30 September	<u>2,754</u>	<u>14,634</u>
Authorised but not contracted at 30 September	<u>35,411</u>	<u>4,500</u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €817k within the period of 1 year.

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**UNIVERSITY OF LIMERICK**

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**NOTES TO THE FINANCIAL STATEMENTS-/Continued**

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**NOTE 31****CONTINGENT LIABILITY**

There were no contingent liabilities in existence at the balance sheet date.

**NOTE 32****RELATED PARTIES**

Plassey Campus Centre Ltd., a related company limited by guarantee, operates as a holding company and administers a range of facilities on campus.

Plassey Campus Developments Ltd., is a wholly owned subsidiary of Plassey Campus Centre Ltd. Its principal activity is that of contracting and property development at the National Technological Park.

Plassey Trust Company Ltd., and Kilmurray Village Ltd., both wholly owned subsidiaries of Plassey Campus Centre Ltd., are companies limited by guarantee and responsible for the administration of the student village accommodation.

The University of Limerick Foundation is a related company, limited by guarantee. The objectives of the Foundation are, generally the furtherance of education and research, in particular the furtherance of education and research carried out by the University of Limerick and other educational, research and development bodies, associated with the University of Limerick in their pursuit of education, teaching and research.

Plassey Campus Arena Ltd., a wholly owned subsidiary of Plassey Campus Centre Ltd., is a company limited by guarantee and responsible for the operation and management of the University Arena.

On 31 July 2012, the University Concert Hall Limited became a wholly owned subsidiary of Plassey Campus Centre Limited. The University Concert Hall Limited supports the University of Limerick and other educational establishments in their promotion of the arts and music for students and the public generally.

**NOTE 33****RELATED PARTY TRANSACTIONS**

Plassey Campus Developments Ltd. was the principal contractor associated with other ongoing property development contracts totalling €15,718,677 in the year (2011: €8,783,766) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €1,507,407 (2011: €285,919) was outstanding in respect of such contract work.

**NOTE 34****ENERGY USAGE****Overview of Energy Usage in 2011/2012**

The University of Limerick, situated on a 134 hectare site, comprises teaching and study space, office space, research facilities, student accommodation and sports facilities including a 50m pool and over 38,000m<sup>2</sup> of floodlit Astroturf pitches. All energy used on campus goes towards providing power and heating these buildings/facilities. The most recent buildings added to UL's portfolio include the Graduate Entry Medical School and accompanying accommodation and the Pavilion Building.

In 2011/2012, the University of Limerick consumed 40.3 GWh of energy, consisting of:

- 20.3 GWh of electricity.
- 20.0 GWh of fossil fuels in the form of natural gas (20.0 GWh) and bulk propane (0.06 GWh).

**NOTE 34**

**ENERGY USAGE - Continued**

A decrease in Degree Days of 22% in 2011/2012 compared to 2010/2011 contributed to a significant reduction of 2.5 GWh in consumption of fossil fuels. However, this reduction was offset by four new buildings which were either completed or had their first full year of operation in 2011/2012. Despite built space increasing, electricity consumption reduced by 1.5% in 2011/2012 versus 2010/2011 owing to previous energy saving measures rolled out.

**Actions Undertaken in 2011/2012**

- The University took ownership of an Energy Monitoring and Targeting System (EM&T) i.e. a web based tool which meters, records and archives information on c. 130 of the most important electricity, gas and water meters on campus. This will assist in the ongoing identification and evaluation of energy saving initiatives on campus in addition to providing the data for undertaking an energy awareness campaign.
- Fountain pumps Plassey Close were replaced saving a projected 169,000 kWh of electricity per year.
- The concert hall lighting was upgraded saving an estimated 16,000 kWh (of electricity) per year.
- UL secured grant funding from the Sustainable Energy Authority of Ireland to undertake the following energy saving initiatives in 2012/2013:
  - Upgrade of mechanical ventilation and insulation in the Schrodinger Building estimated to save 500,000 kWh per year.
  - Lighting upgrade in the Arena with expected savings of 94,000 kWh per annum.
  - Boiler Upgrades in the Stables to reduce recurrent consumption by 43,000 kWh annually.
  - Lighting and air conditioning upgrade in the GLISB forecast to lower recurrent annual electricity consumption by 41,000 kWh.
  - Lighting upgrade in the Main Building with projected savings of 36,000 kWh per year.
  - Insulation and occupancy detection upgrades in the PESS building with expected annual savings of 37,000 kWh.

Combined the above actions will result in savings of 750,000 kWh of energy annually.

**Actions Planned for 2012/2013**

- Complete SEAI grant funded energy saving initiatives for which funding was secured in 2011/2012.
- Progress our “Green Campus” application under the following themes:
  - Energy conservation
  - Water conservation and protection
  - Litter and waste prevention
  - Travel and transport

Note: “Green Campus” is an Eco-Management and Auditing and System approach incorporating a seven step methodology corresponding to the ISO 14001:2000 environmental system standard. The Green Campus Programme was developed by the Foundation for Environmental Education; An Taisce manages its implementation in Ireland.

- Devise and complete a trial whereby out-of-hours classes currently held in relatively energy inefficient buildings are consolidated into more energy efficient buildings.
- Investigate the potential of devising student projects centred on energy awareness campaigns.
- Examine the feasibility and viability of applying for funding under future SEAI and other grant schemes if available.
- Develop a detailed guide for operating, interrogating and troubleshooting our Building Management System.
- Develop an asset register of large energy consuming items on campus to include information on energy consumed when in operation.
- Use the EM&T system to identify energy saving initiatives.

**NOTE 34**

**ENERGY USAGE - Continued**

UL has also been very active in managing and reducing water consumption on campus over the last several years. Since rolling out a metering and data-logging system to meter, record, monitor and target infrastructural improvements to our 16km water network, annual water consumption has reduced by 35% from its peak (in 2007). In 2012 annual water consumption (of 168,489 m<sup>3</sup>) was lower than it was in any of the previous 11 years. Normalised against floor area, water consumption has reduced by 46% compared with 2001 despite built space increasing by two thirds during this period.

**NOTE 35**

**APPROVAL OF FINANCIAL STATEMENTS**

The Governing Authority is responsible for approving the financial statements of the University.

**REPORT OF THE INDEPENDENT MANAGEMENT AUDITORS**

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To the members of the Executive Committee of the University of Limerick.

We have audited the Financial Statements on pages 4 to 22.

**Respective responsibilities of the University and the Auditors**

The University, as described on page 3 is responsible for preparing the Financial Statements prepared in accordance with the Harmonisation of Universities Accounts agreement. Our responsibility is to audit those financial statements in accordance with the auditing standards issued by the Auditing Practices Board applicable in Ireland.

This report, including the opinion, has been prepared for and only for the members of the Executive Committee of the University as a body in accordance with our appointment. We do not, in giving this opinion, accept or assume responsibility for any other purposes 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.

We report to you our opinion as to whether the Financial Statements are properly prepared in accordance with the Harmonisation of Universities' Accounts agreement as adopted by all Irish Universities. We state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the Financial Statements are in agreement with the books of account. We also report to you our opinion as to whether the University has kept proper books of account.

**Basis of opinion**

We conducted our audit of the Financial Statements for the year ended 30 September 2012 in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the University in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the University's circumstances, are consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of presentation on information in the Financial Statements.

**Opinion**

In our opinion the Financial Statements of the University in respect of the year ended 30 September 2012 have been properly prepared in accordance with the Harmonisation of Accounts Agreement.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the University. The Financial Statements are in agreement with the books of account.

**PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Limerick**

**28 June 2013**

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**UNIVERSITY OF LIMERICK**

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**FIVE YEAR SUMMARY - EXPENDITURE**

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	<b>2007/08</b>	<b>%</b>	<b>2008/09</b>	<b>%</b>	<b>2009/10</b>	<b>%</b>	<b>2010/11</b>	<b>%</b>	<b>2011/12</b>	<b>%</b>
	<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>	
Colleges and Departments	60,630	39	67,741	40	65,686	42	62,889	42	67,134	43
Contract Research Projects	30,725	20	31,017	18	25,472	16	22,348	15	24,282	16
Other Self-Funded Projects	16,553	10	17,693	11	17,061	11	16,151	11	9,194	6
Academic and Other Services	10,780	7	11,144	7	10,164	6	9,402	6	9,186	6
Premises	12,972	8	12,684	8	12,755	8	12,497	8	12,495	8
Central Administration and Services	12,207	8	10,449	6	10,862	7	11,295	8	12,334	8
General Educational Expenditure	1,784	1	1,946	1	1,935	1	2,024	1	1,875	1
Student Services	3,886	2	3,955	2	3,783	2	3,726	2	3,374	2
Miscellaneous Expenditure	5,876	4	9,293	6	8,994	6	9,134	6	14,631	9
Amount Allocated for Capital Purposes	1,634	1	1,487	1	1,591	1	1,100	1	1,207	1
Total	<u>157,047</u>	<u>100</u>	<u>167,409</u>	<u>100</u>	<u>158,303</u>	<u>100</u>	<u>150,566</u>	<u>100</u>	<u>155,712</u>	<u>100</u>

The 5 year summary is exclusive of expenditure incurred by Mary Immaculate College of Education and also of the University's annual contribution to depreciation.