

**FINANCIAL REPORT
YEAR ENDED 30 SEPTEMBER 2014**

1 INTRODUCTION

The financial statements for the year to 30 September 2014 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 2014, 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 by €3.30 million from €124.24 million to €127.54 million.

Total State grants decreased from €36.73 million to €35.77 million representing a decrease of 2.6%. The underlying recurrent State grant decreased by 6.6% from €26.3m to €24.6m, while there was an increase in the pension grant of 9% to cover an increase in pension costs. Student fee income increased 3.6% from €80.25 million to €83.17 million, reflecting the State's ongoing policy to transfer the cost of funding the third level sector from the State to the individual student.

Income from other sources increased from €7.25 million to €8.60 million, an increase of 18.6%, due to increases in funded post income, contract research and other self-funded projects contributions and miscellaneous income which were partially offset by a decrease in interest income.

3 ACADEMIC AND RELATED SERVICES EXPENDITURE

Expenditure on Academic and Related Services increased from €123.64 million to €127.23 million, an increase of 2.9%.

4 CONTRACT RESEARCH AND OTHER SELF FUNDED PROJECTS

Contract Research income increased by 22.9% from €25.20 million to €31.01 million during the year under review. The continuing recovery in research income levels is to be welcomed and it is expected that this momentum can be maintained with the further roll out of the Bernal project.

Expenditure on self-funded projects increased by 3.1% from €10.26 million to €10.58 million. The University continues to mainstream much of the historical activities in this area.

REPORT OF DIRECTOR OF FINANCE

5 CAPITAL PROGRAMME

University capital expenditure amounted to €20.5 million during the year, €3.5 million related to equipment, and the balance relating to land and buildings. This is an increase of €3.5 million on the total capital expenditure in the previous year.

€9.2m was spent on the new Bernal Project Building which envisages the provision of a fully equipped laboratory building of the order of 7,459m² to enable the research of ten new professorships.

€3.5m was spent on the National Centre for Applied Materials Research. This Centre will develop new materials and methods in the strategically important areas of pharmaceutical and composite materials and will significantly enhance UL's materials research capabilities in biomaterials, materials for energy conversion and bio-catalysis. The new Centre will assist in the provision of incentives to multinational companies to locate research and development capacity in Ireland by creating the research infrastructure to allow these industries to embed their research and development activities here.

€314k was spent on the University of Limerick Smarter Travel Scheme. The aim of the scheme which has involved the construction of shared pedestrian/cycling paths and secure bike parking is the promotion of sustainable travel behaviour among staff and students to encourage walking, cycling, taking the bus and car sharing over single occupancy car use.

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 €313k and a reduction in the cumulative deficit to €0.6m. In the challenging economic environment this represents a significant achievement.

The continuing decline in state grant levels coupled with the greater contribution payable by students presents financial and operational challenges and the University will have to maintain its focus on non-state income generation and cost control in order to continue to achieve such positive financial outcomes.

The University is committed to the achievement of a balanced outturn for the year ended 30 September 2015 and will continue to endeavour to eliminate the remaining accumulated deficit.

John Field
Director of Finance
17 December 2014

STATEMENT OF RESPONSIBILITIES

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

President

Director of Finance

STATEMENT OF ACCOUNTING POLICIES

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 2014 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. Any excess of non-EU fee income 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

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

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.

UNIVERSITY OF LIMERICK

CURRENT INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 30 SEPTEMBER

INCOME	NOTES	2014 €'000	2013 €'000
State Grants	1	35,769	36,734
Student Fees	2	83,173	80,248
Other Income	3	8,602	7,254
		<u>127,544</u>	<u>124,236</u>
Contract Research and Other Self-Funded Projects	4	41,592	35,494
		<u>169,136</u>	<u>159,730</u>
Mary Immaculate College			
State Grants		7,271	7,716
Student Fees		7,446	8,053
Less amount transferred to College		<u>(14,717)</u>	<u>(15,769)</u>
Total		<u>169,136</u>	<u>159,730</u>
EXPENDITURE			
Colleges and Departments	5	69,679	69,537
Academic and Other Services	6	9,874	9,982
Premises	7	12,784	12,931
Amount allocated for Capital Purposes	8	5,650	1,425
Central Administration and Services	9	13,366	14,729
General Educational Expenditure	10	1,305	1,282
Student Services	11	3,698	3,783
Miscellaneous Expenditure	12	10,874	9,968
		<u>127,230</u>	<u>123,637</u>
Contract Research and Other Self-Funded Projects	4	41,592	35,494
Total	13	<u>168,822</u>	<u>159,131</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		314	599
Surplus/(Deficit) on Ancillary Services	14	43	(168)
Depreciation of Fixed Assets	15	(12,204)	(11,735)
General Reserve Movement	16	12,161	11,903
NET SURPLUS for year	24	<u>314</u>	<u>599</u>

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

 President

 Director of Finance

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 SEPTEMBER

	2014	2013
	€'000	€'000
SURPLUS for year	314	599
	<hr/>	<hr/>
Total recognised gains and losses relating to year	<u>314</u>	<u>599</u>

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

President

Director of Finance

UNIVERSITY OF LIMERICK

BALANCE SHEET**YEAR ENDED 30 SEPTEMBER**

	NOTES	2014 €'000	2013 €'000
TANGIBLE FIXED ASSETS	17	<u>381,342</u>	<u>373,067</u>
INVESTMENTS	18	<u>6,429</u>	<u>6,334</u>
CURRENT ASSETS			
Bank Balances and Cash		102,667	83,059
Debtors and Prepayments	19	<u>12,045</u>	<u>8,655</u>
		114,712	91,714
CURRENT LIABILITIES			
Creditors and Accrued Expenditure	21	(95,733)	(100,682)
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		<u>18,979</u>	<u>(8,968)</u>
LONG TERM LIABILITIES			
Creditors due after one year	27	<u>(33,492)</u>	<u>(9,397)</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u><u>373,258</u></u>	<u><u>361,036</u></u>
REPRESENTED BY			
		€'000	€'000
General Reserve	22	349,685	337,684
Restricted Reserves	23	24,163	24,256
Revenue Deficit	24	<u>(590)</u>	<u>(904)</u>
		<u><u>373,258</u></u>	<u><u>361,036</u></u>

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

President

Director of Finance

UNIVERSITY OF LIMERICK

CASH FLOW STATEMENT**YEAR ENDED 30 SEPTEMBER**

	NOTES	2014 €'000	2013 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	15,040	2,808
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received (Net)		885	1,534
CAPITAL EXPENDITURE			
Payments to acquire Tangible Fixed Assets		(20,497)	(16,969)
Receipts from Sale of Tangible Fixed Assets		(1)	(1)
NET CASH (OUTFLOW) BEFORE FINANCING		<u>(4,573)</u>	<u>(12,628)</u>
FINANCING			
HEA Capital Grants		1	979
Non HEA Capital Receipts		24,180	13,921
CASH INFLOW FROM FINANCING		<u>24,181</u>	<u>14,900</u>
NET CASH INFLOW AFTER FINANCING		<u>19,608</u>	<u>2,272</u>
INCREASE IN CASH AND CASH EQUIVALENTS	28	<u>19,608</u>	<u>2,272</u>

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

President

Director of Finance

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1	2014 €'000	2013 €'000
STATE GRANTS		
Recurrent Grant	24,592	26,337
Pension Grant	10,874	9,968
Targeted Funding for Special Initiatives	245	369
Minor Works	58	60
	<u>35,769</u>	<u>36,734</u>
Total	35,769	36,734
NOTE 2	2014 €'000	2013 €'000
STUDENT FEES		
Student Fees	81,994	79,265
Miscellaneous Fee Income	1,179	983
	<u>83,173</u>	<u>80,248</u>
Total	83,173	80,248
NOTE 3	2014 €'000	2013 €'000
OTHER INCOME		
Interest Receivable	1,472	1,648
Funded Posts	1,159	611
Contract Research and Other Self-Funded Projects	2,326	1,599
Contributions		
Miscellaneous Income	3,645	3,396
	<u>8,602</u>	<u>7,254</u>
Total	8,602	7,254
NOTE 4	2014 €'000	2013 €'000
CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS		
Contract Research Projects	31,011	25,230
Other Self-Funded Projects	10,581	10,264
	<u>41,592</u>	<u>35,494</u>
Total	41,592	35,494

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
COLLEGES AND DEPARTMENTS				
Academic	48,287	-	48,287	47,050
Technical	3,330	-	3,330	3,365
Administrative Support	10,324	-	10,324	9,707
Materials and Expenses	0	7,669	7,669	9,307
Miscellaneous	-	69	69	108
Total	61,941	7,738	69,679	69,537
NOTE 6				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
ACADEMIC AND OTHER SERVICES				
Library	2,146	2,004	4,150	4,147
Information Technology	2,562	1,044	3,606	3,796
Cooperative Education and Careers Division	1,171	947	2,118	2,039
Total	5,879	3,995	9,874	9,982
NOTE 7				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
PREMISES				
Premises Maintenance	1,815	3,646	5,461	6,032
General Services	94	3,965	4,059	3,708
Minor Works	-	10	10	52
Insurance	-	434	434	365
Energy Costs	-	2,820	2,820	2,774
Total	1,909	10,875	12,784	12,931
NOTE 8				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
AMOUNT ALLOCATED FOR CAPITAL PURPOSES				
Capital Projects	-	5,606	5,606	1,425
Equipment	-	44	44	-
Total	-	5,650	5,650	1,425

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 9	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
CENTRAL ADMINISTRATION AND SERVICES				
Staff	7,618	-	7,618	7,126
Materials and Services	-	4,610	4,610	6,643
Professional Charges	-	32	32	184
Miscellaneous	-	1,106	1,106	776
Total	7,618	5,748	13,366	14,729
NOTE 10				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
GENERAL EDUCATIONAL EXPENDITURE				
Examination Expenses	275	238	513	507
Miscellaneous Expenses	250	542	792	775
Total	525	780	1,305	1,282
NOTE 11				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
STUDENT SERVICES				
Capitation and Other Grants	-	1,076	1,076	1,010
Sports and Recreation	495	95	590	547
Health and Counselling	556	41	597	736
Student Services	1,147	288	1,435	1,490
Total	2,198	1,500	3,698	3,783
NOTE 12				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
MISCELLANEOUS EXPENDITURE				
Pensions	10,874	-	10,874	9,968
Total	10,874	-	10,874	9,968
NOTE 13				
	Pay Costs €'000	Non Pay €'000	2014 €'000	2013 €'000
COMPOSITION OF TOTAL EXPENDITURE				
Academic and Related Services	90,944	36,286	127,230	123,637
Contract Research and Other	17,214	24,378	41,592	35,494
Self-funded Projects	-	-	-	-
Total Expenditure	108,158	60,664	168,822	159,131

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2014 Surplus / (Deficit) €'000	2013 Surplus / (Deficit) €'000
ANCILLARY SERVICES	€'000	€'000	€'000	€'000
Reprographic Services	63	(10)	53	83
National Coaching and Training Centre	-	1	1	(587)
Killaloe Activity Centre	333	(344)	(11)	335
	<hr/>	<hr/>	<hr/>	<hr/>
Movement on Ancillary Services	396	(353)	43	(169)

NOTE 15

DEPRECIATION OF FIXED ASSETS	2014 €'000	2013 €'000
Land and Buildings	8,592	8,254
Equipment	3,612	3,481
	<hr/>	<hr/>
Total	12,204	11,735

NOTE 16

GENERAL RESERVE MOVEMENT	2014 €'000	2013 €'000
Amortisation in line with Depreciation	12,204	11,735
Deficit/(Surplus) of Ancillary Services to General Reserve Account	(43)	169
	<hr/>	<hr/>
Total	12,161	11,904

NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2014 Total €'000
Tangible Fixed Assets				
Cost/Valuation At 30 September 2013				
Valuation	190,308	-	-	190,308
Cost	252,206	49,904	536	302,646
	<u>442,514</u>	<u>49,904</u>	<u>536</u>	<u>492,954</u>
Additions/Disposals:				
Additions	16,952	3,545	-	20,497
Disposals	-	(530)	-	(530)
	<u>16,952</u>	<u>3,015</u>	<u>-</u>	<u>19,967</u>
Cost/Valuation At 30 September 2014				
Valuation	190,308	-	-	190,308
Cost	269,158	52,919	536	322,613
	<u>459,466</u>	<u>52,919</u>	<u>536</u>	<u>512,921</u>
Depreciation				
At 30 September 2013	(87,750)	(31,601)	(536)	(119,887)
Disposals	-	512	-	512
Depreciation for Year	(8,592)	(3,612)	-	(12,204)
	<u>(96,342)</u>	<u>(34,701)</u>	<u>(536)</u>	<u>(131,579)</u>
At 30 September 2014	<u>(96,342)</u>	<u>(34,701)</u>	<u>(536)</u>	<u>(131,579)</u>
Net Book Value 2013	<u>354,764</u>	<u>18,303</u>	<u>-</u>	<u>373,067</u>
Net Book Value 2014	<u>363,124</u>	<u>18,218</u>	<u>-</u>	<u>381,342</u>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2014 €'000	2013 €'000
INVESTMENTS		
Investments	6,429	6,334
Total	6,429	6,334

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	2014 €'000	2013 €'000
DEBTORS AND PREPAYMENTS		
Contract Research & Other Self-Funded Projects	(592)	(500)
Debtor Balances	2,780	2,777
Other Debtors and Prepayments	9,857	6,378
Total	12,045	8,655

NOTE 20	2014 €'000	2013 €'000
CAPITAL INCOME AND CAPITAL EXPENDITURE		
INCOME		
Grant from Higher Education Authority	1	979
Grants from Private Donors	70	3,009
Capital Income - Other Sources	18,460	9,487
Transfer from Current Income and Expenditure Account	5,650	1,425
Total	24,181	14,900

EXPENDITURE		
Land/Buildings	16,952	11,605
Equipment	3,545	5,373
Total	20,497	16,978
Surplus/(Deficit) for year	3,684	(2,078)
Deficit at beginning of year	(11,870)	(9,792)
Deficit at end of year	(8,186)	(11,870)

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 21	2014 €'000	2013 €'000
CREDITORS AND ACCRUED EXPENDITURE		
Contract Research & Other Self-Funded Projects	43,731	46,546
State Grants for Recurrent Expenditure received in advance	4,838	4,258
Academic Fees received in advance	16,781	18,294
Bank Loans (Note 27)	1,238	1,553
Other Creditors and Accruals	29,145	30,031
Total	95,733	100,682

Included in Other Creditors and Accruals at 30 September 2014 is an amount €15.439m (2013: €15.691m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2013 Opening Balance €'000	Current Year Movement €'000	2014 Closing Balance €'000
GENERAL RESERVE			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	23,578	2,766	26,344
State Capital Grants	137,212	1	137,213
Recurrent Funding Transfer	41,793	5,650	47,443
Capital Donations	80,591	70	80,661
Other	17,070	15,207	32,277
	457,572	23,694	481,266
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(160,304)	(12,205)	(172,509)
Less Accumulated Amortisation on Disposals	38,076	512	38,588
Total	337,684	12,001	349,685

NOTE 23	2014 €'000	2013 €'000
RESTRICTED RESERVES		
Balance at beginning of year	691	1,075
Student Levies Interest and Other Income (Net)	(93)	(384)
Balance at end of year	598	691

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	2014 €'000	2013 €'000
REVENUE DEFICIT		
Balance at beginning of year	(904)	(1,503)
Surplus for the year	314	599
Balance at end of year	<u>(590)</u>	<u>(904)</u>

NOTE 25	2014 €'000	2013 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus for the year	314	599
Less Interest Received (Net)	(885)	(1,534)
Depreciation of Fixed Assets	12,204	11,735
Amortisation of General Reserves	(12,204)	(11,734)
Surplus/(Deficit) in Ancillary Services	43	(169)
(Increase) in Investments	(95)	(59)
(Increase) in Debtors and Prepayments	(3,390)	(2,080)
(Decrease)/Increase in Creditors and Accruals	(4,949)	7,523
Increase/(Decrease) in Long Term Liabilities	24,095	(1,089)
(Decrease) in Restricted Reserves	(93)	(384)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>15,040</u>	<u>2,808</u>

NOTE 26	At 30 September 2013 €'000	Cash Flow €'000	At 30 September 2014 €'000
ANALYSIS OF CHANGES IN NET FUNDS			
Net Cash	83,059	19,608	102,667
Bank Loans	(10,950)	(23,780)	(34,730)
Total	<u>72,109</u>	<u>(4,172)</u>	<u>67,937</u>

NOTE 27	2014 €'000	2013 €'000
BANK LOANS		
Due within one year (Note 21)	<u>1,238</u>	<u>1,553</u>
Due in more than one year, but not more than two years	986	906
Due in more than two years, but not more than five years	3,497	3,220
Due in more than five years	<u>29,009</u>	<u>5,271</u>
Total Due in more than one year	<u>33,492</u>	<u>9,397</u>
Total	<u>34,730</u>	<u>10,950</u>

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

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 28	2014	2013
	€'000	€'000
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance at beginning of year	83,059	80,787
Net Cash inflow	19,608	2,272
Balance at end of year	<u>102,667</u>	<u>83,059</u>

NOTE 29

PENSION

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €4.375m (2013: €4.218m) 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 €10.874m (2013: €9.968m).

Pension Control Account	2014	2013
	€'000	€'000
Opening Balance	<u>0</u>	<u>0</u>
Income		
Employer Contribution	1,931	1,255
Employee Contribution	708	603
Pension Transfers In	-	-
Supplementation Income	-	-
Other	8,235	8,110
Total Income	<u>10,874</u>	<u>9,968</u>
Expenditure		
Pension in Payment (including supplementation)	9,285	9,231
Lump sum payments on retirement	2,242	742
Death in Service payments	-	-
Pension transfer out (cash payments)	-	-
Refunds of contribution	135	103
Administration & Other Costs	-	-
Income in respect of the purchase of added years	(788)	(108)
Total Expenditure	<u>10,874</u>	<u>9,968</u>
(Deficit)/Surplus in year	<u>0</u>	<u>0</u>
Closing Balance - Grant receivable from/(payable to) the HEA	<u>0</u>	<u>0</u>

NOTE 30

CAPITAL COMMITMENTS

	2014	2013
	€'000	€'000
Contracted at 30 September	<u>34,775</u>	<u>11,085</u>
Authorised but not contracted at 30 September	<u>6,731</u>	<u>28,947</u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €6.734m within the period of 1 year.

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-/Continued

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 €15,672,107 in the year (2013: €3,485,341) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €2,986,624 (2013: €419,342) was outstanding in respect of such contract work.

NOTE 34**ENERGY USAGE****Overview of Energy Usage in 2013/2014**

The University of Limerick's campus which comprises teaching and study space, office space, research facilities, student accommodation and unparalleled sports facilities now occupies a 148.5 hectare site (i.e. 337 acres). The Bernal Building and Phase 2 of the Materials and Surface Science Institute due for completion in the 2014/2015 financial year will between them add almost 10,000m² to UL's built space further enhancing UL's research facilities.

In 2013/2014, the University of Limerick consumed 42.25 GWh of energy, consisting of:

- 20.7 GWh of electricity.
- 21.55 GWh of fossil fuels in the form of natural gas (21.32 GWh) and bulk propane (0.23 GWh).

NOTE 34

ENERGY USAGE - Continued

In 2013/2014 the newly acquired International Business Centre (c. 3,600m²) had its first full year of operation. A milder winter coupled with a slight reduction in electricity consumption meant overall energy consumption was almost identical to the figure recorded in 2012/2013.

Actions Undertaken in 2013/2014

- The roll-out of the “Green Campus” initiative commenced in earnest. Green Campus accreditation is being sought under the following categories:
 - Energy
 - Travel and transport
 - Biodiversity
- A ‘Power Off Weekend’ initiative was undertaken as part Green Week. This resulted in savings of approximately 8% (or 7,600 kWh) over that weekend and provided some useful information for the roll-out of a more comprehensive campaign which it is hoped will be undertaken with the support of SEAI funding.
- Raised awareness and encouraged energy efficient behaviour through email, UL’s Green Campus blog <http://ulgreencampus.com>, internal publications and a series of energy talks to both staff and students.
- Applied for funding from SEAI under their Energy Awareness Campaign Support Program – Engaging People.
- As part of Green Campus the help of 4th Year Applied Marketing and 3rd Year Product Design students was engaged to help identify barriers and advise on space utilisation respectively.
- Continued facilitation of out-of-hours classes in the most energy-efficient buildings.

Actions Planned for 2014/2015

- Sign a partnership agreement with SEAI to avail of assistance in rolling out an energy management program based on SEAI’s management action program (MAP).
- Request assistance from SEAI to undertake energy audits on a representative sample of five buildings. To bolster our case for granting this service UL will recommend adopting a lean energy auditing approach as set out in the literature. The outcome of these audits will be an opportunities register which will identify no/low, medium and high cost initiatives including the replacement of old and inefficient equipment.
- Obtain Green Campus accreditation under the following headings:
 - Energy
 - Travel and transport
 - Biodiversity
- As part of Green Campus engage the help of 4th Year Marketing Leadership students to help devise an energy awareness campaign.
- Devise and commence roll-out of an energy awareness campaign on a phased basis. Run with the assistance of SEAI’s Energy Awareness Campaign Support Program – Engaging People if funding application is successful.

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

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

We have audited the financial statements of University of Limerick for the year ended 30 September 2014 which comprise the Statement of Accounting Policies, the Current Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the related notes. The financial reporting framework that has been applied in the preparation of these financial statements is Harmonisation of Financial Accounts agreement.

Respective responsibilities of members of the Executive Committee of University of Limerick and auditors

As explained more fully in the Statement of Responsibilities set out on page 3, the Executive Committee of University of Limerick are responsible for the preparation of the financial statements in accordance with the Harmonisation of Financial Accounts agreement and accounting policies set out in the Statement of Accounting Policies. Our responsibility is to audit and express an opinion on the financial statements in accordance with Harmonisation of Financial Accounts agreement and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Executive Committee of University of Limerick and for no other purpose. We do not, in giving this opinion, 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 including without limitation under any contractual obligations of the University, save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University; and the overall presentation of the financial statements.

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.

Opinion on financial statements

In our opinion the financial statements for the year ended 30 September 2014 have been properly prepared, in all material respects, in accordance with the Harmonisation of Financial Accounts agreement and the accounting policies set out in the Statement of Accounting Policies

Emphasis of matter – basis of preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to the Statement of Accounting Policies which describes that the accounts are prepared in accordance with the Harmonisation of Financial Accounts agreement and the basis of preparation. The accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of Generally Accepted Accounting Practice in Ireland.

Opinion on other matters

- 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.

REPORT OF THE INDEPENDENT MANAGEMENT AUDITORS -/Continued

Other matter

University of Limerick will prepare a separate set of financial statements in accordance with Generally Accepted Accounting Practice in Ireland on which we will issue a separate auditor's report to the Governing Authority in due course.

**PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Limerick**

17 December 2014

UNIVERSITY OF LIMERICK

FIVE YEAR SUMMARY - EXPENDITURE

	2009/10	%	2010/11	%	2011/12	%	2012/13	%	2013/14	%
	€'000		€'000		€'000		€'000		€'000	
Colleges and Departments	65,686	42	62,889	42	67,134	43	69,537	44	69,679	41
Contract Research Projects	25,472	16	22,348	15	24,282	16	25,230	16	31,011	18
Other Self-Funded Projects	17,061	11	16,151	11	9,194	6	10,264	7	10,581	6
Academic and Other Services	10,164	6	9,402	6	9,186	6	9,982	6	9,874	6
Premises	12,755	8	12,497	8	12,495	8	12,931	8	12,784	8
Central Administration and Services	10,862	7	11,295	8	12,334	8	14,729	9	13,366	8
General Educational Expenditure	1,935	1	2,024	1	1,875	1	1,282	1	1,305	1
Student Services	3,783	2	3,726	2	3,374	2	3,783	2	3,698	2
Miscellaneous Expenditure	8,994	6	9,134	6	14,631	9	9,968	6	10,874	7
Amount Allocated for Capital Purposes	1,591	1	1,100	1	1,207	1	1,425	1	5,650	3
Total	<u>158,303</u>	<u>100</u>	<u>150,566</u>	<u>100</u>	<u>155,712</u>	<u>100</u>	<u>159,131</u>	<u>100</u>	<u>168,822</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.