

**FINANCIAL REPORT
YEAR ENDED 30 SEPTEMBER 2010**

1 INTRODUCTION

The financial statements for the year to 30 September 2010 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 2010, 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 €119.39 million from €117.63 million, representing a growth of 1.5% over the previous year.

State grants decreased from €55.59 million to €48.66 million representing a decrease of 12.5%, while student fee income increased 14.1% from €55.84 million to €63.69 million, reflecting the State's decision to significantly increase the student service charge while reducing the State grant by the corresponding amount.

Income from other sources increased from €6.20 million to €7.04 million, a growth of 13.6%, 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 dropped from €118.70 million to €115.77 million, a decrease of 2.5%. Within this pay costs fell by 4.6% mainly as a result of the pay cuts ranging between 5% and 15% which were imposed by the State on all public sector workers with effect from 1 January 2010, thereby impacting on 9 months expenditure in these financial statements. Pay represents 68% of this expenditure (2009: 69%). Colleges and Departments still account for 76% of the total pay expenditure excluding pensions (2009: 76%).

4 CONTRACT RESEARCH AND OTHER SELF FUNDED PROJECTS

Contract Research income decreased by 17.9% from €31.02 million to €25.47 million during the year under review. After several years of growth, this change in trend is a concern and reflects the difficulty in attracting research projects in the current economic conditions.

Expenditure on self funded projects decreased by 3.6% from €17.69 million to €17.06 million, which again reflects the negative impact the current economic environment is having on the University's continued focus on increasing non State income.

5 CAPITAL PROGRAMME

University capital expenditure amounted to €29.1 million during the year, €3.9 million related to equipment, and the balance relating to land and buildings.

€5.5m was spent during the year on a new building for the Irish World Academy of Music and Dance on the Clare side of the campus which was officially opened in September 2010. This new building provides a wonderful riverside space for musicians, dancers, composers, singers, conductors and choreographers. Other projects on which work has progressed significantly during the year include the Graduate Medical School Building and Medical School Accommodation and the Tierney Building which will contain the Irish Software Engineering Research Centre (Lero) and the Tierney Incubation Centre.

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 €3.62m and a reduction in the cumulative deficit to €2.04m. 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. Notwithstanding these factors, the surplus in the current financial year is due mainly to significant once off funding received during the year.

The financial environment in which the University operates continues to pose significant challenges in achieving balanced outturns, as many of the cutbacks made in the last year cannot be repeated on a sustained basis without severely impacting 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 2011 and will continue to endeavour to eliminate the remaining accumulated deficit.

John Field
Director of Finance
3 March 2011

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. A review of the Harmonisation Agreement by the universities in consultation with the Higher Education Authority and the Comptroller and Auditor General, is nearing completion and will result in a new agreed harmonisation format. The Financial Statements for the year ended 30 September 2010 and subsequent years 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

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	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	2010 €'000	2009 €'000
State Grants	1	48,658	55,591
Student Fees	2	63,692	55,838
Other Income	3	7,041	6,200
		<u>119,391</u>	<u>117,629</u>
Contract Research and Other Self-Funded Projects	4	42,533	48,710
		<u>161,924</u>	<u>166,339</u>
Mary Immaculate College			
State Grants		21,079	21,397
Student Fees		9,693	9,408
Less amount transferred to College		<u>(30,772)</u>	<u>(30,805)</u>
Total		<u>161,924</u>	<u>166,339</u>
EXPENDITURE			
Colleges and Departments	5	65,686	67,741
Academic and Other Services	6	10,164	11,144
Premises	7	12,755	12,684
Amount allocated for Capital Purposes	8	1,591	1,487
Central Administration and Services	9	10,862	10,449
General Educational Expenditure	10	1,935	1,946
Student Services	11	3,783	3,955
Miscellaneous Expenditure	12	8,994	9,293
		<u>115,770</u>	<u>118,699</u>
Contract Research and Other Self-Funded Projects	4	42,533	48,710
Total	13	<u>158,303</u>	<u>167,409</u>
Surplus/(Deficit) on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		3,621	(1,070)
(Deficit)/Surplus on Ancillary Services	14	(153)	97
Depreciation of Fixed Assets	15	(10,743)	(10,327)
General Reserve Movement	16	10,896	10,230
NET SURPLUS/(DEFICIT) for year	24	<u>3,621</u>	<u>(1,070)</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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES YEAR ENDED 30 SEPTEMBER

	2010	2009
	€'000	€'000
SURPLUS/(DEFICIT) for year	3,621	(1,070)
	<hr/>	<hr/>
Total recognised gains and losses relating to year	<u>3,621</u>	<u>(1,070)</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	2010 €'000	2009 €'000
TANGIBLE FIXED ASSETS	17	<u>356,899</u>	<u>339,157</u>
INVESTMENTS	18	<u>6,274</u>	<u>18,800</u>
CURRENT ASSETS			
Bank Balances and Cash		60,989	55,108
Debtors and Prepayments	19	<u>15,350</u>	<u>14,097</u>
		76,339	69,205
CURRENT LIABILITIES			
Creditors and Accrued Expenditure	21	(83,680)	(81,421)
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(7,341)</u>	<u>(12,216)</u>
LONG TERM LIABILITIES			
Creditors due after one year	27	<u>(13,197)</u>	<u>(14,425)</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u>342,635</u>	<u>331,316</u>
REPRESENTED BY		€'000	€'000
General Reserve	22	320,330	312,864
Restricted Reserves	23	24,345	24,113
Revenue Deficit	24	<u>(2,040)</u>	<u>(5,661)</u>
		<u>342,635</u>	<u>331,316</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	2010 €'000	2009 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	14,335	27,906
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received (Net)		1,669	1,518
CAPITAL EXPENDITURE			
Payments to acquire Tangible Fixed Assets		(29,090)	(44,696)
Receipts from Sale of Tangible Fixed Assets		-	33
NET CASH (OUTFLOW) BEFORE FINANCING		<u>(13,086)</u>	<u>(15,239)</u>
FINANCING			
HEA Capital Grants		7,490	15,674
Non HEA Capital Receipts		11,477	11,571
CASH INFLOW FROM FINANCING		<u>18,967</u>	<u>27,245</u>
NET CASH INFLOW AFTER FINANCING		<u>5,881</u>	<u>12,006</u>
INCREASE IN CASH AND CASH EQUIVALENTS	28	<u>5,881</u>	<u>12,006</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	2010	2009
	€'000	€'000
STATE GRANTS		
Recurrent Grant	38,916	44,921
Pension Grant	8,947	9,293
Targeted Funding for Special Initiatives	720	1,302
Minor Works	75	75
	<u>48,658</u>	<u>55,591</u>
Total	48,658	55,591
NOTE 2		
	2010	2009
	€'000	€'000
STUDENT FEES		
Student Fees	62,681	54,935
Miscellaneous Fee Income	1,011	903
	<u>63,692</u>	<u>55,838</u>
Total	63,692	55,838
NOTE 3		
	2010	2009
	€'000	€'000
OTHER INCOME		
Interest Receivable (Net)	1,716	1,518
Funded Posts	0	21
Contract Research and Other Self-Funded Projects	1,613	1,693
Contributions		
Non-EU Fees	3,712	2,967
Miscellaneous Income	0	1
	<u>7,041</u>	<u>6,200</u>
Total	7,041	6,200
NOTE 4		
	2010	2009
	€'000	€'000
CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS		
Contract Research Projects	25,472	31,017
Other Self-Funded Projects	17,061	17,693
	<u>42,533</u>	<u>48,710</u>
Total	42,533	48,710

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
COLLEGES AND DEPARTMENTS				
Academic	43,031	-	43,031	45,374
Technical	3,435	-	3,435	3,643
Administrative Support	5,949	-	5,949	6,136
Materials and Expenses	(13)	13,222	13,209	12,509
Miscellaneous	-	62	62	79
Total	52,402	13,284	65,686	67,741
NOTE 6				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
ACADEMIC AND OTHER SERVICES				
Library	2,212	2,146	4,358	4,879
Information Technology	2,513	1,089	3,602	3,874
Cooperative Education and Careers Division	1,099	1,105	2,204	2,391
Total	5,824	4,340	10,164	11,144
NOTE 7				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
PREMISES				
Premises Maintenance	1,820	4,009	5,829	5,732
General Services	108	4,053	4,161	3,896
Minor Works	-	286	286	422
Insurance	-	437	437	426
Energy Costs	-	2,042	2,042	2,208
Total	1,928	10,827	12,755	12,684
NOTE 8				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
AMOUNT ALLOCATED FOR CAPITAL PURPOSES				
Capital Projects	-	1,410	1,410	1,416
Equipment	-	181	181	71
Total	-	1,591	1,591	1,487

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 9	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
CENTRAL ADMINISTRATION AND SERVICES				
Staff	6,523	-	6,523	6,461
Materials and Services	-	3,953	3,953	3,462
Professional Charges	-	30	30	30
Miscellaneous	6	350	356	496
Total	6,529	4,333	10,862	10,449
NOTE 10				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
GENERAL EDUCATIONAL EXPENDITURE				
Examination Expenses	266	217	483	528
Scholarships/ Grants/ Waivers	-	736	736	611
Miscellaneous Expenses	239	477	716	807
Total	505	1,430	1,935	1,946
NOTE 11				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
STUDENT SERVICES				
Capitation and Other Grants	-	1,014	1,014	970
Sports and Recreation	489	98	587	663
Health and Counselling	749	42	791	853
Student Services	952	439	1,391	1,469
Total	2,190	1,593	3,783	3,955
NOTE 12				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
MISCELLANEOUS EXPENDITURE				
Pensions	8,994	-	8,994	9,293
Total	8,994	-	8,994	9,293
NOTE 13				
	Pay Costs €'000	Non Pay €'000	2010 €'000	2009 €'000
COMPOSITION OF TOTAL EXPENDITURE				
Academic and Related Services	78,371	37,398	115,769	118,699
Contract Research and Other	20,264	22,270	42,534	48,710
Self-funded Projects	-	-	-	-
Total Expenditure	98,635	59,668	158,303	167,409

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2010 Surplus / (Deficit) €'000	2009 Surplus / (Deficit) €'000
ANCILLARY SERVICES	€'000	€'000	€'000	€'000
Reprographic Services	209	(369)	(160)	62
National Coaching and Training Centre	1,821	(1,797)	24	70
Killaloe Activity Centre	378	(395)	(17)	(35)
	<u>2,408</u>	<u>(2,561)</u>	<u>(153)</u>	<u>97</u>
Movement on Ancillary Services	<u>2,408</u>	<u>(2,561)</u>	<u>(153)</u>	<u>97</u>
NOTE 15			2010	2009
DEPRECIATION OF FIXED ASSETS			€'000	€'000
Land and Buildings			7,553	7,049
Equipment			3,190	3,278
			<u>10,743</u>	<u>10,327</u>
Total			<u>10,743</u>	<u>10,327</u>
NOTE 16			2010	2009
GENERAL RESERVE MOVEMENT			€'000	€'000
Amortisation in line with Depreciation			10,743	10,327
Deficit/(Surplus) of Ancillary Services to General Reserve Account			153	(97)
			<u>10,896</u>	<u>10,230</u>
Total			<u>10,896</u>	<u>10,230</u>

NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2010 Total €'000
Tangible Fixed Assets				
Cost/Valuation At 30 September 2009				
Valuation	190,308	-	-	190,308
Cost	188,448	42,845	918	232,211
	378,756	42,845	918	422,519
Additions/Disposals:				
Additions	25,173	3,917	-	29,090
Disposals	-	(3,871)	(167)	(4,038)
	25,173	46	(167)	25,052
Cost/Valuation At 30 September 2010				
Valuation	190,308	-	-	190,308
Cost	213,621	42,891	751	257,263
Total	403,929	42,891	751	447,571
Depreciation				
At 30 September 2009	(56,078)	(26,366)	(918)	(83,362)
Disposals	-	3,266	167	3,433
Depreciation for Year	(7,553)	(3,190)	-	(10,743)
At 30 September 2010	(63,631)	(26,290)	(751)	(90,672)
Net Book Value 2009	322,678	16,479	-	339,157
Net Book Value 2010	340,298	16,601	-	356,899

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2010	2009
	€'000	€'000
INVESTMENTS		
Investments	<u>6,274</u>	<u>18,800</u>
Total	<u>6,274</u>	<u>18,800</u>

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	2010	2009
	€'000	€'000
DEBTORS AND PREPAYMENTS		
Contract Research & Other Self-Funded Projects	(552)	(987)
Debtor Balances	3,369	2,013
Other Debtors and Prepayments	12,533	13,071
Total	<u>15,350</u>	<u>14,097</u>

NOTE 20	2010	2009
	€'000	€'000
CAPITAL INCOME AND CAPITAL EXPENDITURE		
INCOME		
Grant from Higher Education Authority	7,490	15,674
Grants from Private Donors	5,069	2,298
Capital Income - Other Sources	4,817	7,786
Transfer from Current Income and Expenditure Account	1,591	1,487
Total	<u>18,967</u>	<u>27,245</u>

EXPENDITURE		
Land/Buildings	25,173	38,826
Equipment	3,917	5,870
Total	<u>29,090</u>	<u>44,696</u>
Deficit for year	(10,123)	(17,451)
Deficit at beginning of year	(26,627)	(9,176)
Deficit at end of year	<u>(36,750)</u>	<u>(26,627)</u>

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-
/Continued

NOTE 21	2010	2009
	€'000	€'000
CREDITORS AND ACCRUED EXPENDITURE		
Contract Research & Other Self-Funded Projects	33,765	28,199
State Grants for Recurrent Expenditure received in advance	2,880	4,641
Academic Fees received in advance	16,376	16,130
Bank Loans (Note 27)	1,677	1,512
Other Creditors and Accruals	28,982	30,939
	<u>83,680</u>	<u>81,421</u>
Total	<u>83,680</u>	<u>81,421</u>

Included in Other Creditors and Accruals at 30 September 2010 is an amount €9.452m (2009: €6.385m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2009	Current	2010
	Opening	Year	Closing
	Balance	Movement	Balance
	€'000	€'000	€'000
GENERAL RESERVE			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	17,318	247	17,565
State Capital Grants	114,283	7,490	121,773
Recurrent Funding Transfer	36,470	1,591	38,061
Capital Donations	70,159	5,408	75,567
Other	668	40	708
	<u>396,226</u>	<u>14,776</u>	<u>411,002</u>
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(115,749)	(10,743)	(126,492)
Less Accumulated Amortisation on Disposals	30,047	3,433	33,480
	<u>312,864</u>	<u>7,466</u>	<u>320,330</u>
Total	<u>312,864</u>	<u>7,466</u>	<u>320,330</u>

NOTE 23	2010	2009
	€'000	€'000
RESTRICTED RESERVES		
Balance at beginning of year	24,113	23,686
Student Levies Interest and Other Income (Net)	232	427
	<u>24,345</u>	<u>24,113</u>
Balance at end of year	<u>24,345</u>	<u>24,113</u>

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	2010 €'000	2009 €'000
REVENUE DEFICIT		
Balance at beginning of year	(5,661)	(4,591)
Surplus/(Deficit) for the year	3,621	(1,070)
Balance at end of year	<u>(2,040)</u>	<u>(5,661)</u>

NOTE 25	2010 €'000	2009 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	3,621	(1,070)
Less Interest Received (Net)	(1,669)	(1,518)
Depreciation of Fixed Assets	10,743	10,327
Amortisation of General Reserves	(10,743)	(10,327)
(Deficit)/Surplus in Ancillary Services	(153)	97
Decrease/(Increase) in Investments	12,526	(292)
(Increase)/Decrease in Debtors and Prepayments	(1,253)	15,360
Increase in Creditors and Accruals	2,259	16,010
(Decrease) in Long Term Liabilities	(1,228)	(1,108)
Increase in Restricted Reserves	232	427
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>14,335</u>	<u>27,906</u>

NOTE 26	At 30 September 2009	Cash Flow	At 30 September 2010
	€'000	€'000	€'000
ANALYSIS OF CHANGES IN NET FUNDS			
Net Cash	55,108	5,881	60,989
Bank Loans	(15,937)	1,063	(14,874)
Total	<u>39,171</u>	<u>6,944</u>	<u>46,115</u>

NOTE 27	2010 €'000	2009 €'000
BANK LOANS		
Due within one year (Note 21)	1,677	1,512
Due in more than one year, but not more than two years	1,356	1,227
Due in more than two years, but not more than five years	3,350	3,801
Due in more than five years	8,491	9,397
Total Due in more than one year	13,197	14,425
Total	<u>14,874</u>	<u>15,937</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	2010	2009
	€'000	€'000
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance at beginning of year	55,108	43,102
Net Cash inflow	5,881	12,006
	<hr/>	<hr/>
Balance at end of year	<u>60,989</u>	<u>55,108</u>

NOTE 29**PENSION**

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €4.542m (2009: €4.633m) 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 €8.947m (2009: €9.293m).

NOTE 30	2010	2009
	€'000	€'000
CAPITAL COMMITMENTS		
Contracted at 30 September	<u>18,522</u>	<u>11,099</u>
Authorised but not contracted at 30 September	<u>0</u>	<u>24,745</u>

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

NOTE 31**CONTINGENT LIABILITY**

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

NOTES TO THE FINANCIAL STATEMENTS-/Continued

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.

NOTE 33

RELATED PARTY TRANSACTIONS

Plassey Campus Developments Ltd. was the principal contractor associated with other ongoing property development contracts totalling €9,760,710 in the year (2009: €14,873,628) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €404,518 (2009: €1,372,650) was outstanding in respect of such contract work.

To facilitate the operation and management of the University Arena by Plassey Campus Arena Ltd., a portion of the 50m pool asset was transferred to Plassey Campus Arena Ltd. during 2005. At the balance sheet date €2,031,423 (2009: €2,031,423) was outstanding in respect of this transfer.

NOTE 34

ENERGY USAGE

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). All energy used on campus goes towards providing power and heating these buildings/facilities.

In 2009/2010, the University of Limerick consumed 42.5 GWh of energy, consisting of:

- 20.9 GWh of electricity.
- 21.6 GWh of fossil fuels in the form of natural gas (21.5GWh) and bulk propane (0.1GWh).

NOTE 34

ENERGY USAGE - Continued

Actions Undertaken in 2009/2010

In 2009/2010 the University of Limerick undertook a range of initiatives to improve our energy performance, including:

- Upgrade mechanical ventilation located in Phase 1A of the Main Building which is expected to yield savings of 295,000 kWh per year.
- Installation of a decentralised boiler in Plassey House which will offset annual energy usage by 97,500 kWh.
- Retrofitting of a limited selection of internal lighting in the Main Building, Physical Education and Sports Sciences (PESS) Building and Schrodinger Building and floodlights campus wide and is projected to save 140,500 kWh annually.
- The installation of occupancy detectors in the PESS and Schrodinger Buildings is forecast to lower electricity consumption by 70,000 kWh per year.
- Glazing improvements and insulation upgrades will result in a decrease in annual energy consumption of 13,000 kWh.
- Replacement of outdated calorifiers (domestic hot water heaters) in the Students Union/Stables complex will contribute to a reduction in yearly consumption of 28,500kWh.
- Consolidation and upgrade of compressors in the Main Building is projected to reduce recurring annual consumption by 8,500kWh per year.
- Improvements to the existing Building Management System (BMS) (in the Main Building, Foundation Building, Schuman Building and Stables Complex) and Energy Monitoring and Targeting System are expected to net 20,000 kWh in annual energy savings.

Altogether, these and other energy saving measures are saving the University of Limerick 673,000 kWh annually.

Furthermore initiatives undertaken in 2008/2009 earned savings of 233,000 kWh in 2010.

Actions Planned for 2010/2011

Having been successful in securing €350,000 of grant funding from the Sustainable Energy Authority of Ireland (SEAI) in 2009/2010 towards €700,000 worth of energy efficiency measures, the University plans to lodge an application to the SEAI in the 2010/2011 financial year to fund the following initiatives:

- Upgrade of lighting in GLISB (projected to save 28,000kWh per year).
- Upgrade of occupancy detection in GLISB (forecast to save 4,000kWh per annum).
- Replacement of remaining light fittings not already upgraded in the Main Building and Schrodinger (projected to save 7,500kWh annually).
- Installation of occupancy detection in areas not already covered in the Main Building, PESS and Schrodinger (forecast to reduce recurrent annual consumption by 15,000kWh).
- Insulation of classrooms in the PESS.
- Upgrade of light fittings in the CS Building to LED if feasible.
- Installation of a heat recovery system in the Schrodinger.

Furthermore the University of Limerick intends to improve its energy performance by undertaking the following initiatives in 2010/2011:

- Extend the principles of the Buildings and Estates Department's existing Quality Management System to Energy Management in accordance with SEAI's Energy Management Action Programme.
- Expedite greater usage of BMS campus wide through extended training.
- Planning and delivery of a campus wide energy efficiency drive using our Energy Monitoring and Targeting system as our main communication tool is expected to achieve an annual saving of 104,000 kWh in year one with larger savings expected in subsequent years.
- Complete the roll out of Energy Monitoring and Targeting system to on-campus commercial units and businesses which is expected to save 30,000 kWh per year.

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-/Continued

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 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 2010 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 of information in the Financial Statements.

Opinion

In our opinion the Financial Statements of the University in respect of the year ended 30 September 2010 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**

3 March 2011

UNIVERSITY OF LIMERICK

FIVE YEAR SUMMARY - EXPENDITURE

	2005/06	%	2006/07	%	2007/08	%	2008/09	%	2009/10	%
	€'000		€'000		€'000		€'000		€'000	
Colleges and Departments	52,459	41	56,938	41	60,630	39	67,741	40	65,686	42
Contract Research Projects	23,375	18	24,340	18	30,725	20	31,017	18	25,472	16
Other Self-Funded Projects	10,498	8	12,013	9	16,553	10	17,693	11	17,061	11
Academic and Other Services	9,332	7	10,238	7	10,780	7	11,144	7	10,164	6
Premises	12,197	10	12,065	9	12,972	8	12,684	8	12,755	8
Central Administration and Services	10,060	8	11,273	8	12,207	8	10,449	6	10,862	7
General Educational Expenditure	1,708	1	1,892	1	1,784	1	1,946	1	1,935	1
Student Services	2,533	2	2,844	2	3,886	2	3,955	2	3,783	2
Miscellaneous Expenditure	4,331	4	5,685	4	5,876	4	9,293	6	8,994	6
Amount Allocated for Capital Purposes	1,539	1	1,881	1	1,634	1	1,487	1	1,591	1
Total	<u>128,032</u>	<u>100</u>	<u>139,169</u>	<u>100</u>	<u>157,047</u>	<u>100</u>	<u>167,409</u>	<u>100</u>	<u>158,303</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.