

**FINANCIAL REPORT  
YEAR ENDED 30 SEPTEMBER 2009**

**1 INTRODUCTION**

The financial statements for the year to 30 September 2009 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 September 2009, 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 €117.63 million from €108.61 million, representing a satisfactory growth of 8.3% over the previous year.

State grants increased from €52.57 million to €55.59 million representing a growth of 5.8%, while student fee income increased 10.6% from €50.47 million to €55.84 million, facilitated by the continued increase in student numbers attending the University.

Income from other sources increased from €5.57 million to €6.20 million, a growth of 11.3%, due to an increase in contributions from research and other self-funded projects and non-EU student fee income.

**3 ACADEMIC AND RELATED SERVICES EXPENDITURE**

Expenditure on Academic and Related Services grew from €109.77 million to €118.70 million, an increase of 8.1% reflecting the continuing increase in pay awards, general non pay inflation and strategic development of a number of new academic programmes to enable the University meet market demand and national priorities. Pay represents 69% of this expenditure (2008: 69%). Colleges and Departments account for 76% of the pay excluding pensions compared to 74% in the previous year. The total increase in pay costs excluding pensions of the University was €3.2m. There was an increase in Colleges and Departments pay of €3.6m during the year while there was a reduction in the pay costs of other areas of €0.4m.

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

Contract Research income increased by 1% from €30.73 million to €31.022 million during the year under review. It is important to note that the level of research income has an impact on the recurrent income and expenditure, particularly due to the fact that the overheads associated with Research are not fully covered by research funding providers

Expenditure on self funded projects increased by 6.9% from €16.55 million to €17.69 million, which reflects the continued focus within the University on increasing non State income.

**5 CAPITAL PROGRAMME**

University capital expenditure amounted to €44.7 million during the year, €5.9 million related to equipment, and the balance relating to land and buildings. This investment is a sub set of the 2005 – 2010 physical development programme being implemented on campus.

€9.4m 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 will be completed in early 2010. This new building will provide a riverside space where musicians, dancers, composers, singers, conductors and choreographers will explore together. Other projects on which work has progressed significantly during the year include the Graduate Medical School Building and the Irish Software Engineering Research Centre (Lero).

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 continues to be a cause for concern. Despite cutbacks made in the areas of pay and non pay, and a proactive approach to generating non State income, a deficit of €1.07 million was incurred for the financial year to September 2009. The financial environment in which the University operates continues to pose significant challenges in achieving balanced outturns. The University is committed to the achievement of a balanced outturn for the year ended 30 September 2010 and will begin to eliminate the accumulated deficit.

**John Field**  
**Director of Finance**  
**9 July 2010**

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. 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 2009 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

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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	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. Stocks**

Stocks are stated at the lower of cost and net realisable value.

**14. 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. FRS 17 has implications for the Public Sector generally which are currently being considered.

**15. 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.

**16. Taxation**

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

**17. 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.

**18. Restricted Reserves**

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

**19. 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**

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<b>INCOME</b>	<b>NOTES</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
State Grants	1	55,591	52,567
Student Fees	2	55,838	50,468
Other Income	3	<u>6,200</u>	<u>5,570</u>
		117,629	108,605
Contract Research and Other Self-Funded Projects	4	<u>48,710</u>	<u>47,278</u>
		<u>166,339</u>	<u>155,883</u>
Mary Immaculate College			
State Grants		21,397	14,452
Student Fees		9,408	8,952
Less amount transferred to College		<u>(30,805)</u>	<u>(23,404)</u>
<b>Total</b>		<b><u>166,339</u></b>	<b><u>155,883</u></b>
<b>EXPENDITURE</b>			
Colleges and Departments	5	67,741	60,630
Academic and Other Services	6	11,144	10,780
Premises	7	12,684	12,972
Amount allocated for Capital Purposes	8	1,487	1,634
Central Administration and Services	9	10,449	12,207
General Educational Expenditure	10	1,946	1,784
Student Services	11	3,955	3,886
Miscellaneous Expenditure	12	9,293	5,876
		<u>118,699</u>	<u>109,769</u>
Contract Research and Other Self-Funded Projects	4	<u>48,710</u>	<u>47,278</u>
<b>Total</b>	13	<b><u>167,409</u></b>	<b><u>157,047</u></b>
<b>Deficit on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets</b>		<b>(1,070)</b>	<b>(1,164)</b>
Surplus/(Deficit) on Ancillary Services	14	<b>97</b>	<b>(332)</b>
Depreciation of Fixed Assets	15	<b>(10,327)</b>	<b>(9,175)</b>
General Reserve Movement	16	<b>10,230</b>	<b>9,507</b>
<b>NET DEFICIT for year</b>	24	<b><u>(1,070)</u></b>	<b><u>(1,164)</u></b>

The statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 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>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
DEFICIT for year	(1,070)	(1,164)
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<b>Total recognised gains and losses relating to year</b>	<b><u>(1,070)</u></b>	<b><u>(1,164)</u></b>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 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	2009 €'000	2008 €'000
<b>TANGIBLE FIXED ASSETS</b>	17	<u>339,157</u>	<u>304,813</u>
<b>INVESTMENTS</b>	18	<u>18,800</u>	<u>18,508</u>
<b>CURRENT ASSETS</b>			
Bank Balances and Cash		55,108	43,102
Debtors and Prepayments	19	<u>14,097</u>	<u>29,457</u>
		69,205	72,559
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	(81,421)	(65,411)
		<u>                    </u>	<u>                    </u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(12,216)</u>	<u>7,148</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	27	<u>(14,425)</u>	<u>(15,533)</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u><b>331,316</b></u>	<u><b>314,936</b></u>
<b>REPRESENTED BY</b>		<b>€'000</b>	<b>€'000</b>
General Reserve	22	312,864	295,841
Restricted Reserves	23	24,113	23,686
Revenue Deficit	24	<u>(5,661)</u>	<u>(4,591)</u>
		<u><b>331,316</b></u>	<u><b>314,936</b></u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 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>2009</b> <b>€'000</b>	<b>2008</b> <b>€'000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>	27,906	9,072
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest Received (Net)		1,518	2,204
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire Tangible Fixed Assets		(44,696)	(16,496)
Receipts from Sale of Tangible Fixed Assets		33	-
<b>NET CASH (OUTFLOW) BEFORE FINANCING</b>		<u>(15,239)</u>	<u>(5,220)</u>
<b>FINANCING</b>			
HEA Capital Grants		15,674	10,078
Non HEA Capital Receipts		11,571	15,812
<b>CASH INFLOW FROM FINANCING</b>		<u>27,245</u>	<u>25,890</u>
<b>NET CASH INFLOW/(OUTFLOW) AFTER FINANCING</b>		<u>12,006</u>	<u>20,670</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>28</b>	<u>12,006</u>	<u>20,670</u>

The Statement of Accounting Policies and Notes 1 to 34 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>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>STATE GRANTS</b>		
Recurrent Grant	44,921	45,904
Pension Grant	9,293	5,876
Targeted Funding for Special Initiatives	1,302	712
Minor Works	75	75
<b>Total</b>	<b>55,591</b>	<b>52,567</b>
<b>NOTE 2</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>STUDENT FEES</b>		
Student Fees	54,935	49,606
Miscellaneous Fee Income	903	862
<b>Total</b>	<b>55,838</b>	<b>50,468</b>
<b>NOTE 3</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>OTHER INCOME</b>		
Interest Receivable (Net)	1,518	2,204
Funded Posts	21	54
Contract Research and Other Self-Funded Projects Contributions	1,693	919
Non-EU Fees	2,967	2,377
Miscellaneous Income	1	16
<b>Total</b>	<b>6,200</b>	<b>5,570</b>
<b>NOTE 4</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS</b>		
Contract Research Projects	31,017	30,725
Other Self-Funded Projects	17,693	16,553
<b>Total</b>	<b>48,710</b>	<b>47,278</b>

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €'000	Non Pay €'000	2009 €'000	2008 €'000
<b>COLLEGES AND DEPARTMENTS</b>				
Academic	45,374	-	45,374	42,398
Technical	3,643	-	3,643	3,599
Administrative Support	6,136	-	6,136	5,523
Materials and Expenses	-	12,509	12,509	8,906
Miscellaneous	-	79	79	204
<b>Total</b>	<b>55,153</b>	<b>12,588</b>	<b>67,741</b>	<b>60,630</b>
<b>NOTE 6</b>				
	Pay Costs €'000	Non Pay €'000	2009 €'000	2008 €'000
<b>ACADEMIC AND OTHER SERVICES</b>				
Library	2,446	2,433	4,879	4,774
Information Technology	2,602	1,272	3,874	3,524
Cooperative Education and Careers Division	1,177	1,214	2,391	2,482
<b>Total</b>	<b>6,225</b>	<b>4,919</b>	<b>11,144</b>	<b>10,780</b>
<b>NOTE 7</b>				
	Pay Costs €'000	Non Pay €'000	2009 €'000	2008 €'000
<b>PREMISES</b>				
Premises Maintenance	1,824	3,908	5,732	6,033
General Services	109	3,787	3,896	4,263
Minor Works	-	422	422	171
Insurance	-	426	426	296
Energy Costs	-	2,208	2,208	2,209
<b>Total</b>	<b>1,933</b>	<b>10,751</b>	<b>12,684</b>	<b>12,972</b>
<b>NOTE 8</b>				
	Pay Costs €'000	Non Pay €'000	2009 €'000	2008 €'000
<b>AMOUNT ALLOCATED FOR CAPITAL PURPOSES</b>				
Capital Projects	-	1,416	1,416	1,400
Equipment	-	71	71	234
<b>Total</b>	<b>-</b>	<b>1,487</b>	<b>1,487</b>	<b>1,634</b>

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

<b>NOTE 9</b>	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
<b>CENTRAL ADMINISTRATION AND SERVICES</b>				
Staff	6,461	-	6,461	7,467
Materials and Services	-	3,462	3,462	4,267
Professional Charges	-	30	30	30
Miscellaneous	21	475	496	443
<b>Total</b>	<b>6,482</b>	<b>3,967</b>	<b>10,449</b>	<b>12,207</b>
<b>NOTE 10</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
<b>GENERAL EDUCATIONAL EXPENDITURE</b>				
Examination Expenses	302	226	528	431
Scholarships/ Grants/ Waivers	-	611	611	586
Miscellaneous Expenses	301	506	807	767
<b>Total</b>	<b>603</b>	<b>1,343</b>	<b>1,946</b>	<b>1,784</b>
<b>NOTE 11</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
<b>STUDENT SERVICES</b>				
Capitation and Other Grants	-	970	970	922
Sports and Recreation	562	101	663	664
Health and Counselling	795	58	853	614
Student Personnel Services	1,087	382	1,469	1,686
<b>Total</b>	<b>2,444</b>	<b>1,511</b>	<b>3,955</b>	<b>3,886</b>
<b>NOTE 12</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
<b>MISCELLANEOUS EXPENDITURE</b>				
Pensions	9,293	-	9,293	5,876
<b>Total</b>	<b>9,293</b>	<b>-</b>	<b>9,293</b>	<b>5,876</b>
<b>NOTE 13</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2009 €'000</b>	<b>2008 €'000</b>
<b>COMPOSITION OF TOTAL EXPENDITURE</b>				
Academic and Related Services	82,133	36,566	118,699	109,769
Contract Research and Other	19,723	28,987	48,710	47,278
Self-funded Projects	-	-	-	-
<b>Total Expenditure</b>	<b>101,856</b>	<b>65,553</b>	<b>167,409</b>	<b>157,047</b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2009 Surplus / (Deficit) €'000	2008 Surplus / (Deficit) €'000
<b>ANCILLARY SERVICES</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Reprographic Services	369	(307)	62	9
National Coaching and Training Centre	2,033	(1,963)	70	(307)
Killaloe Activity Centre	366	(401)	(35)	(34)
	<u>2,768</u>	<u>(2,671)</u>	<u>97</u>	<u>(332)</u>
<b>Movement on Ancillary Services</b>	<b><u>2,768</u></b>	<b><u>(2,671)</u></b>	<b><u>97</u></b>	<b><u>(332)</u></b>

NOTE 15

DEPRECIATION OF FIXED ASSETS	2009 €'000	2008 €'000
Land and Buildings	7,049	6,089
Equipment	3,278	3,020
Leased Assets	-	66
	<u>10,327</u>	<u>9,175</u>
<b>Total</b>	<b><u>10,327</u></b>	<b><u>9,175</u></b>

NOTE 16

GENERAL RESERVE MOVEMENT	2009 €'000	2008 €'000
Amortisation in line with Depreciation (Surplus)/Deficit of Ancillary Services to General Reserve Account	10,327 (97)	9,175 332
	<u>10,230</u>	<u>9,507</u>
<b>Total</b>	<b><u>10,230</u></b>	<b><u>9,507</u></b>

NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2009 Total €'000
<b>Tangible Fixed Assets</b>				
<b>Cost/Valuation At 30 September 2008</b>				
Valuation	190,308	-	-	190,308
Cost	149,622	37,804	1,022	188,448
	<b>339,930</b>	<b>37,804</b>	<b>1,022</b>	<b>378,756</b>
<b>Additions</b>	38,826	5,870	-	44,696
<b>Disposals</b>	-	(829)	(104)	(933)
	38,826	5,041	(104)	43,763
<b>Cost/Valuation At 30 September 2009</b>				
Valuation	190,308	-	-	190,308
Cost	188,448	42,845	918	232,211
<b>Total</b>	<b>378,756</b>	<b>42,845</b>	<b>918</b>	<b>422,519</b>
<b>Depreciation</b>				
<b>At 30 September 2008</b>	(49,029)	(23,892)	(1,022)	(73,943)
Disposals	-	804	104	908
Depreciation for Year	(7,049)	(3,278)	-	(10,327)
<b>At 30 September 2009</b>	<b>(56,078)</b>	<b>(26,366)</b>	<b>(918)</b>	<b>(83,362)</b>
<b>Net Book Value 2008</b>	<b>290,901</b>	<b>13,912</b>	<b>-</b>	<b>304,813</b>
<b>Net Book Value 2009</b>	<b>322,678</b>	<b>16,479</b>	<b>-</b>	<b>339,157</b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2009 €'000	2008 €'000
<b>INVESTMENTS</b>		
Investments	<u>18,800</u>	<u>18,508</u>
<b>Total</b>	<b><u>18,800</u></b>	<b><u>18,508</u></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	2009 €'000	2008 €'000
<b>DEBTORS AND PREPAYMENTS</b>		
Contract Research & Other Self-Funded Projects	(987)	(739)
Debtor Balances	2,013	1,929
Other Debtors and Prepayments	13,071	28,267
<b>Total</b>	<b><u>14,097</u></b>	<b><u>29,457</u></b>

NOTE 20	2009 €'000	2008 €'000
<b>CAPITAL INCOME AND CAPITAL EXPENDITURE</b>		
<b>INCOME</b>		
Grant from Higher Education Authority	15,674	10,078
Grants from Private Donors	2,298	6,503
Capital Income - Other Sources	7,786	7,675
Transfer from Current Income and Expenditure Account	1,487	1,634
<b>Total</b>	<b><u>27,245</u></b>	<b><u>25,890</u></b>

<b>EXPENDITURE</b>		
Land/Buildings	38,826	9,187
Equipment	5,870	7,310
<b>Total</b>	<b><u>44,696</u></b>	<b><u>16,497</u></b>
<b>(Deficit)/Surplus for year</b>	<b>(17,451)</b>	<b>9,393</b>
<b>Deficit at beginning of year</b>	<b>(9,176)</b>	<b>(18,569)</b>
<b>Deficit at end of year</b>	<b><u>(26,627)</u></b>	<b><u>(9,176)</u></b>

**UNIVERSITY OF LIMERICK**

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

<b>NOTE 21</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>CREDITORS AND ACCRUED EXPENDITURE</b>		
Contract Research & Other Self-Funded Projects	28,199	17,317
State Grants for Recurrent Expenditure received in advance	4,641	7,649
Academic Fees received in advance	16,130	12,049
Bank Loans (Note 27)	1,512	1,339
Other Creditors and Accruals	30,939	27,057
<b>Total</b>	<b>81,421</b>	<b>65,411</b>

Included in Creditors at 30 September 2009 is an amount €6.385m (2008: €3.632m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

<b>NOTE 22</b>	<b>2008</b>	<b>Current</b>	<b>2009</b>
	<b>Opening</b>	<b>Year</b>	<b>Closing</b>
	<b>Balance</b>	<b>Movement</b>	<b>Balance</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>GENERAL RESERVE</b>			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	13,972	3,346	17,318
State Capital Grants	98,609	15,674	114,283
Recurrent Funding Transfer	34,983	1,487	36,470
Capital Donations	67,830	2,329	70,159
Other	(2,936)	3,604	668
	<b>369,786</b>	<b>26,440</b>	<b>396,226</b>
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(105,423)	(10,326)	(115,749)
Less Accumulated Amortisation on Disposals	29,138	909	30,047
<b>Total</b>	<b>295,841</b>	<b>17,023</b>	<b>312,864</b>

<b>NOTE 23</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>RESTRICTED RESERVES</b>		
Balance at beginning of year	23,686	23,480
Student Levies Interest and Other Income (Net)	427	206
<b>Balance at end of year</b>	<b>24,113</b>	<b>23,686</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	2009	2008
	€'000	€'000
<b>REVENUE DEFICIT</b>		
Balance at beginning of year	(4,591)	(3,427)
(Deficit) for the year	(1,070)	(1,164)
	<u>          </u>	<u>          </u>
<b>Balance at end of year</b>	<b><u>(5,661)</u></b>	<b><u>(4,591)</u></b>

NOTE 25	2009	2008
	€'000	€'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(Deficit) for the year	(1,070)	(1,164)
Less Interest Received (Net)	(1,518)	(2,204)
Depreciation of Fixed Assets	10,327	9,175
Amortisation of General Reserves	(10,327)	(9,175)
Surplus/(Deficit) in Ancillary Services	97	(332)
(Increase) in Investments	(292)	(6,501)
Decrease/(Increase) in Debtors and Prepayments	15,360	(828)
Increase in Creditors and Accruals	16,010	4,362
(Decrease)/Increase in Long Term Liabilities	(1,108)	15,533
Increase in Restricted Reserves	427	206
	<u>          </u>	<u>          </u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b><u>27,906</u></b>	<b><u>9,072</u></b>

NOTE 26	At 30 September 2008	Cash Flow	At 30 September 2009
	€'000	€'000	€'000
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
Net Cash	43,102	12,006	55,108
Bank Loans	(16,872)	935	(15,937)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>26,230</u></b>	<b><u>12,941</u></b>	<b><u>39,171</u></b>

NOTE 27	2009	2008
	€'000	€'000
<b>BANK LOANS</b>		
Due within one year (Note 21)	1,512	1,339
Due in more than one year, but not more than two years	1,227	1,108
Due in more than two years, but not more than five years	3,801	3,939
Due in more than five years	9,397	10,486
Total Due in more than one year	14,425	15,533
	<u>          </u>	<u>          </u>
<b>Total</b>	<b><u>15,937</u></b>	<b><u>16,872</u></b>

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

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

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<b>NOTE 28</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance at beginning of year	43,102	22,432
Net Cash inflow	12,006	20,670
	<hr/>	<hr/>
<b>Balance at end of year</b>	<b><u>55,108</u></b>	<b><u>43,102</u></b>

**NOTE 29****PENSION**

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €4.633m (2008: €4.628m) 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 €9.293m (2008: €5.876m).

<b>NOTE 30</b>	<b>2009</b>	<b>2008</b>
	<b>€'000</b>	<b>€'000</b>
<b>CAPITAL COMMITMENTS</b>		
Contracted at 30 September	<u>11,099</u>	<u>26,488</u>
Authorised but not contracted at 30 September	<u>24,745</u>	<u>-</u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €821k 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**

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**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 €14,873,628 in the year (2008: €10,710,140 ) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €1,372,650 (2008: €2,846,879) 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 (2008: €2,031,423) was outstanding in respect of this transfer.

**NOTE 34****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 20.

**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 2009 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 2009 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**

**9 July 2010**

**UNIVERSITY OF LIMERICK**

**FIVE YEAR SUMMARY - EXPENDITURE**

	<b>2004/05</b>	<b>%</b>	<b>2005/06</b>	<b>%</b>	<b>2006/07</b>	<b>%</b>	<b>2007/08</b>	<b>%</b>	<b>2008/09</b>	<b>%</b>
	<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>	
Colleges and Departments	47,133	42	52,459	41	56,938	41	60,630	39	67,741	40
Contract Research Projects	20,668	18	23,375	18	24,340	18	30,725	20	31,017	18
Other Self-Funded Projects	9,216	8	10,498	8	12,013	9	16,553	10	17,693	11
Academic and Other Services	9,134	8	9,332	7	10,238	7	10,780	7	11,144	7
Premises	10,742	9	12,197	10	12,065	9	12,972	8	12,684	8
Central Administration and Services	7,796	7	10,060	8	11,273	8	12,207	8	10,449	6
General Educational Expenditure	1,678	2	1,708	1	1,892	1	1,784	1	1,946	1
Student Services	2,336	2	2,533	2	2,844	2	3,886	2	3,955	2
Miscellaneous Expenditure	3,211	3	4,331	4	5,685	4	5,876	4	9,293	6
Amount Allocated for Capital Purposes	1,549	1	1,539	1	1,881	1	1,634	1	1,487	1
<b>Total</b>	<b><u>113,463</u></b>	<b><u>100</u></b>	<b><u>128,032</u></b>	<b><u>100</u></b>	<b><u>139,169</u></b>	<b><u>100</u></b>	<b><u>157,047</u></b>	<b><u>100</u></b>	<b><u>167,409</u></b>	<b><u>100</u></b>

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.