

**FINANCIAL REPORT  
YEAR ENDED 30 SEPTEMBER 2008**

## **1 INTRODUCTION**

The financial statements for the year to 30 September 2008 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 2008, 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 €108.60 million from €101.40 million, representing a satisfactory growth of 7.1% over the previous year.

State grant increased from €50.42 million to €52.57 million representing a growth of 4.3%, while student fee income increased 10.6% from €45.62 million to €50.47 million, facilitated by the continued increase in student numbers attending the University.

Income from other sources increased from €5.36 million to €5.57 million, a growth of 3.9%, due to an increase in interest income.

## **3 RECURRENT EXPENDITURE**

Recurrent expenditure grew from €102.82 million to €109.77 million, an increase of 6.8% 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 now represents 69% of the total expenditure, which is a limiting factor in the University's ability to proactively respond to opportunities that meet the University's mid to long-term strategic objectives. It is a concern that despite implementing cost cutting and cost reduction actions, the unavoidable cost increases continue to be greater than the increase in state grant and fees provided to the University.

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

Contract Research income increased by 26% from €24.34 million to €30.73 million during the year under review. The continued increase in contract research income reflects the commitment and dedication of the research active academic staff in furthering the University's research agenda. It is important to note that the increase in research income has an impact on the recurrent income and expenditure, particularly due to the fact that the overheads associated with Research are not adequately covered by research funding providers

Self funded projects increased by 38% from €2.01 million to €6.55 million, and reflects the continued focus within the University to increasing non State income.

**5 CAPITAL PROGRAMME**

University capital expenditure amounted to €6.5 million during the year, €7.3 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. One of the key capital projects officially opened during the year was The Pedestrian Living Bridge or ‘An Droichead Beo’ The Pedestrian Living Bridge unifies the north and south elements of the academic community while providing walkers with a most memorable stroll across a truly beautiful piece of architecture. At 350 metres, it is the longest pedestrian bridge in Ireland, suspended over the longest river in Ireland and Britain.

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 €1.16 million was incurred for the financial year to September 2008. This deficit has arisen due to the continual shortfall in State funding to cover the increased operational costs of the University, together with the impact of statutory obligations such as the Fixed Term Workers Act. This further highlights the need to find alternate sources of funding if we are to achieve the strategic objectives of the University.

**John Field**  
**Director of Finance**  
**1<sup>st</sup> September 2009**

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 2008 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 €5,000 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.

**UNIVERSITY OF LIMERICK**

**CURRENT INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 30 SEPTEMBER**

| <b>INCOM</b>   | <b>NOTE</b> | <b>2008<br/>€000</b>  | <b>2007<br/>€000</b>  |
|--|-------------|-----------------------|-----------------------|
| State  | 1           | 52,567                | 50,421                |
| Student Fees   | 2           | 50,468                | 45,618                |
| Other Income   | 3           | <u>5,570</u>          | <u>5,363</u>          |
|  |             | 108,605               | 101,402               |
| Contract Research and Other Self-Funded Projects   | 4           | <u>47,278</u>         | <u>36,353</u>         |
|  |             | <u>155,883</u>        | <u>137,755</u>        |
| Mary Immaculate College  |             |                       |                       |
| State  |             | 14,452                | 14,718                |
| Student Fees   |             | 8,952                 | 8,246                 |
| Less amount transferred to College   |             | <u>(23,404)</u>       | <u>(22,964)</u>       |
| <b>Tota</b>  |             | <b><u>155,883</u></b> | <b><u>137,755</u></b> |
| <b>EXPENDITURE</b>   |             |                       |                       |
| Colleges and Departments   | 5           | 60,630                | 56,938                |
| Academic and Other Services  | 6           | 10,780                | 10,238                |
| Premise  | 7           | 12,972                | 12,065                |
| Amount allocated for Capital Purposes  | 8           | 1,634                 | 1,881                 |
| Central Administration and Services  | 9           | 12,207                | 11,273                |
| General Educational Expenditure  | 10          | 1,784                 | 1,892                 |
| Student Services   | 11          | 3,886                 | 2,844                 |
| Miscellaneous Expenditure  | 12          | 5,876                 | 5,685                 |
|  |             | <u>109,769</u>        | <u>102,816</u>        |
| Contract Research and Other Self-Funded Projects   | 4           | <u>47,278</u>         | <u>36,353</u>         |
| <b>Tota</b>  | 13          | <b><u>157,047</u></b> | <b><u>139,169</u></b> |
| <b>Deficit on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets</b> |             | <b>(1,164)</b>        | <b>(1,414)</b>        |
| (Deficit)/Surplus on Ancillary Services  | 14          | <b>(332)</b>          | <b>338</b>            |
| Depreciation of Fixed Assets   | 15          | <b>(9,175)</b>        | <b>(8,866)</b>        |
| General Reserve Movement   | 16          | <b>9,507</b>          | <b>8,528</b>          |
| <b>NET DEFICIT for year</b>  | 24          | <b><u>(1,164)</u></b> | <b><u>(1,414)</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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 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>2008</b>           | <b>2007</b>           |
|---|-----------------------|-----------------------|
|   | <b>€000</b>           | <b>€000</b>           |
| DEFICIT for year  | (1,164)               | (1,414)               |
|   | <hr/>                 | <hr/>                 |
| <b>Total recognised gains and losses relating to year</b> | <b><u>(1,164)</u></b> | <b><u>(1,414)</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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Director of Finance

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**UNIVERSITY OF LIMERICK**

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

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|  | NOTE | 2008<br>€000          | 2007<br>€000          |
|--|------|-----------------------|-----------------------|
| <b>TANGIBLE FIXED ASSETS</b>               | 17   | <u>304,813</u>        | <u>297,620</u>        |
| <b>INVESTMENTS</b>                         | 18   | <u>18,508</u>         | <u>12,007</u>         |
| <b>CURRENT ASSETS</b>                      |      |                       |                       |
| Bank Balances and Cash                     |      | 43,102                | 22,432                |
| Debtors and Prepayments                    | 19   | <u>29,457</u>         | <u>28,629</u>         |
|  |      | 72,559                | 51,061                |
| <b>CURRENT LIABILITIES</b>                 |      |                       |                       |
| Creditors and Accrued Expenditure          | 21   | (65,411)              | (61,049)              |
|  |      | <u>7,148</u>          | <u>(9,988)</u>        |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>    |      |                       |                       |
|  |      | <u>7,148</u>          | <u>(9,988)</u>        |
| <b>LONG TERM LIABILITIES</b>               |      |                       |                       |
| Creditors due after one year               | 27   | <u>(15,533)</u>       | <u>-</u>              |
| <b>TOTAL ASSETS LESS TOTAL LIABILITIES</b> |      |                       |                       |
|  |      | <u><b>314,936</b></u> | <u><b>299,639</b></u> |
| <b>REPRESENTED BY</b>                      |      |                       |                       |
|  |      | <b>€000</b>           | <b>€000</b>           |
| General Reserve                            | 22   | 295,841               | 279,586               |
| Restricted Reserves                        | 23   | 23,686                | 23,480                |
| Revenue Deficit                            | 24   | <u>(4,591)</u>        | <u>(3,427)</u>        |
|  |      | <u><b>314,936</b></u> | <u><b>299,639</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>NOTE</b> | <b>2008<br/>€000</b> | <b>2007<br/>€000</b> |
|---|-------------|----------------------|----------------------|
| <b>NET CASH INFLOW<br/>FROM OPERATING ACTIVITIES</b>        | <b>25</b>   | 9,072                | 1,194                |
| <b>RETURN ON INVESTMENTS AND<br/>SERVICING OF FINANCE</b>   |             |                      |                      |
| Interest Received (Net)                                     |             | 2,204                | 1,708                |
| <b>CAPITAL EXPENDITURE</b>                                  |             |                      |                      |
| Payments to acquire Tangible Fixed Assets                   |             | (16,496)             | (34,031)             |
| Receipts from Sale of Tangible Fixed Assets                 |             | -                    | 29                   |
| <b>NET CASH (OUTFLOW) BEFORE<br/>FINANCING</b>              |             | <u>(5,220)</u>       | <u>(31,100)</u>      |
| <b>FINANCING</b>  |             |                      |                      |
| HEA Capital Grants  |             | 10,078               | 2,335                |
| Non HEA Capital Receipts                                    |             | 15,812               | 15,137               |
| <b>CASH INFLOW FROM FINANCING</b>                           |             | <u>25,890</u>        | <u>17,472</u>        |
| <b>NET CASH INFLOW/(OUTFLOW) AFTER<br/>FINANCING</b>        |             | <u>20,670</u>        | <u>(13,628)</u>      |
| <b>INCREASE/(DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b> | <b>28</b>   | <u>20,670</u>        | <u>(13,628)</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

| NOTE 1  | 2008          | 2007          |
|---|---------------|---------------|
|   | €000          | €000          |
| <b>STATE GRANTS</b>                                     |               |               |
| Recurrent Grant   | 45,904        | 43,268        |
| Pension Grant   | 5,876         | 5,686         |
| Targeted Funding for Special Initiatives                | 712           | 1,392         |
| Minor Works   | 75            | 75            |
|   | <u>52,567</u> | <u>50,421</u> |
| <b>Total</b>  | <b>52,567</b> | <b>50,421</b> |
| <b>NOTE 2</b>   |               |               |
|   | 2008          | 2007          |
|   | €000          | €000          |
| <b>STUDENT FEES</b>                                     |               |               |
| Student Fees  | 49,606        | 44,824        |
| Miscellaneous Fee Income                                | 862           | 794           |
|   | <u>50,468</u> | <u>45,618</u> |
| <b>Total</b>  | <b>50,468</b> | <b>45,618</b> |
| <b>NOTE 3</b>   |               |               |
|   | 2008          | 2007          |
|   | €000          | €000          |
| <b>OTHER INCOME</b>                                     |               |               |
| Interest Receivable (Net)                               | 2,204         | 1,707         |
| Funded Posts  | 54            | 97            |
| Contract Research and Other Self-Funded Projects        | 919           | 1,054         |
| Contributions   |               |               |
| Non-EU Fees   | 2,377         | 2,404         |
| Miscellaneous Income                                    | 16            | 101           |
|   | <u>5,570</u>  | <u>5,363</u>  |
| <b>Total</b>  | <b>5,570</b>  | <b>5,363</b>  |
| <b>NOTE 4</b>   |               |               |
|   | 2008          | 2007          |
|   | €000          | €000          |
| <b>CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS</b> |               |               |
| Contract Research Projects                              | 30,725        | 24,340        |
| Other Self-Funded Projects                              | 16,553        | 12,013        |
|   | <u>47,278</u> | <u>36,353</u> |
| <b>Total</b>  | <b>47,278</b> | <b>36,353</b> |

NOTES TO THE FINANCIAL STATEMENTS/Continued

| NOTE 5  | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000  | 2007<br>€000  |
|---|-------------------|-----------------|---------------|---------------|
| <b>COLLEGES AND DEPARTMENTS</b>               |                   |                 |               |               |
| Academic                                      | 42,398            | -               | 42,398        | 38,776        |
| Technical                                     | 3,599             | -               | 3,599         | 3,255         |
| Administrative Support                        | 5,523             | -               | 5,523         | 5,105         |
| Materials and Expenses                        | -                 | 8,906           | 8,906         | 9,541         |
| Miscellaneous                                 | -                 | 204             | 204           | 261           |
| <b>Total</b>                                  | <b>51,520</b>     | <b>9,110</b>    | <b>60,630</b> | <b>56,938</b> |
| <b>NOTE 6</b>                                 |                   |                 |               |               |
|   | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000  | 2007<br>€000  |
| <b>ACADEMIC AND OTHER SERVICES</b>            |                   |                 |               |               |
| Library                                       | 2,451             | 2,323           | 4,774         | 4,506         |
| Information Technology                        | 2,458             | 1,066           | 3,524         | 3,345         |
| Cooperative Education<br>and Careers Division | 1,112             | 1,370           | 2,482         | 2,387         |
| <b>Total</b>                                  | <b>6,021</b>      | <b>4,759</b>    | <b>10,780</b> | <b>10,238</b> |
| <b>NOTE 7</b>                                 |                   |                 |               |               |
|   | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000  | 2007<br>€000  |
| <b>PREMISES</b>                               |                   |                 |               |               |
| Premises Maintenance                          | 1,932             | 4,101           | 6,033         | 5,020         |
| General Services                              | 104               | 4,159           | 4,263         | 4,136         |
| Minor Works                                   | -                 | 171             | 171           | 150           |
| Insurance                                     | -                 | 296             | 296           | 475           |
| Energy Costs                                  | -                 | 2,209           | 2,209         | 2,284         |
| <b>Total</b>                                  | <b>2,036</b>      | <b>10,936</b>   | <b>12,972</b> | <b>12,065</b> |
| <b>NOTE 8</b>                                 |                   |                 |               |               |
|   | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000  | 2007<br>€000  |
| <b>AMOUNT ALLOCATED FOR CAPITAL PURPOSES</b>  |                   |                 |               |               |
| Capital Projects                              | -                 | 1,400           | 1,400         | 1,484         |
| Equipment                                     | -                 | 234             | 234           | 397           |
| <b>Total</b>                                  | <b>-</b>          | <b>1,634</b>    | <b>1,634</b>  | <b>1,881</b>  |

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

| NOTE 9                                     | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000   | 2007<br>€000   |
|--|-------------------|-----------------|----------------|----------------|
| <b>CENTRAL ADMINISTRATION AND SERVICES</b> |                   |                 |                |                |
| Staff                                      | 7,467             | -               | 7,467          | 6,300          |
| Materials and Services                     | -                 | 4,267           | 4,267          | 4,412          |
| Professional Charges                       | -                 | 30              | 30             | 29             |
| Miscellaneous                              | 2                 | 441             | 443            | 532            |
| <b>Total</b>                               | <b>7,469</b>      | <b>4,738</b>    | <b>12,207</b>  | <b>11,273</b>  |
| <b>NOTE 10</b>                             |                   |                 |                |                |
|  | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000   | 2007<br>€000   |
| <b>GENERAL EDUCATIONAL EXPENDITURE</b>     |                   |                 |                |                |
| Examination Expenses                       | 157               | 274             | 431            | 619            |
| Scholarships/ Grants/ Waivers              | -                 | 586             | 586            | 517            |
| Miscellaneous Expenses                     | 207               | 560             | 767            | 756            |
| <b>Total</b>                               | <b>364</b>        | <b>1,420</b>    | <b>1,784</b>   | <b>1,892</b>   |
| <b>NOTE 11</b>                             |                   |                 |                |                |
|  | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000   | 2007<br>€000   |
| <b>STUDENT SERVICES</b>                    |                   |                 |                |                |
| Capitation and Other Grants                | -                 | 922             | 922            | 854            |
| Sports and Recreation                      | 520               | 144             | 664            | 563            |
| Health and Counselling                     | 565               | 49              | 614            | 592            |
| Student Personnel Services                 | 1,134             | 552             | 1,686          | 835            |
| <b>Total</b>                               | <b>2,219</b>      | <b>1,667</b>    | <b>3,886</b>   | <b>2,844</b>   |
| <b>NOTE 12</b>                             |                   |                 |                |                |
|  | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000   | 2007<br>€000   |
| <b>MISCELLANEOUS EXPENDITURE</b>           |                   |                 |                |                |
| Pensions                                   | 5,876             | -               | 5,876          | 5,685          |
| <b>Total</b>                               | <b>5,876</b>      | <b>-</b>        | <b>5,876</b>   | <b>5,685</b>   |
| <b>NOTE 13</b>                             |                   |                 |                |                |
|  | Pay Costs<br>€000 | Non Pay<br>€000 | 2008<br>€000   | 2007<br>€000   |
| <b>COMPOSITION OF TOTAL EXPENDITURE</b>    |                   |                 |                |                |
| Academic and Related Services              | 75,505            | 34,264          | 109,769        | 102,816        |
| Contract Research and Other                | 18,184            | 29,094          | 47,278         | 36,353         |
| Self-funded Projects                       | -                 | -               | -              | -              |
| <b>Total Expenditure</b>                   | <b>93,689</b>     | <b>63,358</b>   | <b>157,047</b> | <b>139,169</b> |

NOTES TO THE FINANCIAL STATEMENTS-

| NOTE 14                               | Income              | Expenditur            | 2008<br>Surplu<br>/ | 2007<br>Surplu<br>/ |
|---------------------------------------|---------------------|-----------------------|---------------------|---------------------|
|                                       | €000                | €000                  | €000                | €000                |
| ANCILLARY SERVICES                    |                     |                       |                     |                     |
| Reprographic                          | 350                 | (341)                 | 9                   | 98                  |
| National Coaching and Training        | 2,071               | (2,378)               | (307)               | 221                 |
| Killaloe Activity Centre              | 422                 | (456)                 | (34)                | 19                  |
|                                       | <u>2,843</u>        | <u>(3,175)</u>        | <u>(332)</u>        | <u>338</u>          |
| <b>Movement on Ancillary Services</b> | <b><u>2,843</u></b> | <b><u>(3,175)</u></b> | <b><u>(332)</u></b> | <b><u>338</u></b>   |

NOTE 15

| DEPRECIATION OF FIXED | 2008<br>€000        | 2007<br>€000        |
|-----------------------|---------------------|---------------------|
| Land and Buildings    | 6,089               | 5,889               |
| Equipment             | 3,020               | 2,888               |
| Leased Assets         | 66                  | 89                  |
|                       | <u>9,175</u>        | <u>8,866</u>        |
| <b>Tota</b>           | <b><u>9,175</u></b> | <b><u>8,866</u></b> |

NOTE 16

| GENERAL RESERVE  | 2008<br>€000        | 2007<br>€000        |
|--|---------------------|---------------------|
| Amortisation in line with<br>Deficit/(Surplus) of Ancillary Services<br>to General Reserve Account | 9,175               | 8,866               |
|  | 332                 | (338)               |
|  | <u>9,507</u>        | <u>8,528</u>        |
| <b>Tota</b>  | <b><u>9,507</u></b> | <b><u>8,528</u></b> |

## NOTES TO THE FINANCIAL STATEMENTS -/Continued

| NOTE                                       | Land<br>Building<br>€000 | Equipment<br>€000 | Lease<br>Asset<br>€000 | 2008<br>Tota<br>€000 |
|--|--------------------------|-------------------|------------------------|----------------------|
| <b>Tangible Fixed Assets</b>               |                          |                   |                        |                      |
| <b>Cost/Valuation At 30 September 2007</b> |                          |                   |                        |                      |
| Valuatio                                   | 190,308                  | -                 | -                      | 190,308              |
| Cos  | 139,614                  | 34,306            | 1,185                  | 175,105              |
|  | <b>329,922</b>           | <b>34,306</b>     | <b>1,185</b>           | <b>365,413</b>       |
| <b>Additions</b>                           |                          |                   |                        |                      |
| Addition                                   | 10,008                   | 6,488             | -                      | 16,496               |
| Disposal                                   |                          | (2,990)           | (163)                  | (3,153)              |
|  | 10,008                   | 3,498             | (163)                  | 13,343               |
| <b>Cost/Valuation At 30 September 2008</b> |                          |                   |                        |                      |
| Valuatio                                   | 190,308                  | -                 | -                      | 190,308              |
| Cos  | 149,622                  | 37,804            | 1,022                  | 188,448              |
| <b>Tota</b>                                | <b>339,930</b>           | <b>37,804</b>     | <b>1,022</b>           | <b>378,756</b>       |
| <b>Depreciatio</b>                         |                          |                   |                        |                      |
| <b>At 30 September 2007</b>                | (42,940)                 | (23,734)          | (1,119)                | (67,793)             |
| Disposal                                   | -                        | 2,862             | 163                    | 3,025                |
| Depreciation for Year                      | (6,089)                  | (3,020)           | (66)                   | (9,175)              |
| <b>At 30 September 2008</b>                | <b>(49,029)</b>          | <b>(23,892)</b>   | <b>(1,022)</b>         | <b>(73,943)</b>      |
| <b>Net Book Value</b>                      | <b>286,982</b>           | <b>10,572</b>     | <b>66</b>              | <b>297,620</b>       |
| <b>Net Book Value</b>                      | <b>290,901</b>           | <b>13,912</b>     | <b>-</b>               | <b>304,813</b>       |



NOTES TO THE FINANCIAL STATEMENTS-/Continued

| NOTE               | 2008<br>€000         | 2007<br>€000         |
|--------------------|----------------------|----------------------|
| <b>INVESTMENTS</b> |                      |                      |
| Investments        | <u>18,508</u>        | <u>12,007</u>        |
| <b>Tota</b>        | <b><u>18,508</u></b> | <b><u>12,007</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   | 2008<br>€000         | 2007<br>€000         |
|--|----------------------|----------------------|
| <b>DEBTORS AND PREPAYMENTS</b>                 |                      |                      |
| Contract Research & Other Self-Funded Projects | (739)                | (735)                |
| Debtor   | 1,929                | 1,675                |
| Other Debtors and Prepayments                  | 28,267               | 27,689               |
| <b>Tota</b>                                    | <b><u>29,457</u></b> | <b><u>28,629</u></b> |

| NOTE   | 2008<br>€000         | 2007<br>€000         |
|--|----------------------|----------------------|
| <b>CAPITAL INCOME AND CAPITAL EXPENDITURE</b>        |                      |                      |
| <b>INCOM</b>   |                      |                      |
| Grant from Higher Education Authority                | 10,078               | 2,335                |
| Grants from Private Donors                           | 6,503                | 657                  |
| Capital Income - Other Sources                       | 7,675                | 12,599               |
| Transfer from Current Income and Expenditure Account | 1,634                | 1,881                |
| <b>Tota</b>  | <b><u>25,890</u></b> | <b><u>17,472</u></b> |

|                                |                       |                        |
|--------------------------------|-----------------------|------------------------|
| <b>EXPENDITURE</b>             |                       |                        |
| Land/Buildings                 | 9,187                 | 30,188                 |
| Equipmen                       | 7,310                 | 3,843                  |
| <b>Tota</b>                    | <b><u>16,497</u></b>  | <b><u>34,031</u></b>   |
| <b>Surplus/(Deficit) for</b>   | 9,393                 | (16,559)               |
| <b>Deficit at beginning of</b> | (18,569)              | (2,010)                |
| <b>Deficit at end of</b>       | <b><u>(9,176)</u></b> | <b><u>(18,569)</u></b> |

NOTES TO THE FINANCIAL STATEMENTS-

| NOTE 21  | 2008<br>€000         | 2007<br>€000         |
|--|----------------------|----------------------|
| <b>CREDITORS AND ACCRUED</b>                               |                      |                      |
| Contract Research & Other Self-Funded Projects             | 17,317               | 20,696               |
| State Grants for Recurrent Expenditure received in advance | 7,649                | 7,670                |
| Academic Fees received in advance                          | 12,049               | 9,386                |
| Bank Loans (Note 27)                                       | 1,339                | -                    |
| Other Creditors and  | 27,057               | 23,297               |
| <b>Tota</b>  | <b><u>65,411</u></b> | <b><u>61,049</u></b> |

Included in Creditors at 30 September 2008 is an amount €3.632m (2007: €4.183m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

| NOTE 22                                    | 2007<br>Openin<br>Balanc<br>€000 | Curren<br>Movemen<br>€000 | 2008<br>Closin<br>Balanc<br>€000 |
|--|----------------------------------|---------------------------|----------------------------------|
| <b>GENERAL</b>                             |                                  |                           |                                  |
| Valuation -Fixed Assets                    | 157,328                          | -                         | 157,328                          |
| Research                                   | 10,120                           | 3,852                     | 13,972                           |
| State Capital                              | 88,531                           | 10,078                    | 98,609                           |
| Recurrent Funding                          | 33,349                           | 1,634                     | 34,983                           |
| Capital Donations                          | 60,476                           | 7,353                     | 67,829                           |
| Other                                      | (2,424)                          | (512)                     | (2,936)                          |
|  | <b><u>347,380</u></b>            | <b><u>22,405</u></b>      | <b><u>369,785</u></b>            |
| Amortisatio                                |                                  |                           |                                  |
| Valuation -Fixed Assets                    | 5,221                            | -                         | 5,221                            |
| Research                                   | (2,881)                          | -                         | (2,881)                          |
| Amortisation in line with Asset            | (96,247)                         | (9,175)                   | (105,422)                        |
| Less Accumulated Amortisation on Disposals | 26,113                           | 3,025                     | 29,138                           |
| <b>Tota</b>                                | <b><u>279,586</u></b>            | <b><u>16,255</u></b>      | <b><u>295,841</u></b>            |

| NOTE 23                                  | 2008<br>€000         | 2007<br>€000         |
|--|----------------------|----------------------|
| <b>RESTRICTED RESERVES</b>               |                      |                      |
| Balance at beginning of year             | 23,480               | 22,721               |
| Student Levies Interest and Other Income | 206                  | 759                  |
| <b>Balance at end of year</b>            | <b><u>23,686</u></b> | <b><u>23,480</u></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.

**UNIVERSITY OF LIMERICK**

**NOTES TO THE FINANCIAL STATEMENTS-**

| <b>NOTE 24</b>                | <b>2008</b>           | <b>2007</b>           |
|-------------------------------|-----------------------|-----------------------|
|                               | <b>€000</b>           | <b>€000</b>           |
| <b>REVENUE</b>                |                       |                       |
| Balance at beginning of year  | (3,427)               | (2,013)               |
| (Deficit) for the year        | (1,164)               | (1,414)               |
|                               | <u>          </u>     | <u>          </u>     |
| <b>Balance at end of year</b> | <b><u>(4,591)</u></b> | <b><u>(3,427)</u></b> |

| <b>NOTE 25</b>                        | <b>2008</b>         | <b>2007</b>         |
|---------------------------------------|---------------------|---------------------|
|                                       | <b>€000</b>         | <b>€000</b>         |
| <b>NET CASH INFLOW FROM OPERATING</b> |                     |                     |
| (Deficit) for the year                | (1,164)             | (1,414)             |
| Less Interest Received (Net)          | (2,204)             | (1,708)             |
| Depreciation of Fixed                 | 9,175               | 8,866               |
| Amortisation of General Reserves      | (9,175)             | (8,866)             |
| Surplus in Ancillary Services         | (332)               | 338                 |
| (Increase)/Decrease in Investments    | (6,501)             | 10,848              |
| (Increase) in Debtors and             | (828)               | (16,107)            |
| Increase in Creditors and             | 4,362               | 8,478               |
| Increase in Long Term Liabilities     | 15,533              | -                   |
| Increase in Restricted Reserves       | 206                 | 759                 |
|                                       | <u>          </u>   | <u>          </u>   |
| <b>NET CASH INFLOW OPERATING</b>      | <b><u>9,072</u></b> | <b><u>1,194</u></b> |

| <b>NOTE 26</b>                          | <b>At 30 September 2007</b> | <b>Cash</b>          | <b>At 30 September 2008</b> |
|---|-----------------------------|----------------------|-----------------------------|
|   | <b>€000</b>                 | <b>€000</b>          | <b>€000</b>                 |
| <b>ANALYSIS OF CHANGES IN NET FUNDS</b> |                             |                      |                             |
| Net                                     | 22,432                      | 20,670               | 43,102                      |
|   | <u>          </u>           | <u>          </u>    | <u>          </u>           |
| <b>Tota</b>                             | <b><u>22,432</u></b>        | <b><u>20,670</u></b> | <b><u>43,102</u></b>        |

| <b>NOTE 27</b>   | <b>2008</b>          | <b>2007</b>       |
|--|----------------------|-------------------|
|  | <b>€000</b>          | <b>€000</b>       |
| <b>BANK LOANS</b>  |                      |                   |
| Due within one year (Note                                | 1,339                | -                 |
| Due in more than one year, but not more than two years   | 1,108                | -                 |
| Due in more than two years, but not more than five years | 3,939                | -                 |
| Due in more than five years                              | 10,486               | -                 |
| Total Due in more than one year                          | 15,533               | -                 |
|  | <u>          </u>    | <u>          </u> |
| <b>Tota</b>  | <b><u>16,872</u></b> | <b><u>-</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</b>   | <b>2008</b>          | <b>2007</b>          |
|---|----------------------|----------------------|
|   | <b>€000</b>          | <b>€000</b>          |
| <b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b> |                      |                      |
| Balance at beginning of year                            | 22,432               | 36,060               |
| Net Cash inflow/(outflow)                               | 20,670               | (13,628)             |
|   | <hr/>                | <hr/>                |
| <b>Balance at end of</b>                                | <b><u>43,102</u></b> | <b><u>22,432</u></b> |

**NOTE****PENSIO**

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €5.037m (2007: €3.704m) and benefits are met from pension revenue provided on a recurrent basis (the State). Pensions paid in the year and included in miscellaneous expenditure amounted to €5.876m (2007:

| <b>NOTE</b>                                   | <b>2008</b>   | <b>2007</b>   |
|---|---------------|---------------|
|   | <b>€000</b>   | <b>€000</b>   |
| <b>CAPITAL COMMITMENTS</b>                    |               |               |
| Contracted at 30                              | <u>26,488</u> | <u>26,837</u> |
| Authorised but not contracted at 30 September | <u>-</u>      | <u>-</u>      |

The University has commitments arising on certain buildings financed by tax-based financing in amount of €612k within the period of 1 year.

**NOTE****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 €10,710,140 in the year (2007: €19,069,350 ) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €2,846,879 (2007: €1,946,044) 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 (2007: €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. The financial statements were approved on 27th April 2009.

**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 2008 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 2008 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**

**27 April 2009**

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**UNIVERSITY OF LIMERICK**

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**FIVE YEAR SUMMARY - EXPENDITURE**

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|                                       | <b>2003/04</b> | <b>%</b>   | <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>€000</b>    |            | <b>€000</b>    |            | <b>€000</b>    |            | <b>€000</b>    |            | <b>€000</b>    |            |
| Colleges and Departments              | 43,267         | 42         | 47,133         | 42         | 52,459         | 41         | 56,938         | 41         | 60,630         | 39         |
| Contract Research Projects            | 17,907         | 17         | 20,668         | 18         | 23,375         | 18         | 24,340         | 18         | 30,725         | 20         |
| Other Self-Funded Projects            | 8,383          | 8          | 9,216          | 8          | 10,498         | 8          | 12,013         | 9          | 16,553         | 10         |
| Academic and Other Services           | 8,787          | 9          | 9,134          | 8          | 9,332          | 7          | 10,238         | 7          | 10,780         | 7          |
| Premises                              | 9,243          | 9          | 10,742         | 9          | 12,197         | 10         | 12,065         | 9          | 12,972         | 8          |
| Central Administration and Services   | 6,697          | 7          | 7,796          | 7          | 10,060         | 8          | 11,273         | 8          | 12,207         | 8          |
| General Educational Expenditure       | 1,561          | 2          | 1,678          | 2          | 1,708          | 1          | 1,892          | 1          | 1,784          | 1          |
| Student Services                      | 2,287          | 2          | 2,336          | 2          | 2,533          | 2          | 2,844          | 2          | 3,886          | 2          |
| Miscellaneous Expenditure             | 2,562          | 2          | 3,211          | 3          | 4,331          | 4          | 5,685          | 4          | 5,876          | 4          |
| Amount Allocated for Capital Purposes | 2,133          | 2          | 1,549          | 1          | 1,539          | 1          | 1,881          | 1          | 1,634          | 1          |
| Total                                 | <u>102,827</u> | <u>100</u> | <u>113,463</u> | <u>100</u> | <u>128,032</u> | <u>100</u> | <u>139,169</u> | <u>100</u> | <u>157,047</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.