

**FINANCIAL REPORT
YEAR ENDED 30 SEPTEMBER 2011**

1 INTRODUCTION

The financial statements for the year to 30 September 2011 have been prepared in accordance with this historically agreed harmonised format jointly developed by the universities, the Higher Education Authority, and the Comptroller & Auditor General.

A consolidated set of financial statements, based on generally accepted accounting principles (GAAP) is also being prepared for the year to 30 September 2011, 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 decreased to €112.29 million from €119.39 million, representing a decline of 5.9% over the previous year.

State grants decreased from €48.66 million to €37.97 million representing a decrease of almost 22%, while student fee income increased 3.1% from €63.69 million to €65.69 million, reflecting the State's decision to significantly reduce the State grant to the third level sector.

Income from other sources increased from €7.04 million to €8.63 million, a growth of 22.6%, due mainly to increases in non-EU student fee income and interest income.

3 ACADEMIC AND RELATED SERVICES EXPENDITURE

Expenditure on Academic and Related Services dropped from €115.77 million to €112.07 million, a decrease of 3.2%. Pay represents 70% of this expenditure (2010: 68%). Colleges and Departments now account for 77% of the total pay expenditure excluding pensions (2010: 76%).

4 CONTRACT RESEARCH AND OTHER SELF FUNDED PROJECTS

Contract Research income decreased by 12.3% from €25.47 million to €22.35 million during the year under review. After several years of growth, this is the second year in a row in which it has fallen significantly. This change in trend is a concern and reflects the difficulty in attracting research projects in the current economic conditions.

Expenditure on self-funded projects decreased by 5.3% from €17.06 million to €16.15 million, which again reflects the negative impact the current economic environment is having on the University's continued focus on increasing non State income.

REPORT OF DIRECTOR OF FINANCE

5 CAPITAL PROGRAMME

University capital expenditure amounted to €12.8 million during the year, €1.8 million related to equipment, and the balance relating to land and buildings. This is a decrease of €16.3 million on the total capital expenditure in the previous year and is a further indication of the reduced support by the State for higher education capital funding.

€3.9m was spent on the Tierney Building which opened during the year and contains the Irish Software Engineering Research Centre (Lero) and the Nexus Incubation Centre.

€1.7m was spent on the Graduate Medical School Building and Medical School Accommodation which will open in September 2012.

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.

It is regrettable that the government has decided to defer the funding for the extension to the Glucksman Library which has meant that the project has been postponed.

6 CONCLUSION

The financial out turn for the year under review shows a surplus of €223k and a reduction in the cumulative deficit to €1.82m. Significant cutbacks were made in the areas of pay and non-pay, and a proactive approach was taken in generating and maintaining non State income.

The financial environment in which the University operates continues to pose significant challenges in achieving balanced outturns, as many of the cutbacks made in the last two years are now having an impact on the quality of the student experience in the University. The University is committed to the achievement of a balanced outturn for the year ended 30 September 2012 and will continue to endeavour to eliminate the remaining accumulated deficit.

John Field
Director of Finance
23 March 2012

STATEMENT OF RESPONSIBILITIES

Statement of Responsibilities

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

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

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

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

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

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

On behalf of the University

President

Director of Finance

STATEMENT OF ACCOUNTING POLICIES

1. Financial Statements

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

2. Accounting Convention

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings. They are presented in accordance with the existing Harmonisation of Financial Accounts Agreement as adopted by all Irish Universities. The Financial Statements for the year ended 30 September 2011 will also be prepared in the new format on a consolidated basis and in accordance with the generally accepted accounting principles in Ireland and the U.K.

3. State Grants for Recurrent Expenditure

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

4. Grants for Capital Expenditure

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

5. Fee Income

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

6. Other Income

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

7. Approved Allocations

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

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

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

STATEMENT OF ACCOUNTING POLICIES - / Continued

8. Fixed Assets and Depreciation

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

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

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

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

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

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

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

9. Capital Expenditure met from Core Teaching Budget

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

10. Leased Assets

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

11. General Reserve

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

STATEMENT OF ACCOUNTING POLICIES - / Continued

12. Research Grants and Projects

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

13. Pensions

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

14. Foreign Currency

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

15. Taxation

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

16. Ancillary Services

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

17. Restricted Reserves

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

18. Mary Immaculate College

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

UNIVERSITY OF LIMERICK

CURRENT INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER

INCOME	NOTES	2011 €'000	2010 €'000
State Grants	1	37,965	48,658
Student Fees	2	65,691	63,692
Other Income	3	8,634	7,041
		<u>112,290</u>	<u>119,391</u>
Contract Research and Other Self-Funded Projects	4	38,499	42,533
		<u>150,789</u>	<u>161,924</u>
Mary Immaculate College			
State Grants		11,561	21,079
Student Fees		9,603	9,693
Less amount transferred to College		<u>(21,164)</u>	<u>(30,772)</u>
Total		<u>150,789</u>	<u>161,924</u>
EXPENDITURE			
Colleges and Departments	5	62,889	65,686
Academic and Other Services	6	9,402	10,164
Premises	7	12,497	12,755
Amount allocated for Capital Purposes	8	1,100	1,591
Central Administration and Services	9	11,295	10,862
General Educational Expenditure	10	2,024	1,935
Student Services	11	3,726	3,783
Miscellaneous Expenditure	12	9,134	8,994
		<u>112,067</u>	<u>115,770</u>
Contract Research and Other Self-Funded Projects	4	38,499	42,533
Total	13	<u>150,566</u>	<u>158,303</u>
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		223	3,621
Surplus/(Deficit) on Ancillary Services	14	39	(153)
Depreciation of Fixed Assets	15	(10,802)	(10,743)
General Reserve Movement	16	10,763	10,896
NET SURPLUS for year	24	<u>223</u>	<u>3,621</u>

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

President

Director of Finance

UNIVERSITY OF LIMERICK

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES YEAR ENDED 30 SEPTEMBER

	2011	2010
	€'000	€'000
SURPLUS for year	223	3,621
	<hr/>	<hr/>
Total recognised gains and losses relating to year	<u>223</u>	<u>3,621</u>

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

President

Director of Finance

UNIVERSITY OF LIMERICK

BALANCE SHEET**YEAR ENDED 30 SEPTEMBER**

	NOTES	2011 €'000	2010 €'000
TANGIBLE FIXED ASSETS	17	<u>358,826</u>	<u>356,899</u>
INVESTMENTS	18	<u>6,260</u>	<u>6,274</u>
CURRENT ASSETS			
Bank Balances and Cash		75,142	60,989
Debtors and Prepayments	19	<u>8,844</u>	<u>15,350</u>
		83,986	76,339
CURRENT LIABILITIES			
Creditors and Accrued Expenditure	21	(86,844)	(83,680)
		<u> </u>	<u> </u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(2,858)</u>	<u>(7,341)</u>
LONG TERM LIABILITIES			
Creditors due after one year	27	<u>(11,841)</u>	<u>(13,197)</u>
TOTAL ASSETS LESS TOTAL LIABILITIES		<u><u>350,387</u></u>	<u><u>342,635</u></u>
REPRESENTED BY		€'000	€'000
General Reserve	22	327,740	320,330
Restricted Reserves	23	24,464	24,345
Revenue Deficit	24	<u>(1,817)</u>	<u>(2,040)</u>
		<u><u>350,387</u></u>	<u><u>342,635</u></u>

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

President

Director of Finance

UNIVERSITY OF LIMERICK

CASH FLOW STATEMENT**YEAR ENDED 30 SEPTEMBER**

	NOTES	2011 €'000	2010 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	6,542	14,335
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest Received (Net)		2,167	1,669
CAPITAL EXPENDITURE			
Payments to acquire Tangible Fixed Assets		(12,807)	(29,090)
Receipts from Sale of Tangible Fixed Assets		-	-
NET CASH (OUTFLOW) BEFORE FINANCING		<u>(4,098)</u>	<u>(13,086)</u>
FINANCING			
HEA Capital Grants		5,123	7,490
Non HEA Capital Receipts		13,128	11,477
CASH INFLOW FROM FINANCING		<u>18,251</u>	<u>18,967</u>
NET CASH INFLOW AFTER FINANCING		<u>14,153</u>	<u>5,881</u>
INCREASE IN CASH AND CASH EQUIVALENTS	28	<u>14,153</u>	<u>5,881</u>

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

President

Director of Finance

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1	2011	2010
	€'000	€'000
STATE GRANTS		
Recurrent Grant	28,458	38,916
Pension Grant	9,134	8,947
Targeted Funding for Special Initiatives	305	720
Minor Works	68	75
	<u> </u>	<u> </u>
Total	<u>37,965</u>	<u>48,658</u>
NOTE 2		
	2011	2010
	€'000	€'000
STUDENT FEES		
Student Fees	64,695	62,681
Miscellaneous Fee Income	996	1,011
	<u> </u>	<u> </u>
Total	<u>65,691</u>	<u>63,692</u>
NOTE 3		
	2011	2010
	€'000	€'000
OTHER INCOME		
Interest Receivable (Net)	2,236	1,716
Funded Posts	0	0
Contract Research and Other Self-Funded Projects Contributions	1,776	1,613
Non-EU Fees	4,621	3,712
Miscellaneous Income	1	0
	<u> </u>	<u> </u>
Total	<u>8,634</u>	<u>7,041</u>
NOTE 4		
	2011	2010
	€'000	€'000
CONTRACT RESEARCH AND OTHER SELF-FUNDED PROJECTS		
Contract Research Projects	22,348	25,472
Other Self-Funded Projects	16,151	17,061
	<u> </u>	<u> </u>
Total	<u>38,499</u>	<u>42,533</u>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
COLLEGES AND DEPARTMENTS				
Academic	43,534	-	43,534	43,031
Technical	2,961	-	2,961	3,435
Administrative Support	6,884	-	6,884	5,949
Materials and Expenses	-	9,360	9,360	13,209
Miscellaneous	-	150	150	62
Total	53,379	9,510	62,889	65,686
NOTE 6				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
ACADEMIC AND OTHER SERVICES				
Library	2,065	2,080	4,145	4,358
Information Technology	2,211	1,016	3,227	3,602
Cooperative Education and Careers Division	1,029	1,001	2,030	2,204
Total	5,305	4,097	9,402	10,164
NOTE 7				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
PREMISES				
Premises Maintenance	1,744	4,398	6,142	5,829
General Services	109	3,654	3,763	4,161
Minor Works	-	98	98	286
Insurance	-	365	365	437
Energy Costs	-	2,129	2,129	2,042
Total	1,853	10,644	12,497	12,755
NOTE 8				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
AMOUNT ALLOCATED FOR CAPITAL PURPOSES				
Capital Projects	-	1,100	1,100	1,410
Equipment	-	-	-	181
Total	-	1,100	1,100	1,591

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 9	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
CENTRAL ADMINISTRATION AND SERVICES				
Staff	6,263	-	6,263	6,523
Materials and Services	-	4,537	4,537	3,953
Professional Charges	-	68	68	30
Miscellaneous	0	427	427	356
Total	6,263	5,032	11,295	10,862
NOTE 10				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
GENERAL EDUCATIONAL EXPENDITURE				
Examination Expenses	246	235	481	483
Scholarships/ Grants/ Waivers	-	867	867	736
Miscellaneous Expenses	220	456	676	716
Total	466	1,558	2,024	1,935
NOTE 11				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
STUDENT SERVICES				
Capitation and Other Grants	-	1,028	1,028	1,014
Sports and Recreation	488	144	632	587
Health and Counselling	744	51	795	791
Student Services	980	291	1,271	1,391
Total	2,212	1,514	3,726	3,783
NOTE 12				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
MISCELLANEOUS EXPENDITURE				
Pensions	9,134	-	9,134	8,994
Total	9,134	-	9,134	8,994
NOTE 13				
	Pay Costs €'000	Non Pay €'000	2011 €'000	2010 €'000
COMPOSITION OF TOTAL EXPENDITURE				
Academic and Related Services	78,612	33,455	112,067	115,769
Contract Research and Other	18,659	19,840	38,499	42,534
Self-funded Projects	-	-	-	-
Total Expenditure	97,271	53,295	150,566	158,303

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2011 Surplus / (Deficit) €'000	2010 Surplus / (Deficit) €'000
ANCILLARY SERVICES	€'000	€'000		
Reprographic Services	237	(256)	(19)	(160)
National Coaching and Training Centre	1,519	(1,422)	97	24
Killaloe Activity Centre	368	(407)	(39)	(17)
	<u>2,124</u>	<u>(2,085)</u>	<u>39</u>	<u>(153)</u>
Movement on Ancillary Services	<u>2,124</u>	<u>(2,085)</u>	<u>39</u>	<u>(153)</u>

NOTE 15

DEPRECIATION OF FIXED ASSETS	2011 €'000	2010 €'000
Land and Buildings	7,773	7,553
Equipment	3,029	3,190
	<u>10,802</u>	<u>10,743</u>
Total	<u>10,802</u>	<u>10,743</u>

NOTE 16

GENERAL RESERVE MOVEMENT	2011 €'000	2010 €'000
Amortisation in line with Depreciation (Surplus)/Deficit of Ancillary Services to General Reserve Account	10,802 (39)	10,743 153
	<u>10,763</u>	<u>10,896</u>
Total	<u>10,763</u>	<u>10,896</u>

NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2011 Total €'000
Tangible Fixed Assets				
Cost/Valuation At 30 September 2010				
Valuation	190,308	-	-	190,308
Cost	213,621	42,891	751	257,263
	<u>403,929</u>	<u>42,891</u>	<u>751</u>	<u>447,571</u>
Additions/Disposals:				
Additions	11,044	1,763	-	12,807
Disposals	-	(2,193)	(86)	(2,279)
	<u>11,044</u>	<u>(430)</u>	<u>(86)</u>	<u>10,528</u>
Cost/Valuation At 30 September 2011				
Valuation	190,308	-	-	190,308
Cost	224,665	42,461	665	267,791
	<u>414,973</u>	<u>42,461</u>	<u>665</u>	<u>458,099</u>
Total	<u><u>414,973</u></u>	<u><u>42,461</u></u>	<u><u>665</u></u>	<u><u>458,099</u></u>
Depreciation				
At 30 September 2010	(63,631)	(26,290)	(751)	(90,672)
Disposals	-	2,115	86	2,201
Depreciation for Year	(7,773)	(3,029)	-	(10,802)
	<u>(71,404)</u>	<u>(27,204)</u>	<u>(665)</u>	<u>(99,273)</u>
At 30 September 2011	<u><u>(71,404)</u></u>	<u><u>(27,204)</u></u>	<u><u>(665)</u></u>	<u><u>(99,273)</u></u>
Net Book Value 2010	<u><u>340,298</u></u>	<u><u>16,601</u></u>	<u><u>-</u></u>	<u><u>356,899</u></u>
Net Book Value 2011	<u><u>343,569</u></u>	<u><u>15,257</u></u>	<u><u>-</u></u>	<u><u>358,826</u></u>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2011 €'000	2010 €'000
INVESTMENTS		
Investments	6,260	6,274
Total	6,260	6,274

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	2011 €'000	2010 €'000
DEBTORS AND PREPAYMENTS		
Contract Research & Other Self-Funded Projects	(551)	(552)
Debtor Balances	1,989	3,369
Other Debtors and Prepayments	7,406	12,533
Total	8,844	15,350

NOTE 20	2011 €'000	2010 €'000
CAPITAL INCOME AND CAPITAL EXPENDITURE		
INCOME		
Grant from Higher Education Authority	5,123	7,490
Grants from Private Donors	870	5,069
Capital Income - Other Sources	11,158	4,817
Transfer from Current Income and Expenditure Account	1,100	1,591
Total	18,251	18,967

EXPENDITURE		
Land/Buildings	11,044	25,173
Equipment	1,763	3,917
Total	12,807	29,090
Surplus/(Deficit) for year	5,444	(10,123)
Deficit at beginning of year	(36,750)	(26,627)
Deficit at end of year	(31,306)	(36,750)

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 21	2011 €'000	2010 €'000
CREDITORS AND ACCRUED EXPENDITURE		
Contract Research & Other Self-Funded Projects	35,491	33,765
State Grants for Recurrent Expenditure received in advance	5,841	2,880
Academic Fees received in advance	19,397	16,376
Bank Loans (Note 27)	1,853	1,677
Other Creditors and Accruals	24,262	28,982
Total	86,844	83,680

Included in Other Creditors and Accruals at 30 September 2011 is an amount €10.186m (2010: €9.452m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2010 Opening Balance €'000	Current Year Movement €'000	2011 Closing Balance €'000
GENERAL RESERVE			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	17,565	118	17,683
State Capital Grants	121,773	5,123	126,896
Recurrent Funding Transfer	38,061	1,100	39,161
Capital Donations	75,567	1,254	76,821
Other	708	8,416	9,124
	411,002	16,011	427,013
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(126,492)	(10,802)	(137,294)
Less Accumulated Amortisation on Disposals	33,480	2,201	35,681
Total	320,330	7,410	327,740

NOTE 23	2011 €'000	2010 €'000
RESTRICTED RESERVES		
Balance at beginning of year	24,345	24,113
Student Levies Interest and Other Income (Net)	119	232
Balance at end of year	24,464	24,345

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	2011 €'000	2010 €'000
REVENUE DEFICIT		
Balance at beginning of year	(2,040)	(5,661)
Surplus for the year	223	3,621
Balance at end of year	<u>(1,817)</u>	<u>(2,040)</u>

NOTE 25	2011 €'000	2010 €'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		
Surplus for the year	223	3,621
Less Interest Received (Net)	(2,167)	(1,669)
Depreciation of Fixed Assets	10,802	10,743
Amortisation of General Reserves	(10,802)	(10,743)
Surplus/(Deficit) in Ancillary Services	39	(153)
Decrease in Investments	14	12,526
Decrease/(Increase) in Debtors and Prepayments	6,506	(1,253)
Increase in Creditors and Accruals	3,164	2,259
(Decrease) in Long Term Liabilities	(1,356)	(1,228)
Increase in Restricted Reserves	119	232
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>6,542</u>	<u>14,335</u>

NOTE 26	At 30 September 2010	Cash Flow	At 30 September 2011
	€'000	€'000	€'000
ANALYSIS OF CHANGES IN NET FUNDS			
Net Cash	60,989	14,153	75,142
Bank Loans	(14,874)	1,180	(13,694)
Total	<u>46,115</u>	<u>15,333</u>	<u>61,448</u>

NOTE 27	2011 €'000	2010 €'000
BANK LOANS		
Due within one year (Note 21)	<u>1,853</u>	<u>1,677</u>
Due in more than one year, but not more than two years	1,356	1,356
Due in more than two years, but not more than five years	2,980	3,350
Due in more than five years	<u>7,505</u>	<u>8,491</u>
Total Due in more than one year	<u>11,841</u>	<u>13,197</u>
Total	<u>13,694</u>	<u>14,874</u>

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

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 28	2011 €'000	2010 €'000
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance at beginning of year	60,989	55,108
Net Cash inflow	14,153	5,881
Balance at end of year	<u>75,142</u>	<u>60,989</u>

NOTE 29

PENSION

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €4.338m (2010: €4.542m) 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 €9.134m (2010: €8.947m).

Pension Control Account	2011 €'000	2010 €'000
Opening Balance	<u>0</u>	<u>(3,938)</u>
Income		
Employer Contribution	854	2,516 *
Employee Contribution	668	1,469 *
Pension Transfers In	-	-
Supplementation Income	-	-
Other	<u>7,612</u>	<u>8,947</u>
Total Income	<u>9,134</u>	<u>12,932</u>
Expenditure		
Pension in Payment (including supplementation)	7,192	6,884
Lump sum payments on retirement	1,871	2,414
Death in Service payments	90	-
Pension transfer out (cash payments)	-	-
Refunds of contribution	225	158
Administration & Other Costs	-	47
Income in respect of the purchase of added years	<u>(244)</u>	<u>(509)</u>
Total Expenditure	<u>9,134</u>	<u>8,994</u>
(Deficit)/Surplus in year	<u>0</u>	<u>3,938</u>
Closing Balance - Grant receivable from/(payable to) the HEA	<u>0</u>	<u>0</u>

* included in Recurrent Grant income

NOTE 30	2011 €'000	2010 €'000
CAPITAL COMMITMENTS		
Contracted at 30 September	<u>14,634</u>	<u>18,522</u>
Authorised but not contracted at 30 September	<u>4,500</u>	<u>0</u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €818k within the period of 1 year.

NOTE 31**CONTINGENT LIABILITY**

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

NOTE 32**RELATED PARTIES**

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

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

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

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

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

NOTE 33**RELATED PARTY TRANSACTIONS**

Plassey Campus Developments Ltd. was the principal contractor associated with other ongoing property development contracts totalling €8,783,766 in the year (2010: €9,760,710) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €285,919 (2010: €404,518) was outstanding in respect of such contract work.

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

NOTE 34**ENERGY USAGE**

The University of Limerick, situated on a 134 hectare site, comprises teaching and study space, office space, research facilities, student accommodation and sports facilities including a 50m pool and over 38,000m² of floodlit Astro turf pitches. All energy used on campus goes towards providing power and heating these buildings/facilities.

In 2010/2011, the University of Limerick consumed 43.1 GWh of energy, consisting of:
20.6 GWh of electricity.
22.5 GWh of fossil fuels in the form of natural gas (22.4 GWh) and bulk propane (0.1 GWh).

An increase in Degree Days (i.e. a measure which quantifies the daily effect of outside temperature on heating requirements) of 2.1% in 2010/2011 compared to 2009/2010 coupled with the fact that several new buildings were either completed or had their first full year of operation in 2010/2011 contributed significantly to the increase in fossil fuel consumption of 0.9 GWh recorded. Despite this electricity consumption reduced by 1.4% in 2010/2011 versus 2009/2010 owing to energy saving measures rolled previous years/ early in the 2010/2011 financial year.

NOTE 34

ENERGY USAGE - Continued

Actions Undertaken in 2010/2011

In 2010/2011 the University of Limerick completed €700,000 worth of energy saving initiatives with the help of €350,000 in funding from the Sustainable Energy Authority of Ireland (SEAI). The projects which commenced towards the end of the 2009/2010 financial year were completed in the 2010/2011 financial year. The initiatives which were documented in last year's report included:

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

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

Other Measures undertaken in 2010/2011

- Upgrade of the Creche Boiler which is forecast to save 17,500 kWh per annum.
- Upgrade of John Holland Lecture reducing recurrent annual energy consumption by 5,700 kWh.
- Significant progress was made on the delivery of a site wide EM&T system which when operational will meter, record and archive information on c. 130 of the University's most important electricity, gas and water meters.
- Greater usage of the BMS is now been made following a training course attended by the Energy Manager and other key personnel in the Buildings and Estates Department.

Actions Planned for 2011/2012

Work to assess viability; compile project plans/ tender documents was completed in 2010/2011 for the following projects:

- Upgrade of mechanical ventilation, lighting and occupancy detection in the Schrodinger Building estimated to save 540,000 kWh per year.
- Boiler Upgrades in the Foundation and SU Complex to contribute 93,500 kWh in annual energy savings.
- Lighting upgrade in the Arena with expected savings of 65,800 kWh per annum.
- Lighting and air conditioning upgrade in the GLISB forecast to lower recurrent annual electricity consumption by 52,000 kWh.
- Lighting upgrade in the Main Building with projected savings of 36,700 kWh per year.

NOTE 34

ENERGY USAGE - Continued

- Insulation and occupancy detection upgrades in the PESS building with expected annual savings of 34,500 kWh.

As the grant conditions have changed significantly, UL will examine the feasibility and viability of applying for funding under SEAI Better Energy Workplaces 2012 to complete these projects.

- Upgrade of Plassey Close and Schuman fountain pumps which is expected to yield savings of 207,000 kWh per year.
- Upgrades are planned for the Schrodinger Building (one of the oldest buildings on campus). The specific measures to be undertaken, likely to include mechanical ventilation and building envelope upgrades, will be chosen based on a number of factors including energy saving potential.
- The formal hand-over of the University's Energy Monitoring and Targeting System (EM&T) i.e. a web based tool which meters, records and archives information on c. 130 of the University's most important electricity, gas and water meters will be delayed until 2011/2012 to ensure data quality and validity.
- Future initiatives will include planning and delivery of a campus wide energy efficiency drive using our Energy Monitoring and Targeting system as our main communication tool. Savings are likely to be proportional to campus community engagement.
- Key Buildings and Estates personnel will be trained up to interrogate the EM&T system, thus facilitating more widespread usage and earlier detection of energy saving opportunities.
- The principles of the Buildings and Estates Department's existing Quality Management System will be extended to Energy Management in accordance with SEAI's Energy Management Action Programme. The EM&T system will be central to the Department as a tool for making informed decisions on which initiatives to pursue.
- Complete the roll out of Energy Monitoring and Targeting system to on-campus commercial units and businesses which is expected to save 30,000 kWh per year.

Although not specifically requested in this report, UL has also been very active in managing and reducing water consumption on campus over the last several years. Since rolling out a metering and data-logging system to meter, record, monitor and target infrastructural improvements to our 13km of water network, annual water consumption has reduced by 35% from its peak (in 2007). In 2011 annual water consumption (of 170,478 m³) was lower than it was in any of the previous 10 years despite the fact that built space on campus increased by 47% over the same period.

NOTE 35

APPROVAL OF FINANCIAL STATEMENTS

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

UNIVERSITY OF LIMERICK

REPORT OF THE INDEPENDENT MANAGEMENT AUDITORS

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

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

Respective responsibilities of the University and the Auditors

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

This report, including the opinion, has been prepared for and only for the members of the Executive Committee of the University as a body in accordance with our appointment. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

Basis of opinion

We conducted our audit of the Financial Statements for the year ended 30 September 2011 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 2011 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**

23 March 2012

UNIVERSITY OF LIMERICK

FIVE YEAR SUMMARY - EXPENDITURE

	2006/07	%	2007/08	%	2008/09	%	2009/10	%	2010/11	%
	€'000		€'000		€'000		€'000		€'000	
Colleges and Departments	56,938	41	60,630	39	67,741	40	65,686	42	62,889	42
Contract Research Projects	24,340	18	30,725	20	31,017	18	25,472	16	22,348	15
Other Self-Funded Projects	12,013	9	16,553	10	17,693	11	17,061	11	16,151	11
Academic and Other Services	10,238	7	10,780	7	11,144	7	10,164	6	9,402	6
Premises	12,065	9	12,972	8	12,684	8	12,755	8	12,497	8
Central Administration and Services	11,273	8	12,207	8	10,449	6	10,862	7	11,295	8
General Educational Expenditure	1,892	1	1,784	1	1,946	1	1,935	1	2,024	1
Student Services	2,844	2	3,886	2	3,955	2	3,783	2	3,726	2
Miscellaneous Expenditure	5,685	4	5,876	4	9,293	6	8,994	6	9,134	6
Amount Allocated for Capital Purposes	1,881	1	1,634	1	1,487	1	1,591	1	1,100	1
Total	<u>139,169</u>	<u>100</u>	<u>157,047</u>	<u>100</u>	<u>167,409</u>	<u>100</u>	<u>158,303</u>	<u>100</u>	<u>150,566</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.