

**INSTITUTE OF TECHNOLOGY, SLIGO**

**FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> AUGUST 2015**

# INSTITUTE OF TECHNOLOGY, SLIGO

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INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Institute Responsibilities

The Institutes of Technology Acts 1992 to 2006 require the Institute to prepare financial statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements, the Institute is required to:

- \* select suitable accounting policies and apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* prepare the financial statements on the going concern basis, unless that basis is inappropriate;
- \* disclose and explain any material departures from applicable accounting standards.

The Institute is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enable it to ensure that the financial statements comply with the Institutes of Technology Acts 1992 to 2006. The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman  Date: 7/12/16  
Niall O'Donnellan

President  Date: 7/12/16  
Brendan McCormack

Statement on Internal Control

**Responsibility for Internal Controls**

On behalf of the Governing Body of the Institute of Technology, Sligo, we acknowledge our responsibility for ensuring that an effective system of Internal Control is maintained and operated. The system of internal controls consists of those processes used to identify, evaluate and manage the significant risks faced by the Institute in the management of its affairs.

**Reasonable assurance against material error**

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected on a timely basis.

**Key Procedures put in place to provide effective internal control**

The Institute has taken steps to ensure an appropriate control environment including:

- Clearly defined organisational and management structure with associated policies and procedures.
- A Risk Management Committee which regularly reviews the risk register. Audit Committee and Governing Body receive updates and approve the risk register.
- A Finance Committee which regularly reviews financial information including actual versus budgets with updates provided to the Governing Body.
- The Institute has in place appropriate financial procedures addressing authorization limits and segregation of duties.
- An Audit Committee with defined audit charter and clear terms of reference. It meets a number of times a year, to approve the audit strategy, annual audit plan and the outcome of audits undertaken. The minutes of the meetings are formally presented to the Governing Body. An annual report to the Governing Body covering the period from 1/9/2014 to 31/8/2015 was presented to the Governing Body on the 21<sup>st</sup> October 2015 and approved by it.
- The Institute operates under a national procurement agreement for Internal Audit services for the sector. In addition there is an in-house Internal Audit resource. The function reports directly to the Audit Committee. The annual audit plan is informed by discussion with management and the Audit Committee together with analysis of risk to which the Institute is exposed. The plan is approved by the Audit Committee. All findings of audits carried out are presented to the Audit Committee.
- Regular updates are provided to the Governing Body on the performance of the Institute against the Strategic Plan.
- The Governing Body approved the annual governance statement on the 9<sup>th</sup> December 2015.

Statement on Internal Control

The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by:

- the work of the Audit Committee which oversees the work of internal audit,
- executive managers who have responsibility for the development and maintenance of the internal control framework, and
- the recommendations made by the Comptroller and Auditor General in management letter(s) or other reports.

**Annual Review of the effectiveness of the system of Internal Controls**

The Governing Body carried out a review of the effectiveness of the system of internal control for the year-ended 31 August 2015 at its meeting on the 21<sup>st</sup> October 2015.

**Weaknesses in Internal control**

Weaknesses identified by external audit, internal audit or internal reviews are documented with actions to address same and responsible individuals identified. Follow up reviews are carried out and reported to the Audit Committee and Governing Body.

**Matters of non-compliance and weaknesses in internal control**

The Governing Body believes it is in compliance with the HEA requirements regarding the Annual Governance Statement and the Statement of Internal Control as per the letter from the HEA dated 30 July 2015 and apart from the issue with fixed assets noted below, no material breaches of internal control have occurred during the year.

The Institute acknowledges a lack of progress in addressing fixed asset register weaknesses identified over several recent audits. The Institute recently approved appointment of a full time Fixed Asset Management Officer to address recurring weaknesses.

**Signed on behalf of the Governing Body of the Institute of Technology, Sligo:**

Chairman   
Niall O'Donnellan

Date: 7/12/16

President   
Brendan McCormack

Date: 7/12/16



## Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Institute of Technology Sligo

I have audited the consolidated financial statements of the Institute of Technology Sligo for the year ended 31 August 2015 under the Institutes of Technology Acts 1992 to 2006. The financial statements comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and Institute balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is the Institutes of Technology Acts 1992 to 2006 and generally accepted accounting practice.

#### Responsibilities of the Institute

The Institute is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

#### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Institute's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

#### Opinion on the financial statements

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the Group and Institute as at 31 August 2015 and of the Group's income and expenditure for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Institute were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

#### Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal control does not reflect the Institute's compliance with the Code of Governance of Irish Institutes of Technology; or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Seamus McCarthy  
Comptroller and Auditor General

16 December 2016

# INSTITUTE OF TECHNOLOGY, SLIGO

## Statement of Accounting Policies for year ended 31<sup>st</sup> August 2015

The significant accounting policies adopted by Institute of Technology, Sligo are as follows:

### 1. BASIS OF PREPARATION

The financial statements are prepared in accordance with generally accepted accounting principles in Ireland and the United Kingdom under the historical cost convention (except for certain assets which are included at valuation) and with the requirements of the Higher Education Authority.

Under the Institutes of Technology/DIT Act 2006 which came into operation on 1 February 2007 certain functions and funding which were previously exercised and provided by the Minister for Education and Skills were transferred to the Higher Education Authority.

### 2. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Institute and the Institute's subsidiaries, Ballinode Catering and Services Ltd and Institute of Technology Sligo Consultancy Research and Enterprise Development Ltd.

### 3. RECOGNITION OF INCOME

#### **State Grants:**

Recurrent grants from the Higher Education Authority and other bodies are recognised in the period in which they are receivable.

Non-recurrent grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

#### **Devolved Grants:**

The Minister for Education and Skills introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works. Where devolved grant monies, in respect of this scheme, have not been expended they are treated as deferred income, provided the projects to which they are committed have been approved by the Governing Body, are fully defined, time phased and with estimates of costs.

In all other cases devolved grant funding is recognised in the period received.

#### **Research Grants and Contracts:**

Income from Research Grants and contracts is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred.

All research income and expenditure is shown under the headings 'Research Grants and Contracts'. Full provision is made for foreseeable losses.

Statement of Accounting Policies for year ended 31<sup>st</sup> August 2015

**Fee Income**

Fee Income is accounted for on an accruals basis.

**Interest Income:**

All income from short term deposits is credited to the income and expenditure account in the period in which it is earned.

**4. STOCKS**

Expenditure on books and consumable stocks is charged to the Income and Expenditure Account as incurred.

**5. LIQUID RESOURCES**

Liquid resources comprise short-term deposits of less than one year.

**6. FIXED ASSETS AND DEPRECIATION**

Fixed assets, with the exception of land, are stated at historical cost or valuation less accumulated depreciation. Land is stated at historical cost or valuation.

**(a) COST OR VALUATION**

Fixed assets in existence on 1 January 1993 (date of commencement order) are stated at valuation. The basis of valuation of land and buildings is set out at note 14. Subsequent additions are stated at cost.

Buildings under construction are accounted for at cost based on the value of the architect's certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

**(b) EQUIPMENT**

From 1 September 2008, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€3,000) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way.



# INSTITUTE OF TECHNOLOGY, SLIGO

## Statement of Accounting Policies for year ended 31<sup>st</sup> August 2015

### (c) DEPRECIATION

Depreciation is provided on fixed assets, excluding land, on a straight line basis so as to write off their historical costs or valuations over their estimated useful lives as follows:

	Years
Buildings	50
Fixtures and Fittings including Prefabs	10
Computer equipment	3
Plant and Machinery	10
Equipment	5
Motor Vehicles	5

All equipment funded from Research Grants and Contracts is depreciated over the life of the asset in line with the policy for all other Fixed Assets.

Leased Land and Buildings are depreciated over the life of the lease.

### 7. FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into Euro and recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date.

### 8. PENSIONS

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions made from employees under the Single Scheme are remitted by the Institute to the Department of Public Expenditure and Reform.

The Institute is prescribed in S.I. No. 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The Institute had 45 members of the Single Scheme at 31 August 2015. Future benefits accruing to members of the scheme are not provided for in these financial statements.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 states that funding for such benefits will be made from funds provided by the Oireachtas for that purpose.

The Department of Public Expenditure and Reform is assessing the current arrangements in respect of the Single Scheme and is considering a number of options in relation to the future payments of benefits and financing of those benefits.

Statement of Accounting Policies for year ended 31<sup>st</sup> August 2015

All other pension entitlements of staff are conferred under the Education Sector Superannuation Scheme 2015, and pension obligations are met by the Exchequer as they arise.

This superannuation scheme is operated on a Pay As You Go basis and therefore superannuation deductions made from employees are retained by the Institute, as an agreed part of its funding. The Institute does not make contributions towards the scheme and has no obligations in respect of entitlements.

**9. DEFERRED CAPITAL GRANTS**

Deferred Capital Grants represent the un-amortised value of accumulated funds allocated for fixed assets.

**10. CAPITAL DEVELOPMENT RESERVE**

The Capital Development Reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student Registration Fees, non-State capital donations, banking facility fees and transfers from Revenue Reserves, in the latter case that have had the prior approval of the Higher Education Authority, together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserve Account provided the defined projects to which they are committed are in line with the Institute's Capital Development Plan, have been approved by the Governing Body, time phased and with estimates of costs.

**11. LEASED ASSETS**

Rentals under operating leases are charged to the Income and Expenditure account in the period in which the expenditure is incurred.

Consolidated Income and Expenditure for the Year Ended 31 August 2015

INCOME	NOTE	2015 €'000	2014 restated €'000
State Grant	1	17,948	17,494
Student Fees	2	18,722	18,626
Amortisation of Deferred Capital Grants	17	2,895	2,813
Research Grants and Contracts	3	2,098	2,739
Student Support Funding Income recognised	4	220	284
Other Income	5	2,658	2,612
Interest Income		163	433
		<u>44,704</u>	<u>45,001</u>
<b>EXPENDITURE</b>			
Academic Departments	6	23,486	23,033
Academic Services	7	2,025	1,990
Facilities Costs	8	3,077	3,013
Central Administration and Services	9	5,671	5,072
General Educational Expenses	10	951	947
Student Services	11	1,663	1,651
Research Grants and Contracts	3	2,331	2,006
Student Support Funding Income applied	4	220	284
Other		372	257
Depreciation	14	2,901	2,820
		<u>42,697</u>	<u>41,073</u>
<b>OPERATING SURPLUS</b>		<u>2,007</u>	<u>3,928</u>
<b>TRANSFER TO CAPITAL DEVELOPMENT RESERVE</b>		(7,500)	(1,515)
<b>ACCUMULATED SURPLUS AT 1st SEPTEMBER</b>		<u>14,278</u>	<u>11,865</u>
<b>ACCUMULATED SURPLUS AT 31st AUGUST</b>		<u>8,785</u>	<u>14,278</u>

There are no gains or losses other than those recognised above.

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairman: Niall O'Donnellan  
Niall O'Donnellan

Date: 7/12/16

President: Brendan McCormack  
Brendan McCormack

Date: 7/12/16

Consolidated Balance Sheet for the Year Ended 31 August 2015

	NOTE	2015 €'000	2014 €'000
<b>FIXED ASSETS</b>	14	76,115	76,057
		<u>76,115</u>	<u>76,057</u>
<b>CURRENT ASSETS</b>			
Debtors and Prepayments	15	1,329	2,021
Cash at bank and in hand		21,556	21,107
		<u>22,885</u>	<u>23,128</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenses - Amounts falling due within one year	16	5,401	5,840
<b>NET CURRENT ASSETS</b>		<u>17,484</u>	<u>17,288</u>
<b>NET ASSETS</b>		<u>93,599</u>	<u>93,345</u>
<b>REPRESENTED BY:</b>			
Deferred Capital Grants	17	76,076	76,019
Income and Expenditure Account		8,785	14,278
Capital Development Reserve	20	8,738	3,048
		<u>93,599</u>	<u>93,345</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairman:  Date: 7/12/16  
Niall O'Donnellan

President:  Date: 7/12/16  
Brendan McCormack

INSTITUTE OF TECHNOLOGY, SLIGO

Institute Balance Sheet for the Year Ended 31 August 2015

	NOTE	2015 €'000	2014 €'000
<b>FIXED ASSETS</b>	14	76,076	76,019
		<u>76,076</u>	<u>76,019</u>
<b>CURRENT ASSETS</b>			
Debtors and Prepayments	15	1,669	2,125
Cash at bank and in hand		21,027	20,643
		<u>22,696</u>	<u>22,768</u>
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenses - Amounts falling due within one year	16	5,335	5,715
<b>NET CURRENT ASSETS</b>		<u>17,361</u>	<u>17,053</u>
<b>NET ASSETS</b>		<u>93,437</u>	<u>93,072</u>
<b>REPRESENTED BY:</b>			
Deferred Capital Grants	17	76,076	76,019
Income and Expenditure Account		8,623	14,005
Capital Development Reserve	20	8,738	3,048
		<u>93,437</u>	<u>93,072</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairman:  Date: 7/12/16  
Niall O'Donnellan

President:  Date: 7/12/16  
Brendan McCormack

INSTITUTE OF TECHNOLOGY, SLIGO

Consolidated Cash Flow for the Year Ended 31 August 2015

	2015 €'000	2014 €'000
<b>Reconciliation of operating deficit to net cash inflow from operating activities</b>		
Operating Surplus	2,007	3,928
Interest Income	(163)	(433)
(Profit)/Loss on disposal of Fixed Assets	-	-
Depreciation	2,901	2,820
Amortisation in line with asset depreciation	(2,895)	(2,813)
Decrease/(Increase) in Debtors	649	(258)
(Decrease) in Creditors	(386)	(733)
<b>Net Cash Inflow from Operating Activities</b>	<b>2,113</b>	<b>2,511</b>

**Cash Flow Statement**

<b>Net Cash Inflow from Operating Activities</b>	<b>2,113</b>	<b>2,511</b>
Interest Received	206	487
<b>Capital Expenditure</b>		
Payments to acquire Fixed Assets	(3,012)	(9,678)
Proceeds from the Disposal of Fixed Assets	-	-
<i>Net Cash Outflow for capital expenditure</i>	<b>(3,012)</b>	<b>(9,678)</b>
<b>Financing</b>		
State Capital Grants Spent on Fixed Assets	(72)	-
State Recurrent Grants Spent on Fixed Assets	1,063	876
Other funds spent on Fixed Assets	151	194
<i>Net Cash Inflow from Financing</i>	<b>1,142</b>	<b>1,070</b>
<b>Increase/(Decrease) in Cash</b>	<b>449</b>	<b>(5,610)</b>

**Reconciliation of net cash flow to movement in net funds**

Increase/(Decrease) in Cash	449	(5,610)
Opening net funds	21,107	26,717
Net Funds at 31 August	<b>21,556</b>	<b>21,107</b>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements

Signed on behalf of the Governing Body:

Chairman:  Date: 7/12/16  
Niall O'Donnellan

President:  Date: 7/12/16  
Brendan McCormack

Notes to the Financial Statements

1. STATE GRANTS

	Allocated for Recurrent Expenditure €'000	Allocated for Capital Expenditure €'000	Total 2015 €'000	Total 2014 €'000
State Grant for Recurrent Expenditure - Higher Education Authority	17,198	1,063	18,261	18,370
State Grant for Minor Capital Works - Department of Education and Skills	750	-	750	-
State Grant for Capital Expenditure - Department of Education and Skills	-	-	-	-
<b>Total - 2015</b>	<b>17,948</b>	<b>1,063</b>	<b>19,011</b>	<b>18,370</b>
<b>Total - 2014</b>	<b>17,494</b>	<b>876</b>	<b>18,370</b>	

The total cost of certain Higher Certificate and Ordinary Degree courses is subvented by the European Social Fund (ESF) at national level. State Grants for Recurrent Expenditure are partly funded from this EU assistance.

2. STUDENT FEES

	2015 Student No. (WTE)	2015 €'000	2014 Student No. (WTE)	2014 €'000
Fees Paid by State	3,433	2,067	3,623	2,996
Non-EU Fees	165	826	131	1,092
Fees paid by students or on behalf of students	103	312	155	461
Life Long Learning and Other Fees	903	5,231	776	4,467
Student Contribution		10,286		9,610
- Less allocated for capital expenditure				
	<b>4,604</b>	<b>18,722</b>	<b>4,685</b>	<b>18,626</b>

The Higher Education Authority paid tuition fees in the year of €1,706,996 for full time degree courses and €359,707 for higher certificate and ordinary degree courses the total costs of which are part funded by the ESF.

Student numbers are stated as wholtime equivalents, based on enrolled credits.

3. RESEARCH GRANTS AND CONTRACTS

	2015 €'000	2014 restated €'000
<b>Income</b>		
Research Grants and Contracts	2,244	2,915
- Less allocated for capital expenditure	(146)	(176)
	<b>2,098</b>	<b>2,739</b>
<b>Expenditure</b>		
Staff Costs	1,117	784
Non-Pay Costs		
Research materials	932	981
Consultancy Costs	2	10
Legal fees	-	5
Travel and Subsistence	106	90
Training and development	3	1
Equipment (Non Capitalised) purchases and maintenance	10	12
Other Expenses	161	123
	<b>2,331</b>	<b>2,006</b>
<b>Net Outcome</b>	<b>(233)</b>	<b>733</b>

Included in the Research Grant and Contract Income is an amount of €153,619 in respect of overhead recovery. The balance represents direct costs recovered for research work undertaken as outlined under Expenditure headings above.

Notes to the Financial Statements

4. STUDENT SUPPORT FUNDING

	Disabilities €'000	Student Assistance €'000	2015 €'000	2014 €'000
Balance at 1 September 2014	13	117	130	106
Receipts				
Higher Education Authority	65	198	263	324
Amounts Applied				
Capital (equipment)		(5)	(5)	(16)
Non-capital	(66)	(154)	(220)	(284)
Balance at 31 August 2015	<u>12</u>	<u>156</u>	<u>168</u>	<u>130</u>

Funding is provided by the Higher Education Authority under the National Development Plan and is part funded by the European Social Fund.

5. OTHER INCOME

	2015 €'000	2014 €'000
Superannuation Deductions Retained	1,336	1,539
Rental of Facilities	186	51
Photocopying and Printing Services	70	98
Socrates/Erasmus	59	84
Contribution for accommodation and living expenses for Non EU Students	501	351
Sundry Income	30	26
Carparking	35	40
Franchise Fees for banking service	150	131
Income from subsidiaries	291	292
	<u>2,658</u>	<u>2,612</u>

6. ACADEMIC DEPARTMENTS

	2015 €'000	2014 €'000
Pay Costs: Teaching	17,727	17,624
Technical	1,646	1,572
Administrative and Support	<u>1,585</u>	<u>1,692</u>
	20,958	20,888
Non-Pay Costs	2,528	2,145
<b>TOTAL</b>	<u><u>23,486</u></u>	<u><u>23,033</u></u>



Notes to the Financial Statements

7. ACADEMIC SERVICES

	2015 €'000	2014 €'000
Pay costs: Library & Computer Services:	1,239	1,259
Non-Pay Costs	786	731
<b>TOTAL</b>	<b><u>2,025</u></b>	<b><u>1,990</u></b>

8. FACILITIES COSTS

	2015 €'000	2014 €'000
Pay Costs: Caretakers, Cleaning, Maintenance	440	535
Administration	428	434
	<u>868</u>	<u>969</u>
Non-Pay Costs	2,209	2,044
<b>TOTAL</b>	<b><u>3,077</u></b>	<b><u>3,013</u></b>

9. CENTRAL ADMINISTRATION AND SERVICES

	2015 €'000	2014 restated €'000
Pay Costs: Administration	3,065	3,080
Non-Pay Costs	2,606	1,992
<b>TOTAL</b>	<b><u>5,671</u></b>	<b><u>5,072</u></b>

Notes to the Financial Statements

10 GENERAL EDUCATIONAL EXPENSES

	2015 €'000	2014 €'000
Pay Costs: Student Support	445	475
Non-Pay Costs	506	472
<b>TOTAL</b>	<b><u>951</u></b>	<b><u>947</u></b>

11. STUDENT SERVICES

	Staff Costs €'000	Non-Pay €'000	2015 Total €'000	2014 Total €'000
Subventions to Student Union & Clubs & Societies	-	528	528	500
Student Services	227	336	563	495
Careers Advisory Service	64	-	64	64
Sports & Recreation	187	38	225	298
Health & Counselling	124	159	283	294
<b>TOTAL</b>	<b><u>602</u></b>	<b><u>1,061</u></b>	<b><u>1,663</u></b>	<b><u>1,651</u></b>

Notes to the Financial Statements

12. ANALYSIS OF EXPENDITURE

	Staff Costs €'000	Depreciation €'000	Other operating expenses €'000	2015 €'000	2014 restated €'000
Academic Department	20,958		2,528	23,486	23,033
Academic Services	1,239		786	2,025	1,990
Facilities Costs	868		2,209	3,077	3,013
Central Administration and Services	3,065		2,606	5,671	5,072
General Education Expenses	445		506	951	947
Student Services	602		1,061	1,663	1,651
Research Grants and Contracts	1,117		1,214	2,331	2,006
Student Support funding	-		220	220	284
Other	63		309	372	257
Depreciation		2,901		2,901	2,820
<b>2015 Total</b>	<b>28,357</b>	<b>2,901</b>	<b>11,439</b>	<b>42,697</b>	<b>41,073</b>
<b>2014 Total</b>	<b>28,151</b>	<b>2,820</b>	<b>10,102</b>	<b>41,073</b>	

Analysis of Other Operating Expenditure

Classroom materials	589	585
Fees payable to educational partners	613	395
Library materials	262	229
IT licencing/upgrade and maintenance	455	427
General Education	421	457
Student Services	1,019	1,010
Students Union and Clubs and Societies subvention	528	499
Grants to students funded by external bodies	140	160
Research costs	1,119	1,170
Equipment	360	322
Light and Heat	706	695
Security	240	221
Cleaning and waste disposal	478	412
Services and repairs	638	655
Rent and Rates	66	(66)
Water rates	28	46
Travel, subsistence, etc	493	383
Training and development	216	290
Professional fees	619	612
Outsourced Services	146	150
Subscriptions to Sectoral Bodies	143	238
Communication costs	170	155
Office stationery and supplies	311	310
Advertising of courses	433	320
Staff recruitment costs	41	228
Insurance costs	170	194
Bad debt costs - Student Fees	1,002	-
Bad debt costs - Trade Debtors	(5)	5
Bad debt costs- Subsidiaries	38	-
<b>Total</b>	<b>11,439</b>	<b>10,102</b>

Staff costs above include normal salary costs of €145,473 for the President and also a cost of €7,214 for salary paid to the President in lieu of annual leave.

Notes to the Financial Statements

13. TAXATION

The Institute of Technology, Sligo is exempt from Corporation Tax under a charitable status order.

14. FIXED ASSETS

	Total €'000	Buildings €'000	Buildings in course of construction €'000	Fixtures & Fittings incl. Prefabs €'000	Computer Equipment €'000	Plant & Machinery €'000	Equipment €'000	Motor Vehicles €'000
<b>Cost or Valuation</b>								
At 1 September 2014	120,899	91,556	-	4,731	10,000	1,995	12,567	50
Additions	2,959	1,109	-	437	825	3	585	-
Transfers	-	-	-	-	-	-	-	-
Disposal	(276)	-	-	(30)	(178)	(14)	(54)	-
	<u>123,582</u>	<u>92,665</u>	<u>-</u>	<u>5,138</u>	<u>10,647</u>	<u>1,984</u>	<u>13,098</u>	<u>50</u>
<b>Depreciation</b>								
At 1 September 2014	(44,842)	(19,403)	-	(3,458)	(8,863)	(1,589)	(11,486)	(43)
Charge for year	(2,901)	(1,803)	-	(238)	(336)	(59)	(460)	(5)
Disposal	276	-	-	30	178	14	54	-
	<u>(47,467)</u>	<u>(21,206)</u>	<u>-</u>	<u>(3,666)</u>	<u>(9,021)</u>	<u>(1,634)</u>	<u>(11,892)</u>	<u>(48)</u>
<b>Net Book Value</b>								
At 31 August 2015	<u>76,115</u>	<u>71,459</u>	<u>-</u>	<u>1,472</u>	<u>1,626</u>	<u>350</u>	<u>1,206</u>	<u>2</u>
<b>Net Book Value</b>								
At 31 August 2014	<u>76,057</u>	<u>72,153</u>	<u>-</u>	<u>1,273</u>	<u>1,137</u>	<u>406</u>	<u>1,081</u>	<u>7</u>

Cost or Valuation:

Buildings in existence on 1 January 1993 have been valued on a depreciated replacement cost basis. No value was attributed to land in existence at that date. All other fixed assets in existence on that date have been valued by the Institute on the basis of open market value for existing use. Subsequent additions are stated at cost.

15. DEBTORS AND PREPAYMENTS

	2015 €'000	2014 €'000
Student Fees	820	299
Provision for Student Fees	(755)	-
State Recurrent Grant	85	330
State & Other Capital Grant	-	75
Research Grants and Contracts	108	281
Prepayments and Accrued Income	787	877
Provision for Trade Debtors	(18)	(23)
Other Debtors	302	182
<b>Total</b>	<u>1,329</u>	<u>2,021</u>

Notes to the Financial Statements

16. CREDITORS AND ACCRUED EXPENSES

	2015 €'000	2014 €'000
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Payments Received in Advance :		
Research Grants and Contracts	823	1,385
Deferred Income Student Support Funding	168	130
Tuition fees and Student Registration Charges Payable	827	503
	<u>1,818</u>	<u>2,018</u>
Trade Creditors and Accruals	2,615	2,641
PAYE	449	462
PRSI	245	240
Other Creditors	128	131
Accruals and Deferred Income	146	348
	<u>3,583</u>	<u>3,822</u>
	<u>5,401</u>	<u>5,840</u>

17. DEFERRED CAPITAL GRANTS

	2015 €'000	2014 €'000
Opening Balance	76,019	69,495
Capital Grants Receivable		
State Capital Grants - Dept of Education and Skills	(72)	-
Allocated from State Recurrent Grant - Higher Education Authority	1,063	876
State Capital Grants - Higher Education Authority	5	16
Other Capital Grants/Funding	146	178
	<u>1,142</u>	<u>1,070</u>
Transfer (to)/from Capital Development Reserve (Note 20)	1,810	8,268
Disposal of assets at cost	(276)	(142)
Reversal of depreciation relating to assets disposed	276	141
Release to Income		
Amortisation in Line with Asset Depreciation	<u>(2,895)</u>	<u>(2,813)</u>
Closing Balance	<u>76,076</u>	<u>76,019</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

The Institute had no capital commitments at 31 August 2015.

19. STUDENT MAINTENANCE GRANTS	2015 €'000	2014 €'000
Receipts from Department of Education and Skills (Colleges Section)	48	653
Receipts from Department of Education and Skills (Student Support Unit)	24	308
Payments to students	(48)	(649)
Payments to students (top ups)	(24)	(308)
<b>Net Cash Inflow</b>	<u>-</u>	<u>4</u>
<b>Opening Balance</b>	-	(4)
<b>Closing Balance</b>	<u>-</u>	<u>-</u>

From September 2012 responsibility for the payment of Third Level Training and Top up Grants was allocated to SUSI (Student Universal Support Ireland). For students that had commenced study prior to this date, the payment of the Third Level Training Grant continues to be processed by the Institute. The level of grants processed by the Institute has therefore reduced in each period and from September 2015 all payments are being made by SUSI.

20. CAPITAL DEVELOPMENT RESERVE	2015 €'000	2014 €'000
Balance as at 1st September 2014	<u>3,048</u>	<u>9,801</u>
Transfer from Income & Expenditure		
Transfer from Revenue Reserves	7,500	1,515
Transfer to Capital Account	(1,810)	(8,268)
<b>Closing Balance as at 31st August 2015</b>	<u>8,738</u>	<u>3,048</u>

The Capital Development Reserve balance is made up of monies set aside to fund projects approved by the Governing Body

Project 1 is the refurbishment and extension of the Science Block. The budget approved for this project is €16.7M and €694,000 of the balance relates to this project.

Project 2 is the updating of IT Equipment and the IT network across the Institute. The budget for this is €1,515,000 and €636,000 of the balance relates to this project.

Project 3 is the refurbishment of Block C&D and the Foundation Lab. The budget for this is €6.5M and €6,408,000 of the balance relates to this project.

Project 4 is the upgrading of equipment and facilities in the area of Tool Making (Precision Engineering and Manufacturing). €1,000,000 of the balance relates to this.

Notes to the Financial Statements

**21. ANCILLARY ACTIVITIES**

**(a) Research, Consultancy and Development**

Certain research, consultancy and development activities of the Institute are conducted through Institute of Technology, Sligo Consultancy Research and Enterprise Development Limited (CREDCO). The Company is limited by guarantee.

From August 2002 no new research projects were undertaken by Credco. All research projects in existence at that time have since been completed. All new research projects have been undertaken through the Institute from that date onwards.

The financial results of the company per the audited accounts for the year ended 31 August 2015 were as follows:

	2015 €'000 Audited	2014 €'000 Audited
Income	145	173
Expenditure	(186)	(156)
Surplus/(Deficit)	(41)	17
Net Assets	52	93

**(b) Commercial Services**

Ballinode Catering and Services Limited a company limited by guarantee operates various commercial services within the College such as student health services, recreational facilities, etc.

The financial results of the company per the audited accounts for the year ended 31 August 2015 were as follows:

	2015 €'000 Audited	2014 €'000 Audited
Income	226	234
Expenditure	(182)	(193)
Surplus/(Deficit)	44	41
Net Assets	197	153

The financial statements of these entities have been consolidated with the accounts of the Institute. The financial statements of the companies are audited by independent auditors.

**22. CONTINGENCIES**

There were no contingencies existing at the 31st August 2015.

**23. DISCLOSURE OF TRANSACTIONS - GOVERNING BODY MEMBERS**

In the normal course of business the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

**24. EMPLOYEES**

The average number of employees (whole-time equivalents) during the year was 465 (2014: 457.5), broken down as follows:

	2015	2014
Core Staff	425	427
Exchequer Funded Research Staff	2	2
Other Research and/or Specialist project-based posts funded from non-Exchequer sources	38	29
	465	458

**25. COMPARATIVE FIGURES**

Where necessary the comparative figures have been regrouped and restated on the same basis as the current year figures.

In the current year bad debt costs which were formerly netted against the relevant income stream are now being reported as a cost in Central Administration (2015 €997,000, 2014 €5,000). The previous year's figures have been restated to reflect a similar treatment.

**26. CONNACHT-ULSTER ALLIANCE AND TECHNOLOGICAL UNIVERSITY APPLICATION**

By collaborating together Institute of Technology Sligo, Galway-Mayo Institute of Technology and Letterkenny Institute of Technology will achieve the criteria required to become a technological university (TU) and thereby enhance the ability of the higher education system in the region to support economic, social and cultural developments across a geographically dispersed, mostly rural community. The current timeline is 5 years to achieving re-designation as a TU. Cumulative cost projections for the three institutions up to 2019 is €11.8m as outlined in a recent funding submission to the HEA. As a result of this submission the HEA has committed funding of €757k to the project for 2015/16. Any changes to the proposed legislation on technological universities may have implications for the Connacht-Ulster Alliance project.

**27. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Governing Body on the 7th December 2016.