



LIT

ACTIVE LEADERSHIP IN
EDUCATION, ENTERPRISE
AND ENGAGEMENT

**CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED
31 AUGUST 2015**

CONTENTS

	PAGE
1. STATEMENT OF INSTITUTE RESPONSIBILITIES	3
2. STATEMENT ON INTERNAL CONTROL	4-6
3. REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	7
4. STATEMENT OF ACCOUNTING POLICIES	8-11
5. CONSOLIDATED INCOME & EXPENDITURE ACCOUNT	12
6. CONSOLIDATED AND INSTITUTE ONLY BALANCE SHEETS	13
7. CONSOLIDATED CASH FLOW STATEMENT	14
8. NOTES TO THE FINANCIAL STATEMENTS	15-24



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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 Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.*
- *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 enables it to ensure that the Consolidated 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:

Mr. Niall Greene

President:

Professor Vincent Cunnane

Date:

22/09/16



STATEMENT ON INTERNAL CONTROL

Responsibility for the System of Internal Control.

The Governing Body acknowledges its responsibility for ensuring that an effective system of internal control is maintained and operated in the Institute.

The system of internal control consists of the processes used to identify, evaluate manage and control the significant risks faced by LIT in pursuing its organisational objectives. The system is designed to manage rather than eliminate risk, recognising that only reasonable and not absolute assurance can be provided that assets are safeguarded and material misstatement avoided.

A sound system of internal control contributes to safeguarding the interests of all relevant parties and the Institute's assets.

Internal control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assists compliance with laws and regulations.

A sound system of internal control therefore provides reasonable, but not absolute, assurance that the Institute will not be hindered in achieving its objectives, or in the orderly and legitimate conduct of its business, by circumstances which may be reasonably foreseen.

Effective financial controls, including clear delineation and separation of functions and the maintenance of proper accounting records, are an important element of internal control.

They help ensure that the Institute is not unnecessarily exposed to avoidable financial risks and that financial information used and published is reliable.

They also contribute to the safeguarding of assets, including the prevention and detection of fraud.

Key Control Procedures

The Governing Body has taken steps to ensure an appropriate control environment exists including:

- Financial procedures and regulations are currently documented, implemented and up to date.
- Regular reviews by the Governing Body of periodic and annual financial reports (3 times during the financial year) which include financial performance against budgets.
- Clearly defined capital investment control guidelines together with the capital works management framework (CWMF) are in place.
- The Institute has an internal audit function, which operates in accordance with the Code of Governance of Irish Institutes of Technology.
- The establishment and operation of an Audit Committee with a defined audit charter and with clear terms of reference which deal with significant control issues.



- The Audit Committee approves the internal audit work program and receives relevant reports from the internal auditors. At least once annually the internal auditors provide the Audit Committee with a report of internal audit activity.
- The development and adoption of a risk management policy which includes structured and periodic reviews and updates to the Institute risk register by the executive management team.
- LIT executive management carried out updates and reviews of the Institutional risk register during 2014 / 15 in January 2015 and July 2015. The risk register was reviewed and approved by the Audit Committee at its meeting in May 2015. An Internal Audit Strategy has been developed based on a risk assessment carried out by the Institute's executive management.
- Academic quality processes are in place for all aspects of the academic programs. These include a range of processes which include external examiners, external validation panels and both internal and external review panels at the relevant stages of the academic quality cycle.

Internal Control Assurance Reviews 2014 / 15

Introduction

The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the Internal Auditors, comments from the Comptroller and Auditor General in his management letter and other reports, and the Institute's Management who have responsibility for the development and maintenance of the internal control framework.

The Internal Controls review used the 'Irish Institutes of Technology (IOTI) Internal Controls Framework, which lists expected controls, as a baseline set of controls to compare against the LIT controls environment.

The internal control framework provides a structured and methodical approach to the review of, and testing of controls in place across LIT. The internal audit plan ensures that all areas of the framework are reviewed on a cyclical basis over a number of years.

The internal auditors provide the Audit Committee with a report of internal audit activity on a periodic basis on progress against the approved internal audit work plan.

A formal review by the Governing Body of the System of Internal Control was carried out for the year ended 31 August 2015. This review included assurances from a range of sources across the Institute including the work carried out by the internal audit function as set out in section 3.2 below. The Formal Review was approved by the Governing Body at its meeting on the 14th of December 2015.



In the year under review LIT acknowledges that seven contracts for necessary services were not compliant with procurement guidelines. The total value of these contracts was €550,000. All of these contracts were either in the process of being procured under relevant national frameworks through the Office of Government Procurement (OGP) or directly by LIT during 2015/16 and have now been completed in accordance with current procurement guidelines.

3.2 2014 / 15 Internal Audit reports


In the year 2014 / 15, there were 7 - reports reviewed by the Audit Committee.

	Report Title	Notes / Comments
1.	Internal Controls Review-January/February 2014 and May 2015	Sections 3 of the Internal Controls Framework
2.	Internal Controls Review-MAY AND OCTOBER 2015	Sections 4.2.4 to 4.2.10 of the Internal Controls Framework
3.	Procurement Policies and Procedures	Section 3 of Internal Control Framework
4a.	2 Follow Up Reports- May/June/September 2014 (Resource Allocation) and	Review of all previous internal audit recommendations since 2006
4b.	May 2015	
5.	Review of Implementation of Recommendations in the C & AG Management Letter 2012 /13	
6.	Information Systems Health checks	
7.	Review of LIT/HEA Compact	

Chairman:


Mr. Niall Greene

President:


Professor Vincent Cunnane

Date:

22/09/16



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Limerick Institute of Technology

I have audited the consolidated financial statements of Limerick Institute of Technology 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.

In addition, I read the Institute's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

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 information given in the Institute's annual report is not consistent with the related financial statements or with the knowledge acquired by me in performing the audit, 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.

Procurement non-compliance

The Institute confirmed to the audit that payment of €550,000 was made to seven suppliers in the year under review in respect of goods and services that were not subject to competitive public procurement.



Seamus McCarthy
Comptroller and Auditor General



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STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the Limerick Institute of Technology are as follows:

1 **Basis of Preparation.**

Consolidated Financial Statements have been prepared and all Inter Company activity has been cancelled on consolidation.

The consolidated 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 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 **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.

Minor Capital Works

The Minister for Education and Skills introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works.

Where Minor Capital Works monies in respect of this scheme, have not been expended they are treated as deferred income, provided the projects to which they are committed to have been approved by the Governing Body, are fully defined, time phased and with estimates of costs.

In all other cases Minor Capital Works funding is recognised in the period received.



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Research Grants & 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.

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.

3 Ancillary Activities.

There were no Ancillary Activities during the current financial period.

4 Stocks.

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

5 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 in note 15.

Additions are stated at Cost.

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.

C Depreciation

All assets purchased before 1 September 2008 and capitalised will continue to be treated as fixed assets and depreciated to the end of their useful life.



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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	5
Equipment	5
Motor Vehicles	5
Subsidiary Gym Equipment	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.

6 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.

7 Pensions

All employees recruited from 1 January 2013 are members of the single public sector pension scheme and 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.

Deductions under the single public sector scheme are remitted to the Department of Public Expenditure and Reform.

The 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.

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 35 members of the Single Scheme at 31 August 2015. Future benefits accruing to Scheme members have not been provided for in these financial



statements. It is the Institute's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future State funding.

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 payment of benefits and financing of those benefits.

8 Deferred Capital Grants

Deferred Capital Grants represent the Unamortised value of accumulated funds allocated for Fixed Assets.

9 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, which 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 and are time phased and with estimates of costs.

10 Leased Assets

Rentals under operating leases are charged to the Income and Expenditure account in the period in which the expenditure is incurred. Assets acquired under finance leases are treated as capitalised assets and depreciated over the shorter of the life of the asset and the length of the lease period.



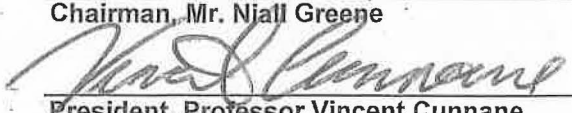
**CONSOLIDATED INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 €000's	2014 €000's
INCOME			
State Grant	1	24,516	23,735
Tuition Fees	2	19,122	18,621
Amortisation of Deferred Capital Grants	18	2,387	2,517
Research Grants & Contracts	3a	4,431	5,071
Strategic Innovation Fund	3b	-	889
Student Support Funding Income Recognised	4	599	780
Other Income	5	3,414	2,985
Interest Income		117	224
		54,586	54,822
EXPENDITURE			
Academic Departments	6	30,119	29,290
Academic Services	7	3,017	3,290
Facilities Costs	8	5,137	4,687
Central Admin & Services	9	5,493	5,742
General Educational Expenses	10	492	631
Student Services	11	3,005	2,511
Research Grants & Contracts	3a	4,431	5,071
Strategic Innovation Fund	3b	-	597
Student Support Funding Income Applied	4	599	781
Depreciation	15	2,446	2,517
		54,739	55,117
Operating Deficit		(153)	(295)
Transfer to Capital Development Reserve		(26)	(139)
Accumulated Surplus at the beginning of the Year		1,409	1,843
Accumulated Surplus at the End of the Year		1,230	1,409

There are no gains or losses other than those recognised above.
The Statement of Accounting Policies, Cashflow Statement and Notes 1 - 29 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body


Chairman, Mr. Niall Greene


President, Professor Vincent Cunnane

Date

22/09/16



**CONSOLIDATED AND INSTITUTE BALANCE SHEETS
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Consolidated 2015 €000's	Consolidated 2014 €000's	LIT Only 2015 €000's	LIT Only 2014 €000's
FIXED ASSETS					
Tangible Assets	15	70,077	70,022	70,038	69,968
CURRENT ASSETS					
Debtors	16	3,638	2,544	3,626	2,658
Cash at Bank and in Hand		5,828	9,217	5,823	9,168
		<u>9,466</u>	<u>11,761</u>	<u>9,449</u>	<u>11,826</u>
CURRENT LIABILITIES					
Amounts Due within One Year Creditors & Accrued Expenses	17	<u>(7,249)</u>	<u>(7,633)</u>	<u>(7,116)</u>	<u>(7,616)</u>
Net Current Assets		2,217	4,128	2,333	4,210
Long Term Lease Creditor	25	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>
Net Assets		<u>69,294</u>	<u>71,150</u>	<u>69,371</u>	<u>71,178</u>
REPRESENTED BY					
Deferred Capital Grants	18	66,886	66,772	66,847	66,718
Cumulative Income & Expenditure		1,230	1,409	1,346	1,491
Capital Development Reserve	21	1,178	2,969	1,178	2,969
		<u>69,294</u>	<u>71,150</u>	<u>69,371</u>	<u>71,178</u>

The Statement of Accounting Policies, Cashflow Statement and Notes 1 - 29 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body


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President, Professor Vincent Cunnane

Date

22/09/16

**LIT**ACTIVE LEADERSHIP IN
EDUCATION, ENTERPRISE
AND ENGAGEMENT**CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Consolidated 2015 €000's	Consolidated 2014 €000's
Reconciliation of Operating Deficit to net Cash Outflow from Operating Activities			
Operating Deficit		(153)	(295)
Interest Income		(117)	(224)
Depreciation	15	2,446	2,517
Amortisation in line with Depreciation	18	(2,387)	(2,517)
Funds released from Capital Development Reserve	21	-	24
Decrease (Increase) in LIT Debtors		(968)	578
(Increase) / decrease in Subsidiary Debtors		(126)	9
Decrease in LIT Creditors		(500)	(1,429)
(Decrease) / increase in Subsidiary Creditors		116	10
		<u>(1,689)</u>	<u>(1,327)</u>

Cashflow Statement

Net Cash Outflow from Operating Activities		(1,689)	(1,327)
Interest Received		117	224

Capital Expenditure

Payments to Acquire Fixed Assets		(2,501)	(4,812)
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Net Cash Outflow for Capital Expenditure

	<u>(2,501)</u>	<u>(4,812)</u>
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Financing

State Recurrent Grants spent on Fixed Assets		525	377
Other Funds spent on Fixed Assets	18	159	188
		<u>684</u>	<u>565</u>

Decrease in Cash		(3,389)	(5,350)
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Reconciliation of Net Cash Flow to Movement in Funds

Decrease in Cash		(3,389)	(5,350)
Opening Net Funds		9,217	14,567
Net Funds at 31 August		<u>5,828</u>	<u>9,217</u>

The Statement of Accounting Policies, Cashflow Statement and Notes 1 - 29 form part of the Consolidated Financial Statements.

Signed on behalf of the Governing Body


Chairman, Mr. Niall Greene
President, Professor Vincent Cunnane

Date

22/09/16



NOTES TO THE FINANCIAL STATEMENTS

1 State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	2015 Total €000's	2014 Total €000's
Recurrent Expenditure - HEA	24,516	525	25,041	24,112
Total 2015	24,516	525	25,041	24,112
Total 2014	23,735	377	24,112	

2 Tuition Fees

	2015 Students WTE	2015 €000's	2014 Students WTE	2014 €000's
Fees paid by State	4,555	3,354	4,407	4,403
Gross Registration Charges including repeat Exam Fees	-	13,767	-	12,759
Non EU Fees	83	577	100	404
Fees paid by or on behalf of Students	345	403	501	468
Life Long Learning and other Fees	315	1,021	228	715
Capital Items charged to Life Long Learning	-	-	-	(128)
Net Fee Income / Student #'s	5,298	19,122	5,236	18,621

The Higher Education Authority paid tuition fees in the year of €3,050,381 for full-time Degree courses, and €281,107 for Higher Certificate and Ordinary Degree courses, the total costs of which are part funded by the European Social Fund.

Failte Ireland paid further tuition fees totaling €22,857 during the year for a number of hospitality courses.

Student numbers are stated as whole time equivalents based on enrolled credits.



3a Research Grants & Contracts

	2015 €000's	2014 €000's
Income:		
Research Grants & Contracts	4,431	5,071
Expenditure:		
Pay Costs	2,417	2,999
Non Pay Costs	1,861	1,884
Capital Expenditure - Enterprise Ireland	153	188
Total Costs	4,431	5,071
Net Outcome	-	-

3b Strategic Innovation Fund

	2015 €000's	2014 €000's
Income:		
Research Grants & Contracts	-	889
Expenditure:		
Pay Costs	-	-
Non Pay Costs	-	597
Total Costs	-	597
Net Outcome	-	292

The aim of the Strategic Innovation Fund (SIF), announced by the Department of Education and Skills in May 2006, was to drive change and innovation in the higher education sector. The Institute provided a range of administrative and accounting support services to a number of national SIF projects.

HEA Funding of stand-alone SIF projects has concluded.

The key achievements of SIF projects across the higher education sector have now been consolidated and mainstreamed.



4 Student Support Funding

	2015 Disabilities €000's	2015 Student Assistance €000's	2015 Total €000's	2014 €000's
Balance at 1 September	60	-	60	77
Receipts:				
Higher Education Authority	374	225	599	780
Amounts Applied				
Pay Costs	259	-	259	376
Non Pay Costs	115	218	333	405
	374	218	592	781
Equipment	-	7	7	16
Balance at 31 August	60	0	60	60

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's	2014 €000's
Superannuation Deductions Retained	1,922	2,087
Bank Concession Fee	370	370
Rental of Facilities	29	33
Sundry Income	900	401
Total Income LIT	3,221	2,891
Subsidiary Company Income	193	94
Total Income Consolidated	3,414	2,985



6 Academic Departments

	2015 €000's	2014 €000's
Pay Costs	28,381	27,519
Non Pay Costs	1,738	1,771
Total Costs	30,119	29,290

7 Academic Services

	2015 €000's	2014 €000's
Pay Costs	2,133	2,130
Non Pay Costs	884	1,160
Total Costs	3,017	3,290

8 Facilities

	2015 €000's	2014 €000's
Pay Costs	974	941
Non Pay Costs	4,163	3,746
Total Costs	5,137	4,687



9 Central Administration & Services

	2015 €000's	2014 €000's
Pay Costs	3,856	3,891
Non Pay Costs	1,637	1,851
Total Costs	5,493	5,742

10 General Education Expenses

	2015 €000's	2014 €000's
Pay Costs	209	198
Non Pay Costs	283	433
Total Costs	492	631

11 Student Services

	2015 Pay €000's	2015 Non Pay €000's	2015 Total €000's	2014 Total €000's
Subvention to Clubs, Societies & Students Union	-	493	493	358
Student Services	1,182	483	1,665	1,579
Sports & Recreation	112	272	384	300
Health & Counselling	237	-	237	211
Total Costs LIT	1,531	1,248	2,779	2,448
Subsidiary Company	140	86	226	63
Total Costs Consolidated	1,671	1,334	3,005	2,511



	2015	2015	2015	2015	2014
12 Analysis of Expenditure	Pay	Deprec	Other	Total	Total
Note	Costs	iation	Operating	Total	Total
	€000's	€000's	Expenses	€000's	€000's
			€000's		
6 Academic Departments	28,381	-	1,738	30,119	29,290
7 Academic Services	2,133	-	884	3,017	3,290
8 Facilities Costs	974	-	4,163	5,137	4,687
9 Central Administration & Services	3,856	-	1,637	5,493	5,742
10 General Education Expenses	209	-	283	492	631
11 Student Services	1,671	-	1,334	3,005	2,511
Research Grants & Contracts	2,417	-	2,014	4,431	5,071
Strategic Innovation Fund	-	-	-	-	597
4 Student Support Funding	259	-	340	599	781
15 Depreciation	-	2,446	-	2,446	2,517
Total 2015	39,900	2,446	12,393	54,739	55,117
Total 2014	39,251	2,517	13,349	55,117	

Analysis of Other Operating Expenditure

	Consolidated	Consolidated
	2015	2014
	€000's	€000's
Consultancy	84	179
Travel & Hospitality	822	813
Equipment & Maintenance	1,751	1,768
Materials & Consumables	720	735
Stationery / Office Materials / Books & Periodicals	441	452
Staff Development & Training	477	474
Course Delivery Costs	264	263
Promotion & Publicity	338	447
Insurance	220	185
Professional - Legal	9	34
Professional - Other	807	907
Audit Fee - Internal Audit	96	66
Audit Fee - C&AG	30	63
Governing Body	16	27
Recruitment	68	50
Software	400	265
Cleaning, Energy & Water	1,771	1,662
Security & Grounds	502	465
Student Services	1,109	1,337
Fees to Examining Bodies	48	41
Research Seed Funding	226	388
Rent	188	173
Health & Safety	250	193
Corp Membership & Subs	178	232
Shannon Consortium	25	30
Communication costs	295	287
Bad Debts w/off	261	156
Fees Waived	47	141
Audit Fee - Subsidiary Company	2	2
Other Expenses	948	1,514
Total Costs	12,393	13,349



13 Taxation

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

14 Integration of TRBDI

On 1st September 2011 the activities of the Tipperary Rural Business Development Institute were integrated into Limerick Institute of Technology.

The liquidator has confirmed that all returns have been filed up to date in respect of the ongoing liquidation. There is still ongoing legal issues with regard to a redundancy claim from a former employee whose employment was terminated prior to the integration.

15 Fixed Assets

	Consolidated €000's	Subsidiary Gym Equip €000's	Total LIT €000's	Land & Buildings €000's	Assets in Construction €000's	Fixtures & Fittings €000's	Computer Equipment €000's	Plant & Machinery €000's	Furniture & Equipment €000's	Motor Vehicles €000's
Cost / Valuation										
at 1 Sept 2014	116,195	76	116,119	81,121	4,828	5,124	12,174	1,260	11,599	13
Acquisitions	2,501	-	2,501	916	320	550	326	-	384	5
Transfers	-	-	-	4,036	(5,148)	1,112	-	-	-	-
Disposals	(12,092)	-	(12,092)	-	-	(1,798)	(4,314)	(1,000)	(4,987)	(13)
	106,604	76	106,528	86,073	0	4,988	8,186	260	7,016	5
Depreciation										
at 1 Sept 2014	46,173	22	46,151	18,549	-	3,781	11,563	1,210	11,035	13
Charge for Year	2,446	15	2,431	1,416	-	216	453	9	336	1
Disposals	(12,092)	-	(12,092)	-	-	(1,798)	(4,314)	(1,000)	(4,987)	(13)
	36,527	37	36,490	19,965	0	2,199	7,702	219	6,404	1
Net Book Value										
At 31 Aug 2015	70,077	39	70,038	66,107	0	2,790	484	41	612	4
At 31 Aug 2014	70,022	54	69,968	62,572	4,828	1,343	611	50	564	-

A valuation of land and buildings transferred to the Institute from the City of Limerick VEC was carried out by the valuation office. The valuation date was 1 January 1993. Other tangible assets transferred on 1 January 1993 were valued by the Institute on the basis of open market value for existing use. Lease Commitments at 31/08/2015 amounted to €3,000,000.

16 Debtors & Prepayments

	Consolidated		LIT Only	
	2015 €000's	2014 €000's	2015 €000's	2014 €000's
State Recurrent Grant	821	-	821	-
Research Grants & Contracts	1,493	1,270	1,493	1,270
Prepayments & Accrued Income	338	142	338	142
Other Debtors	974	1,246	974	1,246
Total LIT Debtors	3,626	2,658	3,626	2,658
Subsidiary Company	75	84	-	-
Elimination of Inter Company Debtors	(83)	(198)	-	-
Total Consolidated Debtors	3,638	2,544	3,626	2,658



17 Creditors & Accrued Expenses

	Consolidated 2015 €000's	Consolidated 2014 €000's	LIT Only 2015 €000's	LIT Only 2014 €000's
Amounts falling due within one Year				
Payments Received in Advance;				
Research Grants & Contracts	2,452	2,570	2,452	2,570
Tuition Fees	1,093	862	1,093	862
	3,545	3,432	3,545	3,432
Trade Creditors	1,160	1,442	1,160	1,442
Payroll / Tax	1,522	1,600	1,522	1,600
State Recurrent Grant	-	166	-	166
Other Creditors	476	603	476	603
Accruals & Deferred Income	413	373	413	373
Total LIT Creditors	7,116	7,616	7,116	7,616
Subsidiary Company	196	215	-	-
Elimination of Inter Company Creditors	(63)	(198)	-	-
Total Consolidated Creditors	7,249	7,633	7,116	7,616

18 Deferred Capital Grants

	Consolidated 2015 €000's	Consolidated 2014 €000's	LIT Only 2015 €000's	LIT Only 2014 €000's
Opening Balance	66,772	64,727	66,718	64,665
Allocated from State Recurrent Grant	525	377	525	377
Funded from Capital Development Reserve	1,817	3,997	1,817	3,991
State Capital Grants - Enterprise Ireland	159	188	159	188
Total Additions	2,501	4,562	2,501	4,556
Release to Income				
Amortisation in line with Depreciation	(2,372)	(2,503)	(2,372)	(2,503)
Subsidiary Company Fixed Assets - Depreciation	(15)	(14)	-	-
Closing Balance	66,886	66,772	66,847	66,718



19 Capital Commitments contracted for but not provided

	2015 €000's	2014 €000's
Estimated Capital Commitments at 31 August	<u>791</u>	<u>1,747</u>

20 Student Maintenance Grants

	2015 €000's	2014 €000's
Receipts from Dept of Education & Skills	18	253
Payments to Students	(18)	(252)
Correction of opening balance		(11)
Net Cash Outflow / Inflow	<u>-</u>	<u>(10)</u>
Opening Balance	-	10
Closing Balance	<u>-</u>	<u>-</u>

The Institute processes payments to students in respect to ESF maintenance grants, which are notified by the relevant VEC or Local Authority.

Funding for these payments is provided by the Department of Education and Skills with co-funding provided by the European Social Fund (ESF). These transactions are not included in the Income and Expenditure Account.

21 Capital Development Reserve

	Consolidated 2015 €000's	Consolidated 2014 €000's	LIT Only 2015 €000's	LIT Only 2014 €000's
Opening Balance	2,969	6,803	2,969	6,803
Interest Earned	26	133	26	133
Transfer from Student Development Capital Projects	-	24	-	24
Subsidiary Company Fixed Assets	(1,817)	(3,997)	(1,817)	(3,991)
	-	6	-	-
Closing Balance	<u>1,178</u>	<u>2,969</u>	<u>1,178</u>	<u>2,969</u>

22 Contingencies

There were no contingencies existing at 31 August 2015.

23 Employees

The number of employees (whole-time equivalents) as at 30/6/2015 was 608. (2013 / 14 - 611). This was comprised of 511 for Limerick Institute of Technology, and 97 for TRBDI.



24 Disclosure of Transactions

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 Governance of Irish Institute's of Technology in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

25 Lease Commitments

	Land & Buildings 2015 €000's	Land & Buildings 2014 €000's	Other 2015 €000's	Other 2014 €000's
Operating Leases				
Expiring :				
Within 1 Year	-	-	-	9
Between 2 & 5 Years	-	-	-	-
Finance Lease				
Greater than 5 years	3,000	3,000	-	-
Total Commitments	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>9</u>

26 Long Term Lease Creditor

The contractual basis of the LIT / TI merger are set out in the scoping exercise "Towards a new Institute of Technology" which was approved by the LIT Governing Body, the Board of TRBDI Ltd and the Government in February 2010.

This document includes (Chapter : Transition Funding and Physical Development Requirements) the commitment to provide appropriate third level facilities on the Ballygrane site to include Enterprise, Research and Training facilities.

In July 2012 LIT and South Tipperary County Council entered into a Memorandum of Understanding providing for the development of an enterprise promotion, research, development, education and training centre at Ballygrane, Clonmel, Co. Tipperary.

Upon completion of the centre in October 2014, LIT and the newly merged Tipperary County Council (TCC) entered into a lease for a term of 15 years, with the first payment not due until October 2019.

At the inception of this lease the present value of the minimum lease payments was €3.0m payable between years 6 and 15. All Leasehold Commitments are disclosed in Note 25.

27 Subsidiary Undertakings

Name of Subsidiary	LIT Sports & Leisure Facilities Limited
Date of Incorporation	19th September 2012
Reason for being established	To manage all sports & leisure facilities at Limerick Institute of Technology
% Shares Held by LIT	100% owned by LIT
Loss for Year	(48,931)
Net Assets at 31/08/15	(77,786)
Registered Office	Limerick Institute of Technology , Moylish Park, Limerick.

28 Going Concern

The Financial Statements of LIT for 2014 and 2015 show a combined operating deficit of €449k and a reduction in Cash balances of €8,739m.

This situation arose because the Institute invested €7,313m on Capital Projects.

This expenditure is not of a recurring nature and does not impact on the operational capacity of LIT. Consequently the Financial Statements to 31st August 2015 are prepared on a going concern basis.

29 Approval of Financial Statements

The Financial Statements were approved by the Governing Body on 28/06/2016.