

**FINANCIAL REPORT  
YEAR ENDED 30 SEPTEMBER 2004**

REPORT OF VICE-PRESIDENT, ADMINISTRATION & SECRETARY

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**1 INTRODUCTION**

The financial statements for the year under review have been prepared in accordance with the historically agreed harmonised format jointly developed by the universities, the Higher Education Authority and the Comptroller and Auditor General in 1997. A new harmonised format is in the process of being finalised. This new format will include consolidation of all University activity and will be prepared in accordance with generally accepted accounting principles (GAAP).

**2 CURRENT ACCOUNT**

**INCOME:** Current account income out-turned at €76.53 million for the year compared to €73.42 million in the previous year representing a growth of €3.11 million or 4.2%. This income is generated from three main sources – state grant, student fees and other income. The State grant increase (which out-turned at €37.78 million) was limited to just €0.39 million – an increase of only 1% over the previous year. In respect of student fees, the out-turn for the year was €35.74 million an increase of €2.60 million or 7.9% over the previous year. Income from sundry other sources was €3.01 million – an increase of €0.12 million or 4.1%.

**EXPENDITURE:** Arising from significant national pay award increases, general non-pay inflation and a range of new academic developments undertaken, the University was exposed to major additional costs during the year. The cost increases arising from the Benchmarking Pay Award, Sustaining Progress, National Pay Awards, the impact of Protection Of Employees (Fixed Term Work) Act 2003 and general inflation increased total cost by 9%. The new academic developments in Nursing Studies, Physiotherapy, Speech and Language Therapy, Occupational Therapy, Engineering Skills Programme and postgraduate programmes increased current account cost by a further 4%. Notwithstanding the significant unavoidable cost increases of 13% and revenue growth limited to 4.2% the University achieved a virtual balance in its current account for the year. This was achieved through the implementation of a range of cut backs across a wide range of University expenditure headings and thereby limiting expenditure to €76.54 million compared to €73.33 million in the previous year – representing an increase of 4.4%. The impact of these cut backs of 9.6% enforced during the year would if they remained unaddressed seriously undermine the University's ability to maintain both the quality of academic programmes and its long-term financial sustainability.

**3 RESEARCH INCOME**

Research income increased from €3.68 million to €7.91 million during the year – a very satisfactory out-turn. This increase of over 30% reflects the endeavours of large number of academic staff who have championed a range of research initiatives and who have successfully generated additional research income from a variety of state and non-state sources. The University has been particularly effective in its interaction with Science Foundation Ireland (SFI). During the year through a demanding competitive process the University has recorded major success in SFI funding allocation.

**4 CAPITAL PROGRAMME**

University capital expenditure amounted to €23.5 million during the year. This investment is a sub-set of the 2002-2008 development programme presently being implemented on the campus. The range of projects provided for in this development programme and of particular significance to the advancement of the University were progressed included the Health Science Building, Engineering Research Building, Millstream Courtyard Complex, Thomond Village and the University Bridge.

REPORT OF VICE-PRESIDENT, ADMINISTRATION & SECRETARY

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**4 CAPITAL PROGRAMME (continued)**

The University Bridge, the first vehicular bridge to be built across the River Shannon between the counties of Limerick and Clare in almost three centuries, was completed during the year. This bridge integrates the newly acquired North Bank Campus in Co Clare along the right bank of the River Shannon with the existing South Bank Campus on the left bank of the River and makes the majestic River Shannon a central unifying focal point of the expanded campus rather than a boundary line as previously was the situation. The 150-metre bridge crossing is achieved in four spans with separate vehicular and pedestrian and cycle decks. Constructed at a cost of €13 million, this essential infrastructural link facilitates access to a range of new buildings and facilities, such as the Health Sciences Building, student accommodation complex and the planned Irish World Performing Arts Village.

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. The University is particularly indebted in this regard to the funding support it receives from generous donors through its Foundation.

**5 CONCLUSION**

The Statement of Accounts for the year while appearing satisfactory in financial terms, in operational and strategic planning terms gives rise to concern. The continued advancement of the University and the achievement of the targets set in its Strategic Plan are not realisable without changes in its current funding levels. The difficulties in this regard which have been experienced in the year under review are being further worsened by the decision of Government to limit the core state grant increase in 2005 to 2.9% notwithstanding that unavoidable pay costs are increasing by 7.9%. It had always been the practice for the State in determining the core state grant level from year to year to take due account of national pay awards. In 2004 and 2005 this practice has been abandoned. The further cut on current funding in 2005 will give rise to significant expenditure cut backs in the coming year.

Notwithstanding the difficult financial environment the University's strategic development plan has been further progressed during the year. These achievements would not have been possible without the commitment and dedication of University personnel, both faculty and support staff, and their contributions should be widely acknowledged and applauded.

**John O'Connor**  
**Vice President Administration & Secretary**  
**21 February 2005**

STATEMENT OF RESPONSIBILITIES

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**Statement of Responsibilities**

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

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

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

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

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

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

On behalf of the University

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President

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Vice-President, Administration & Secretary

STATEMENT OF ACCOUNTING POLICIES

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**1. Financial Statements**

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

**2. Accounting Convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings. They are presented in accordance with the existing Harmonisation of Financial Accounts Agreement as adopted by all Irish Universities. A review of the Harmonisation Agreement by the universities in consultation with the Higher Education Authority and the Comptroller and Auditor General, is nearing completion and will result in a new agreed harmonisation format. The Financial Statements for the year ended 30 September 2004 and subsequent years will also be prepared in the new format on a consolidated basis and in accordance with the generally accepted accounting principles in Ireland and the U.K.

**3. State Grants for Recurrent Expenditure**

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

**4. Grants for Capital Expenditure**

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

**5. Fee Income**

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

**6. Other Income**

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

**7. Approved Allocations**

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

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

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

STATEMENT OF ACCOUNTING POLICIES - / Continued

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**8. Fixed Assets and Depreciation**

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

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

Equipment, Fixtures and Fittings are stated at cost less accumulated depreciation.

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

Buildings	50 years
Equipment and Furniture	10 years
Computer Equipment	3 years
Leased Assets	20 years or 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.

**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.

STATEMENT OF ACCOUNTING POLICIES - / Continued

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**13. Stocks**

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

**14. Pensions**

Superannuation benefits are conferred by The National Institute for Higher Education, Limerick Superannuation Scheme 1982 and the Spouses' and Children's Pension Scheme 1986 which are approved under the University of Limerick Acts, 1980 and 1989. The schemes, which provide for defined benefits, are non-funded and benefits are met from current revenue as they arise. Accordingly, the financial statements do not provide for the University's liability in respect of contributions made by members of the scheme or its actuarial superannuation liability to the members of the scheme. The disclosure requirements of the recently issued accounting standard FRS 17 'Retirement Benefits' have not been adopted in these financial statements which are presented in accordance with the 'Harmonisation of Accounts format as adopted by all Irish universities. FRS 17 has implications for the Public Sector generally which are currently being considered. The implications of FRS 17 in relation to Irish universities will be addressed in the forthcoming review of the 'Harmonisation of Accounts' format.

**15. Foreign Currency**

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

**16. Taxation**

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

**17. Ancillary Services**

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

**18. Restricted Reserves**

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

**19. Mary Immaculate College**

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

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**UNIVERSITY OF LIMERICK**

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**CURRENT INCOME AND EXPENDITURE ACCOUNT****YEAR ENDED 30 SEPTEMBER**

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<b>INCOME</b>	<b>NOTES</b>	<b>2004 €000</b>	<b>2003 €000</b>
State Grants	1	37,784	37,395
Student Fees	2	35,736	33,133
Other Income	3	3,012	2,893
		<u>76,532</u>	<u>73,421</u>
Contract Research and Other Self-Funded Programmes	4	26,290	21,022
		<u>102,822</u>	<u>94,443</u>
Mary Immaculate College			
State Grants		9,109	8,015
Student Fees		5,646	4,968
		<u>(14,755)</u>	<u>(12,983)</u>
<b>Total</b>		<b><u>102,822</u></b>	<b><u>94,443</u></b>
<b>EXPENDITURE</b>			
Colleges and Departments	5	43,267	41,583
Academic and Other Services	6	8,787	8,225
Premises	7	9,243	9,164
Amount allocated for Capital Purposes	8	2,133	1,831
Central Administration and Services	9	6,697	6,394
General Educational Expenditure	10	1,561	1,315
Student Services	11	2,287	2,066
Miscellaneous Expenditure	12	2,562	2,749
		<u>76,537</u>	<u>73,326</u>
Contract Research and Other Self-Funded Programmes	4	26,290	21,022
		<u>102,827</u>	<u>94,349</u>
<b>(Deficit)/Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets</b>		<b>(5)</b>	<b>95</b>
Surplus/(Deficit) on Ancillary Services	14	251	(51)
Depreciation of Fixed Assets	15	(7,756)	(7,452)
General Reserve Movement	16	7,505	7,503
		<u>(5)</u>	<u>95</u>
<b>NET (DEFICIT)/SURPLUS for year</b>	24	<b>(5)</b>	<b>95</b>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 form part of these Financial Statements.

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President  
Secretary

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Vice-President, Administration &



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**UNIVERSITY OF LIMERICK**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES      YEAR ENDED 30 SEPTEMBER**

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	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
(DEFICIT)/SURPLUS for year	(5)	95
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to year</b>	<b>(5)</b>	<b>95</b>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 form part of these Financial Statements.

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President  
Secretary

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Vice-President, Administration &

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**UNIVERSITY OF LIMERICK**

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

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	NOTES	2004 €000	2003 €000
<b>TANGIBLE FIXED ASSETS</b>	17	<u>259,918</u>	<u>244,041</u>
<b>INVESTMENTS</b>	18	<u>21,563</u>	<u>20,962</u>
<b>CURRENT ASSETS</b>			
Bank Balances and Cash		16,276	17,368
Debtors and Prepayments	19	6,982	4,871
Stocks		<u>39</u>	<u>54</u>
		23,297	22,293
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	(35,319)	(28,309)
		<u>          </u>	<u>          </u>
<b>NET CURRENT LIABILITIES</b>		<u>(12,022)</u>	<u>(6,016)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	27	<u>(267)</u>	<u>(65)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>269,192</u></u>	<u><u>258,922</u></u>
<b>REPRESENTED BY</b>			
		<b>€000</b>	<b>€000</b>
General Reserve	22	245,824	234,460
Restricted Reserves	23	22,776	23,865
Revenue Reserve	24	<u>592</u>	<u>597</u>
		<u><u>269,192</u></u>	<u><u>258,922</u></u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 34 form part of these Financial Statements.

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President

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Vice-President, Administration & Secretary

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**UNIVERSITY OF LIMERICK**

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**CASH FLOW STATEMENT****YEAR ENDED 30 SEPTEMBER**

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	NOTES	2004	2003
		€000	€000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>	2,987	1,723
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest Received (Net)		685	792
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire Tangible Fixed Assets		(23,778)	(9,860)
Receipts from Sale of Tangible Fixed Assets		5	6
<b>NET CASH (OUTFLOW) BEFORE FINANCING</b>		<u>(20,101)</u>	<u>(7,339)</u>
<b>FINANCING</b>			
HEA Capital Grants		5,589	2,241
Non HEA Capital Receipts		13,420	7,157
<b>CASH INFLOW FROM FINANCING</b>		<u>19,009</u>	<u>9,398</u>
<b>NET CASH (OUTFLOW)/INFLOW AFTER FINANCING</b>		<u>(1,092)</u>	<u>2,059</u>
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>26</b>	<u>(1,092)</u>	<u>2,059</u>

The Statement of Accounting Policies and Notes 1 to 34 form part of these Financial Statements.

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President

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Vice-President, Administration & Secretary

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**UNIVERSITY OF LIMERICK**

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**NOTES TO THE FINANCIAL STATEMENTS**

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<b>NOTE 1</b>	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>STATE GRANTS</b>		
Recurrent Grant	34,897	35,002
Targeted Funding for Special Initiatives	2,792	2,298
Minor Works	95	95
	<hr/>	<hr/>
<b>Total</b>	<b><u>37,784</u></b>	<b><u>37,395</u></b>
<b>NOTE 2</b>		
	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>STUDENT FEES</b>		
Student Fees	35,085	32,520
Miscellaneous Fee Income	651	613
	<hr/>	<hr/>
<b>Total</b>	<b><u>35,736</u></b>	<b><u>33,133</u></b>
<b>NOTE 3</b>		
	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>OTHER INCOME</b>		
Interest Receivable (Net)	685	792
Funded Posts	141	374
Contract Research and Other Self-Funded Programmes	661	613
Contributions		
Non-EU Fees	1,466	1,042
Miscellaneous Income	59	72
	<hr/>	<hr/>
<b>Total</b>	<b><u>3,012</u></b>	<b><u>2,893</u></b>
<b>NOTE 4</b>		
	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>CONTRACT RESEARCH AND OTHER SELF-FUNDED PROGRAMMES</b>		
Contract Research Programmes	17,907	13,681
Other Self-Funded Programmes	8,383	7,341
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<b>Total</b>	<b><u>26,290</u></b>	<b><u>21,022</u></b>

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 5	Pay Costs €000	Non Pay €000	2004 €000	2003 €000
<b>COLLEGES AND DEPARTMENTS</b>				
Academic	30,491	-	30,491	28,740
Technical	2,855	-	2,855	2,934
Administrative Support	3,054	-	3,054	2,992
Materials and Expenses	-	6,787	6,787	6,876
Miscellaneous	-	80	80	41
<b>Total</b>	<b>36,400</b>	<b>6,867</b>	<b>43,267</b>	<b>41,583</b>
<b>NOTE 6</b>				
	Pay Costs €000	Non Pay €000	2004 €000	2003 €000
<b>ACADEMIC AND OTHER SERVICES</b>				
Library	1,904	1,807	3,711	3,533
Information Technology	1,974	1,103	3,077	2,871
Cooperative Education and Careers Division	928	1,071	1,999	1,821
<b>Total</b>	<b>4,806</b>	<b>3,981</b>	<b>8,787</b>	<b>8,225</b>
<b>NOTE 7</b>				
	Pay Costs €000	Non Pay €000	2004 €000	2003 €000
<b>PREMISES</b>				
Premises Maintenance	1,292	2,834	4,126	4,033
General Services	69	2,893	2,962	2,951
Minor Works	-	173	173	233
Insurance	-	561	561	502
Energy Costs	-	1,421	1,421	1,444
<b>Total</b>	<b>1,361</b>	<b>7,882</b>	<b>9,243</b>	<b>9,164</b>
<b>NOTE 8</b>				
	Pay Costs €000	Non Pay €000	2004 €000	2003 €000
<b>AMOUNT ALLOCATED FOR CAPITAL PURPOSES</b>				
Capital Projects	-	1,491	1,491	1,351
Equipment	-	642	642	479
<b>Total</b>	<b>-</b>	<b>2,133</b>	<b>2,133</b>	<b>1,831</b>

## NOTES TO THE FINANCIAL STATEMENTS-/Continued

<b>NOTE 9</b>	<b>Pay Costs €000</b>	<b>Non Pay €000</b>	<b>2004 €000</b>	<b>2003 €000</b>
<b>CENTRAL ADMINISTRATION AND SERVICES</b>				
Staff	4,505	-	4,505	4,137
Materials and Services	-	1,858	1,858	1,813
Professional Charges	-	12	12	19
Miscellaneous	56	266	322	426
<b>Total</b>	<b>4,561</b>	<b>2,136</b>	<b>6,697</b>	<b>6,394</b>
<b>NOTE 10</b>				
	<b>Pay Costs €000</b>	<b>Non Pay €000</b>	<b>2004 €000</b>	<b>2003 €000</b>
<b>GENERAL EDUCATIONAL EXPENDITURE</b>				
Examination Expenses	222	301	523	494
Scholarships/ Grants/ Waivers	-	359	359	226
Miscellaneous Expenses	123	556	679	595
<b>Total</b>	<b>345</b>	<b>1,216</b>	<b>1,561</b>	<b>1,315</b>
<b>NOTE 11</b>				
	<b>Pay Costs €000</b>	<b>Non Pay €000</b>	<b>2004 €000</b>	<b>2003 €000</b>
<b>STUDENT SERVICES</b>				
Capitation and Other Grants	-	705	705	681
Sports and Recreation	371	169	540	493
Health and Counselling	518	40	558	489
Student Personnel Services	265	219	484	403
<b>Total</b>	<b>1,154</b>	<b>1,133</b>	<b>2,287</b>	<b>2,066</b>
<b>NOTE 12</b>				
	<b>Pay Costs €000</b>	<b>Non Pay €000</b>	<b>2004 €000</b>	<b>2003 €000</b>
<b>MISCELLANEOUS EXPENDITURE</b>				
Pensions	2,562	-	2,562	2,749
<b>Total</b>	<b>2,562</b>	<b>-</b>	<b>2,562</b>	<b>2,749</b>
<b>NOTE 13</b>				
	<b>Pay Costs €000</b>	<b>Non Pay €000</b>	<b>2004 €000</b>	<b>2003 €000</b>
<b>COMPOSITION OF TOTAL EXPENDITURE</b>				
Academic and Related Services	51,191	25,346	76,537	73,327
Contract Research and Other	9,393	16,897	26,290	21,022
Self-funded Programmes				
<b>Total Expenditure</b>	<b>60,584</b>	<b>42,243</b>	<b>102,827</b>	<b>94,349</b>

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 14	Income	Expenditure	2004 Surplus / (Deficit) €000	2003 Surplus / (Deficit) €000
<b>ANCILLARY SERVICES</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Reprographic Services	260	(342)	(82)	165
National Coaching and Training Centre	1,788	(1,439)	349	(205)
Killaloe Activity Centre	460	(476)	(16)	(11)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Movement on Ancillary Services</b>	<b><u>2,508</u></b>	<b><u>(2,257)</u></b>	<b><u>251</u></b>	<b><u>(51)</u></b>
<b>NOTE 15</b>			<b>2004</b>	<b>2003</b>
<b>DEPRECIATION OF FIXED ASSETS</b>			<b>€000</b>	<b>€000</b>
Land and Buildings			5,058	4,639
Equipment			2,540	2,719
Leased Assets			158	94
			<hr/>	<hr/>
<b>Total</b>			<b><u>7,756</u></b>	<b><u>7,452</u></b>
<b>NOTE 16</b>			<b>2004</b>	<b>2003</b>
<b>GENERAL RESERVE MOVEMENT</b>			<b>€000</b>	<b>€000</b>
Amortisation in line with Depreciation (Surplus)/Deficit of Ancillary Services to General Reserve Account			7,756 (251)	7,452 51
			<hr/>	<hr/>
<b>Total</b>			<b><u>7,505</u></b>	<b><u>7,503</u></b>

## NOTES TO THE FINANCIAL STATEMENTS -/Continued

NOTE 17	Land and Buildings €000	Equipment €000	Leased Assets €000	2004 Total €000
<b>Tangible Fixed Assets</b>				
<b>Cost / Valuation At 30 September 2003</b>				
Valuation	190,308	-	-	190,308
Cost	66,388	28,875	1,333	96,596
	<u>256,696</u>	<u>28,875</u>	<u>1,333</u>	<u>286,904</u>
<b>Additions:</b>				
Additions	20,721	2,614	443	23,778
Disposals	-	(4,823)	(295)	(5,118)
	<u>20,721</u>	<u>(2,209)</u>	<u>148</u>	<u>18,660</u>
<b>Cost/Valuation At 30 September 2004</b>				
Valuation	190,308	-	-	190,308
Cost	87,109	26,666	1,481	115,256
	<u>277,417</u>	<u>26,666</u>	<u>1,481</u>	<u>305,564</u>
<b>Depreciation</b>				
<b>At 30 September 2003</b>	(21,187)	(20,467)	(1,209)	(42,863)
Disposals	-	4,678	295	4,973
Depreciation for Year	(5,058)	(2,540)	(158)	(7,756)
	<u>(26,245)</u>	<u>(18,329)</u>	<u>(1,072)</u>	<u>(45,646)</u>
<b>At 30 September 2004</b>	<u>(26,245)</u>	<u>(18,329)</u>	<u>(1,072)</u>	<u>(45,646)</u>
<b>Net Book Value 2003</b>	<u>235,509</u>	<u>8,408</u>	<u>124</u>	<u>244,041</u>
<b>Net Book Value 2004</b>	<u>251,172</u>	<u>8,337</u>	<u>409</u>	<u>259,918</u>



NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 18	2004 €000	2003 €000
<b>INVESTMENTS</b>		
	<u>21,563</u>	<u>20,962</u>
<b>Total</b>	<u><b>21,563</b></u>	<u><b>20,962</b></u>

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	2004 €000	2003 €000
<b>DEBTORS AND PREPAYMENTS</b>		
Contract Research & Other Self-Funded Programmes	(940)	(951)
Debtor Balances	1,600	1,871
Other Debtors and Prepayments	6,322	3,951
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>6,982</b></u>	<u><b>4,871</b></u>

NOTE 20	2004 €000	2003 €000
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**CAPITAL INCOME AND CAPITAL EXPENDITURE**

**INCOME**

Grant from Higher Education Authority	5,589	2,241
Grants from Private Donors	6,928	2,750
Capital Income - Other Sources	4,359	2,576
Transfer from Current Income and Expenditure Account	2,133	1,831
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>19,009</b></u>	<u><b>9,398</b></u>

**EXPENDITURE**

Land/Buildings	20,721	7,339
Equipment	2,614	2,367
Capital Value of Lease Payments	173	83
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>23,508</b></u>	<u><b>9,789</b></u>

<b>Deficit for year</b>	(4,499)	(391)
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<b>Deficit at beginning of year</b>	(9,079)	(8,688)
	<u>          </u>	<u>          </u>

<b>Deficit at end of year</b>	<u><b>(13,578)</b></u>	<u><b>(9,079)</b></u>
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NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 21	2004 €000	2003 €000
<b>CREDITORS AND ACCRUED EXPENDITURE</b>		
Contract Research & Other Self-Funded Programmes	9,582	7,620
State Grants for Recurrent Expenditure received in advance	9,126	5,645
Academic Fees received in advance	7,047	6,233
Lease Obligations	148	80
Other Creditors and Accruals	9,416	8,731
<b>Total</b>	<b>35,319</b>	<b>28,309</b>

Included in Creditors at 30 September 2004 is an amount €1.120m (2003: €1.232m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2003 Opening Balance €000	Current Year Movement €000	2004 Closing Balance €000
<b>GENERAL RESERVE</b>			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	7,155	738	7,893
State Capital Grants	57,824	5,589	63,413
Recurrent Funding Transfer	26,248	2,133	28,381
Capital Donations	44,857	6,928	51,785
Other	(16,088)	(1,241)	(17,329)
	<b>277,324</b>	<b>14,147</b>	<b>291,471</b>
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(63,238)	(7,756)	(70,994)
Less Accumulated Amortisation on Disposals	18,034	4,973	23,007
<b>Total</b>	<b>234,460</b>	<b>11,364</b>	<b>245,824</b>

NOTE 23	2004 €000	2003 €000
<b>RESTRICTED RESERVES</b>		
Balance at beginning of year	23,865	22,102
Student Levies Interest and Other Income (Net)	(1,089)	1,763
<b>Balance at end of year</b>	<b>22,776</b>	<b>23,865</b>

These funds comprise monies allocated by the University to fund a range of capital developments including a Multi-Purpose Sports Building and a Student Centre.

NOTES TO THE FINANCIAL STATEMENTS-/Continued

NOTE 24	2004 €000	2003 €000
<b>REVENUE RESERVE</b>		
Balance at beginning of year	597	502
(Deficit)/Surplus for the year	(5)	95
	<u>592</u>	<u>597</u>
<b>Balance at end of year</b>	<b><u>592</u></b>	<b><u>597</u></b>

NOTE 25	2004 €000	2003 €000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(Deficit)/Surplus for the year	(5)	95
Less Interest Received (Net)	(685)	(792)
	<u>7,756</u>	<u>7,452</u>
Depreciation of Fixed Assets	7,756	7,452
Amortisation of General Reserves	(7,756)	(7,452)
Surplus/(Deficit) in Ancillary Services	251	(51)
	<u>(601)</u>	<u>(524)</u>
Increase in Investments	(601)	(524)
(Increase)/Decrease in Debtors and Prepayments	(2,111)	318
Decrease/(Increase) in Stock	15	(15)
Increase in Creditors and Accruals	7,010	908
Increase in Long Term Liabilities	202	21
(Decrease)/Increase in Restricted Reserves	(1,089)	1,763
	<u>2,987</u>	<u>1,723</u>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b><u>2,987</u></b>	<b><u>1,723</u></b>

NOTE 26	At 30 September 2003	Cash Flow	At 30 September 2004
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
	€000	€000	€000
Cash	17,368	(1,092)	16,276
Finance Leases	145	270	415
	<u>17,513</u>	<u>(822)</u>	<u>16,691</u>
<b>Total</b>	<b><u>17,513</u></b>	<b><u>(822)</u></b>	<b><u>16,691</u></b>

NOTE 27	2004 €000	2003 €000
<b>FINANCE LEASES</b>		
Amounts due within one year (Note 21)	148	80
Amounts due after more than one year	267	65
	<u>415</u>	<u>145</u>
<b>Total</b>	<b><u>415</u></b>	<b><u>145</u></b>

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

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<b>NOTE 28</b>	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance at beginning of year	17,368	15,309
Net Cash (outflow)/inflow	(1,092)	2,059
	<hr/>	<hr/>
<b>Balance at end of year</b>	<b><u>16,276</u></b>	<b><u>17,368</u></b>

**NOTE 29****PENSION**

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €2.232m (2003: €2.110m) and benefits are met from current revenue as they arise). Pensions paid in the year and included in miscellaneous expenditure amounted to €2.562m (2003: €2.748m).

	amount	amount
<b>NOTE 30</b>	<b>2004</b>	<b>2003</b>
	<b>€000</b>	<b>€000</b>
<b>CAPITAL COMMITMENTS</b>		
Contracted at 30 September	<u>28,918</u>	<u>39,432</u>
Authorised but not contracted at 30 September	<u>-</u>	<u>-</u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €7.26m within the period of 8-10 years.

**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 €17,268,248 in the year (2003: €6,818,318) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €1,706,667 (2003: €1,145,848) was outstanding in respect of such contract work.

**NOTE 34**

**APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved on 21st February 2005.

**REPORT OF THE INDEPENDENT MANAGEMENT AUDITORS**

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

We have audited the Financial Statements on pages 4 to 20.

**Respective responsibilities of the University and the Auditors**

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

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

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

**Basis of opinion**

We conducted our audit of the Financial Statements for the year ended 30 September 2004 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 2004 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**

**21 February 2005**

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**UNIVERSITY OF LIMERICK**


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**FIVE YEAR SUMMARY - EXPENDITURE**


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	<b>1999/00</b>	<b>%</b>	<b>2000/01</b>	<b>%</b>	<b>2001/02</b>	<b>%</b>	<b>2002/03</b>	<b>%</b>	<b>2003/04</b>	<b>%</b>
	<b>€000</b>		<b>€000</b>		<b>€000</b>		<b>€000</b>		<b>€000</b>	
Colleges and Departments	28,175	43	32,332	45	37,065	44	41,583	44	43,267	42
Contract Research Projects	8,176	12	8,082	11	11,384	13	13,681	14	17,907	17
Other Self-Funded Projects	5,393	8	5,183	7	7,763	9	7,341	8	8,383	8
Academic and Other Services	6,726	10	7,284	10	7,971	10	8,225	9	8,787	9
Premises	6,998	11	7,452	10	8,193	10	9,164	10	9,243	9
Central Administration and Services	4,055	6	5,255	8	6,015	7	6,394	7	6,697	7
General Educational Expenditure	736	1	990	1	1,037	1	1,315	1	1,561	2
Student Services	1,812	3	1,901	3	2,084	2	2,066	2	2,287	2
Miscellaneous Expenditure	1,328	2	1,234	2	1,861	2	2,749	3	2,562	2
Amount Allocated for Capital Purposes	2,343	4	2,428	3	1,839	2	1,831	2	2,133	2
<b>Total</b>	<b><u>65,742</u></b>	<b><u>100</u></b>	<b><u>72,141</u></b>	<b><u>100</u></b>	<b><u>85,211</u></b>	<b><u>100</u></b>	<b><u>94,349</u></b>	<b><u>100</u></b>	<b><u>102,827</u></b>	<b><u>100</u></b>

The 5 year summary is exclusive of expenditure incurred by Mary Immaculate College of Education and also of the University's annual contribution to depreciation.