

**FINANCIAL REPORT  
YEAR ENDED 30 SEPTEMBER 2002**

## 1 INTRODUCTION

The financial statements for the year under review have been prepared in accordance with an agreed harmonised format jointly developed by the universities, the Higher Education Authority and the Comptroller and Auditor General in 1997. This is the final year that this format will be used. A new harmonised format is in the process of being developed for next year (2002/03). This new format will include consolidation of all University activity in accordance with generally accepted accounting principles.

## 2 RECURRENT INCOME

For the financial year ended 30 September (excluding revenue in respect of research and self funding programmes) income increased from €58.96 million to €65.97 million representing a growth of 11.9%.

State grant increased from €28.98 million to €34.19 million representing a growth of 17.9% while student fee income increased from €27.25 million to €28.81 million representing a growth of 5.73%.

State grant funding now represents 51.8% of total recurrent income compared to 49.2% in the previous year while funding from student fees represents 43.7% of recurrent income compared to 46.2% in the previous year. This adjustment in the proportion of funding being generated from the two main sources of recurrent income has arisen due to rate of fee increase not keeping pace with the rate of general cost increase in 2001/02 and as a consequence state grant having to fund a higher share of total recurrent expenditure.

Revenue generated from non-state sources increased from €2.73 million to €2.97 million, a growth of 8.8%. This is very satisfactory especially considering that a significant proportion of this income was generated from deposit interest earned when rates were at an historic low level.

## 3 RECURRENT EXPENDITURE

Recurrent expenditure increased from €58.88 million to €66.10 million during the year representing an increase of 12.2%. Pay as a proportion of total expenditure increased further during the year and now is at 65.2%. This trend is of concern and reflects the increase in financial inflexibility being experienced by the University. The distribution of expenditure across operation areas is broadly in line with the experience of previous years.

## 4 CONTRACT RESEARCH AND OTHER SELF-FUNDED PROGRAMMES

Contract research income increased from €8.08 million to €11.38 million representing a growth of 40.85%. This is a very satisfactory outcome and reflects the University's success in implementing its research strategy. The research funding provided in the National Development Plan 2000-2006 has made a major contribution in the University's achievement in research funding during the year.

**5 CAPITAL PROGRAMME**

The University spent €13.3 million on buildings and €3.2 million on equipment during the year. This investment is sub-set of the 2001-2006 physical development programme presently being implemented on the campus. During the year the Material Surface Science Institute building was one of the projects completed and commissioned. This specialised research facility enables the University to advance its capability and its international standing in material surface science research.

Also completed during the year were the National 50m Swimming Pool and the University Sports Arena. These facilities add to the further development of teaching and research programmes in physical education and in sports science. The facilities also support the students' recreation and sports programme as well as providing a support service to elite athletes across a wide range of sports.

**6 CONCLUSION**

The financial outturn for the year under review has been satisfactory and in line with the preset budgetary targets. The continued advancement in the University's academic strategy and physical development infrastructure has been maintained despite some funding difficulties and challenges. 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**  
**9 May 2003**

**STATEMENT OF RESPONSIBILITIES**

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**Statement of Responsibilities**

The University is required to comply with the Universities Act 1997, and to keep in such form as may be approved of by An t-Údarás um Ard Oideachas 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 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 departures from applicable accounting standards;

The University is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enables it to ensure that its financial statements comply with the Universities Act 1997. 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.

The Financial Report has been prepared in accordance with the terms of the foregoing statement of responsibilities and has 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 2003 and subsequent years will 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.

UNIVERSITY OF LIMERICK

CURRENT INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER

INCOME	NOTES	2002 €'000	2001 €'000
State Grants	1	34,194	28,981
Student Fees	2	28,808	27,246
Other Income	3	2,970	2,730
		<u>65,972</u>	<u>58,957</u>
Contract Research and Other Self-Funded Programmes	4	19,147	13,265
		<u>85,119</u>	<u>72,222</u>
Mary Immaculate College			
State Grants		8,902	7,564
Student Fees		4,627	4,079
		<u>(13,529)</u>	<u>(11,643)</u>
<b>Total</b>		<b><u>85,119</u></b>	<b><u>72,222</u></b>
<b>EXPENDITURE</b>			
Colleges and Departments	5	36,974	32,332
Academic and Other Services	6	7,971	7,284
Premises	7	8,192	7,452
Amount allocated for Capital Purposes	8	1,839	2,428
Central Administration and Services	9	6,106	5,255
General Educational Expenditure	10	1,037	990
Student Services	11	2,084	1,901
Miscellaneous Expenditure	12	1,861	1,234
		<u>66,064</u>	<u>58,876</u>
Contract Research and Other Self-Funded Programmes	4	19,147	13,265
		<u>85,211</u>	<u>72,141</u>
<b>(Deficit)/Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets</b>		<b>(92)</b>	<b>81</b>
Surplus/(Deficit) on Ancillary Services	14	349	(223)
Depreciation of Fixed Assets	15	(7,697)	(7,628)
General Reserve Movement	16	7,348	7,851
		<u>(92)</u>	<u>81</u>
<b>NET (DEFICIT)/SURPLUS for year</b>	24	<b><u>(92)</u></b>	<b><u>81</u></b>

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

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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>2002</b>	<b>2001</b>
	<b>€'000</b>	<b>€'000</b>
(DEFICIT)/SURPLUS for year	(92)	81
	<hr/>	<hr/>
<b>Total recognised losses and gains relating to year</b>	<b><u>(92)</u></b>	<b><u>81</u></b>

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

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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	2002 €'000	2001 €'000
<b>TANGIBLE FIXED ASSETS</b>	17	<u>241,691</u>	<u>232,797</u>
<b>INVESTMENTS</b>	18	<u>20,438</u>	<u>13,273</u>
<b>CURRENT ASSETS</b>			
Bank Balances and Cash		15,309	13,100
Debtors and Prepayments	19	5,189	3,392
Stocks		<u>39</u>	<u>43</u>
		20,537	16,535
<b>CURRENT LIABILITIES</b>			
Creditors and Accrued Expenditure	21	<u>(27,401)</u>	<u>(20,490)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(6,864)</u>	<u>(3,955)</u>
<b>LONG TERM LIABILITIES</b>			
Creditors due after one year	27	<u>(44)</u>	<u>(40)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>255,221</b></u>	<u><b>242,075</b></u>
<b>REPRESENTED BY</b>		<b>€'000</b>	<b>€'000</b>
General Reserve	22	232,617	224,876
Restricted Reserves	23	22,102	16,605
Revenue Reserve	24	<u>502</u>	<u>594</u>
		<u><b>255,221</b></u>	<u><b>242,075</b></u>

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

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President

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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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	<b>NOTES</b>	<b>2002 €'000</b>	<b>2001 €'000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>25</b>	2,860	5,241
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest Received (Net)		851	1,302
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire Tangible Fixed Assets		(16,598)	(13,322)
Receipts from Sale of Tangible Fixed Assets		1	-
<b>NET CASH (OUTFLOW) BEFORE FINANCING</b>		<u>(12,886)</u>	<u>(6,779)</u>
<b>FINANCING</b>			
HEA Capital Grants		2,472	2,705
Non HEA Capital Receipts		12,623	12,628
<b>CASH INFLOW FROM FINANCING</b>		<u>15,095</u>	<u>15,333</u>
<b>NET CASH INFLOW AFTER FINANCING</b>		<u>2,209</u>	<u>8,554</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>26</b>	<u>2,209</u>	<u>8,554</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

NOTES TO THE FINANCIAL STATEMENTS

<b>NOTE 1</b>	<b>2002</b>	<b>2001</b>
	<b>€'000</b>	<b>€'000</b>
<b>STATE GRANTS</b>		
Recurrent Grant	31,337	26,089
Targeted Funding for Special Initiatives	2,762	2,797
Minor Works	95	95
<b>Total</b>	<b><u>34,194</u></b>	<b><u>28,981</u></b>
<b>NOTE 2</b>	<b>2002</b>	<b>2001</b>
	<b>€'000</b>	<b>€'000</b>
<b>STUDENT FEES</b>		
Student Fees	28,598	27,042
Miscellaneous Fee Income	210	204
<b>Total</b>	<b><u>28,808</u></b>	<b><u>27,246</u></b>
<b>NOTE 3</b>	<b>2002</b>	<b>2001</b>
	<b>€'000</b>	<b>€'000</b>
<b>OTHER INCOME</b>		
Interest Receivable (Net)	851	1,302
Funded Posts	533	389
Contract Research and Other Self-Funded Programmes	608	462
Contributions		
Non-EU Fees	892	431
Miscellaneous Income	86	146
<b>Total</b>	<b><u>2,970</u></b>	<b><u>2,730</u></b>
<b>NOTE 4</b>	<b>2002</b>	<b>2001</b>
	<b>€'000</b>	<b>€'000</b>
<b>CONTRACT RESEARCH AND OTHER SELF-FUNDED PROGRAMMES</b>		
Contract Research Programmes	11,384	8,082
Other Self-Funded Programmes	7,763	5,183
<b>Total</b>	<b><u>19,147</u></b>	<b><u>13,265</u></b>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

<b>NOTE 5</b>	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2002 €'000</b>	<b>2001 €'000</b>
<b>COLLEGES AND DEPARTMENTS</b>				
Academic	25,385	-	25,385	22,157
Technical	2,436	-	2,436	2,254
Administrative Support	2,565	-	2,565	2,171
Materials and Expenses	66	6,490	6,556	5,707
Miscellaneous	-	32	32	43
<b>Total</b>	<b><u>30,452</u></b>	<b><u>6,522</u></b>	<b><u>36,974</u></b>	<b><u>32,332</u></b>
<b>NOTE 6</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2002 €'000</b>	<b>2001 €'000</b>
<b>ACADEMIC AND OTHER SERVICES</b>				
Library and Information Services Division	1,584	1,728	3,312	3,042
Information Technology Division	1,690	1,218	2,908	2,633
Cooperative Education and Careers Division	866	885	1,751	1,609
<b>Total</b>	<b><u>4,140</u></b>	<b><u>3,831</u></b>	<b><u>7,971</u></b>	<b><u>7,284</u></b>
<b>NOTE 7</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2002 €'000</b>	<b>2001 €'000</b>
<b>PREMISES</b>				
Premises Maintenance	1,207	2,417	3,624	3,345
General Services	90	2,746	2,836	2,492
Minor Works	-	126	126	260
Insurance	-	257	257	206
Energy Costs	-	1,349	1,349	1,149
<b>Total</b>	<b><u>1,297</u></b>	<b><u>6,895</u></b>	<b><u>8,192</u></b>	<b><u>7,452</u></b>
<b>NOTE 8</b>				
	<b>Pay Costs €'000</b>	<b>Non Pay €'000</b>	<b>2002 €'000</b>	<b>2001 €'000</b>
<b>AMOUNT ALLOCATED FOR CAPITAL PURPOSES</b>				
Capital Projects	-	1,527	1,527	1,816
Equipment	-	312	312	612
<b>Total</b>	<b><u>-</u></b>	<b><u>1,839</u></b>	<b><u>1,839</u></b>	<b><u>2,428</u></b>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 9	Pay Costs €'000	Non Pay €'000	2002 €'000	2001 €'000
<b>CENTRAL ADMINISTRATION AND SERVICES</b>				
Staff	3,905	-	3,905	3,252
Materials and Services	-	1,948	1,948	1,860
Professional Charges	-	10	10	11
Miscellaneous	16	227	243	132
<b>Total</b>	<b>3,921</b>	<b>2,185</b>	<b>6,106</b>	<b>5,255</b>
<b>NOTE 10</b>				
	Pay Costs €'000	Non Pay €'000	2002 €'000	2001 €'000
<b>GENERAL EDUCATIONAL EXPENDITURE</b>				
Examination Expenses	237	184	421	368
Scholarships/ Grants/ Waivers	-	185	185	207
Miscellaneous Expenses	82	349	431	415
<b>Total</b>	<b>319</b>	<b>718</b>	<b>1,037</b>	<b>990</b>
<b>NOTE 11</b>				
	Pay Costs €'000	Non Pay €'000	2002 €'000	2001 €'000
<b>STUDENT SERVICES</b>				
Capitation and Other Grants	-	627	627	537
Sports and Recreation	411	179	590	593
Health and Counselling	400	55	455	368
Student Personnel Services	260	152	412	403
<b>Total</b>	<b>1,071</b>	<b>1,013</b>	<b>2,084</b>	<b>1,901</b>
<b>NOTE 12</b>				
	Pay Costs €'000	Non Pay €'000	2002 €'000	2001 €'000
<b>MISCELLANEOUS EXPENDITURE</b>				
Pensions	1,861	-	1,861	1,234
<b>Total</b>	<b>1,861</b>	<b>-</b>	<b>1,861</b>	<b>1,234</b>
<b>NOTE 13</b>				
	Pay Costs €'000	Non Pay €'000	2002 €'000	2001 €'000
<b>COMPOSITION OF TOTAL EXPENDITURE</b>				
Academic and Related Services	43,061	23,003	66,064	58,876
Contract Research and Other Self-Funded Programmes	6,419	12,728	19,147	13,265
<b>Total Expenditure</b>	<b>49,480</b>	<b>35,731</b>	<b>85,211</b>	<b>72,141</b>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

			2002	2001
<b>NOTE 14</b>	<b>Income</b>	<b>Expenditure</b>	<b>Surplus / (Deficit)</b>	<b>Surplus / (Deficit)</b>
<b>ANCILLARY SERVICES</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Reprographic Services	242	(160)	82	113
National Coaching and Training Centre	1,540	(1,270)	270	(278)
Killaloe Activity Centre	308	(311)	(3)	(58)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Movement on Ancillary Services</b>	<b><u>2,090</u></b>	<b><u>(1,741)</u></b>	<b><u>349</u></b>	<b><u>(223)</u></b>
<b>NOTE 15</b>			<b>2002</b>	<b>2001</b>
<b>DEPRECIATION OF FIXED ASSETS</b>			<b>€'000</b>	<b>€'000</b>
Land and Buildings			4,489	4,223
Equipment			3,158	3,315
Leased Assets			50	90
			<u>          </u>	<u>          </u>
<b>Total</b>			<b><u>7,697</u></b>	<b><u>7,628</u></b>
<b>NOTE 16</b>			<b>2002</b>	<b>2001</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			7,697	7,628
			(349)	223
			<u>          </u>	<u>          </u>
<b>Total</b>			<b><u>7,348</u></b>	<b><u>7,851</u></b>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 17	Land and Buildings €'000	Equipment €'000	Leased Assets €'000	2002 Total €'000
<b>TANGIBLE FIXED ASSETS</b>				
<b>Cost / Valuation At 30 September 2001</b>				
Valuation	190,308	-	-	190,308
Cost	<u>45,733</u>	<u>26,870</u>	<u>2,785</u>	<u>75,388</u>
	<b>236,041</b>	<b>26,870</b>	<b>2,785</b>	<b>265,696</b>
Additions	13,316	3,218	64	16,598
Disposals	<u>-</u>	<u>(1,911)</u>	<u>(1,413)</u>	<u>(3,324)</u>
	13,316	1,307	(1,349)	13,274
<b>Cost/Valuation At 30 September 2002</b>				
Valuation	190,308	-	-	190,308
Cost	<u>59,049</u>	<u>28,177</u>	<u>1,436</u>	<u>88,662</u>
<b>Total</b>	<b><u>249,357</u></b>	<b><u>28,177</u></b>	<b><u>1,436</u></b>	<b><u>278,970</u></b>
<b>Depreciation At 30 September 2001</b>	(12,059)	(18,105)	(2,735)	(32,899)
Disposals	-	1,904	1,413	3,317
Depreciation for Year	<u>(4,489)</u>	<u>(3,158)</u>	<u>(50)</u>	<u>(7,697)</u>
<b>At 30 September 2002</b>	<b><u>(16,548)</u></b>	<b><u>(19,359)</u></b>	<b><u>(1,372)</u></b>	<b><u>(37,279)</u></b>
<b>Net Book Value 2001</b>	<b><u>223,982</u></b>	<b><u>8,765</u></b>	<b><u>50</u></b>	<b><u>232,797</u></b>
<b>Net Book Value 2002</b>	<b><u>232,809</u></b>	<b><u>8,818</u></b>	<b><u>64</u></b>	<b><u>241,691</u></b>



NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 18	2002 €'000	2001 €'000
<b>INVESTMENTS</b>		
	<u>20,438</u>	<u>13,273</u>
<b>Total</b>	<u><b>20,438</b></u>	<u><b>13,273</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	2002 €'000	2001 €'000
<b>DEBTORS AND PREPAYMENTS</b>		
Contract Research and Other Self-Funded Programmes	(801)	(496)
Debtor Balances	1,644	1,241
Other Debtors and Prepayments	4,346	2,647
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>5,189</b></u>	<u><b>3,392</b></u>

NOTE 20	2002 €'000	2001 €'000
<b>CAPITAL INCOME AND CAPITAL EXPENDITURE</b>		
<b>INCOME</b>		
Grant from Higher Education Authority	2,472	2,705
Grants from Private Donors	8,481	3,315
Capital Income - Other Sources	2,303	6,885
Transfer from Current Income and Expenditure Account	1,839	2,428
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>15,095</b></u>	<u><b>15,333</b></u>

<b>EXPENDITURE</b>		
Land/Buildings	13,316	10,060
Equipment	3,218	3,200
Capital Value of Lease Payments	62	98
	<u>          </u>	<u>          </u>
<b>Total</b>	<u><b>16,596</b></u>	<u><b>13,358</b></u>
<b>(Deficit)/Surplus for year</b>	(1,501)	1,975
<b>Deficit at beginning of year</b>	(7,187)	(9,162)
	<u>          </u>	<u>          </u>
<b>Deficit at end of year</b>	<u><b>(8,688)</b></u>	<u><b>(7,187)</b></u>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 21	2002 €'000	2001 €'000
<b>CREDITORS AND ACCRUED EXPENDITURE</b>		
Contract Research and Other Self-Funded Programmes	6,374	4,773
State Grants for Recurrent Expenditure received in advance	4,303	5,346
Academic Fees received in advance	5,817	4,019
Lease Obligations	46	51
Other Creditors and Accruals	10,861	6,301
<b>Total</b>	<b><u>27,401</u></b>	<b><u>20,490</u></b>

Included in Creditors at 30 September 2002 is an amount €1.425m (2001: €1.650m) accrued in respect of commitments for non-pay expenditure in Academic Departments and Library Services.

NOTE 22	2001 Opening Balance €'000	Current Year Movement €'000	2002 Closing Balance €'000
<b>GENERAL RESERVE</b>			
Valuation -Fixed Assets	157,328	-	157,328
Research Equipment	6,162	507	6,669
State Capital Grants	53,111	2,472	55,583
Recurrent Funding Transfer	22,577	1,839	24,416
Capital Donations	32,194	9,535	41,729
Other	(13,597)	(2,232)	(15,829)
	<b><u>257,775</u></b>	<b><u>12,121</u></b>	<b><u>269,896</u></b>
Amortisation			
Valuation -Fixed Assets	5,221	-	5,221
Research Equipment	(2,881)	-	(2,881)
Amortisation in line with Asset Depreciation	(48,088)	(7,697)	(55,785)
Less Accumulated Amortisation on Disposals	12,849	3,317	16,166
<b>Total</b>	<b><u>224,876</u></b>	<b><u>7,741</u></b>	<b><u>232,617</u></b>

NOTE 23	2002 €'000	2001 €'000
<b>RESTRICTED RESERVES</b>		
Balance at beginning of year	16,605	9,267
Student Levies Interest and Other Income (Net)	5,497	7,338
<b>Balance at end of year</b>	<b><u>22,102</u></b>	<b><u>16,605</u></b>

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

UNIVERSITY OF LIMERICK

NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 24	2002 €'000	2001 €'000
<b>REVENUE RESERVE</b>		
Balance at beginning of year	594	513
(Deficit)/Surplus for the year	(92)	81
<b>Balance at end of year</b>	<b>502</b>	<b>594</b>

NOTE 25	2002 €'000	2001 €'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
(Deficit)/Surplus for the year	(92)	81
Less Interest Received (Net)	(851)	(1,302)
Depreciation of Fixed Assets	7,697	7,628
Amortisation of General Reserves	(7,697)	(7,628)
Surplus/(Deficit) in Ancillary Services	349	(223)
Increase in Investments	(7,165)	(5,060)
(Increase)/Decrease in Debtors and Prepayments	(1,797)	230
Decrease in Stock	4	9
Increase in Creditors and Accruals	6,911	4,163
Increase in Long Term Liabilities	4	5
Increase in Restricted Reserves	5,497	7,338
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>2,860</b>	<b>5,241</b>

NOTE 26 September	At 30 2001 €'000	Cash Flow At 30 September 2002 €'000
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>		
Cash	13,100	15,309
Finance Leases	91	90
<b>Total</b>	<b>13,191</b>	<b>15,399</b>

NOTE 27	2002 €'000	2001 €'000
<b>FINANCE LEASES</b>		
Amounts due within one year (Note 21)	46	51
Amounts due after more than one year	44	40
<b>Total</b>	<b>90</b>	<b>91</b>

NOTES TO THE FINANCIAL STATEMENTS - / Continued

NOTE 28	2002 €'000	2001 €'000
<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>		
Balance at beginning of year	13,100	4,546
Net Cash Inflow	2,209	8,554
	<u>          </u>	<u>          </u>
<b>Balance at end of year</b>	<b><u>15,309</u></b>	<b><u>13,100</u></b>

NOTE 29

PENSIONS

Salaries and wages are charged net of employees' pension contributions (the total of such contributions in the period was €1.911m (2001: €1.678m) and benefits are met from current revenue as they arise). Pensions paid in the year and included in miscellaneous expenditure amounted to €1.861m (2001: €1.234m).

NOTE 30	2002 €'000	2001 €'000
<b>CAPITAL COMMITMENTS</b>		
Contracted at 30 September 2002	<u>44,615</u>	<u>994</u>
Authorised but not contracted at 30 September 2002	<u>          </u>	<u>          </u>

The University has commitments arising on certain buildings financed by tax-based financing in amount of €9.08m 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 Kilmurry 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.

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

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**NOTE 32 - / Continued**

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**

- (a) Plassey Campus Developments Ltd. was the principal contractor associated with other ongoing property development contracts totalling €5,141,650 in the year (2001: €9,671,233) on behalf of the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd. At the balance sheet date €258,853 (2001: €213,884) was outstanding in respect of such contract work.
- (b) Plassey Campus Developments Ltd. was the principal contractor associated with a property development contract totalling €6,598 in the year (2001: €66,688) jointly on behalf of Plassey Trust Company Ltd. and the University of Limerick. Representatives of the University are members of Plassey Campus Centre Ltd., the parent company. At the balance sheet date € Nil (2001: €Nil) was outstanding in respect of such contract work.
- (c) Plassey Trust Company Ltd. had a 50% interest in the LISB facility and its share of the finance was being provided primarily by the way of loan from the University of Limerick Foundation. Its interest in the facility was leased to the University of Limerick, on a commercial basis, commencing on 1 February 1998. The University purchased this interest in the LISB facility during the year ended 30 September 2002.

**NOTE 34**

**APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved on 9 May 2003.

**REPORT OF THE 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 which have been prepared in accordance with the Statement of Accounting Policies set out on pages 4 and 6.

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

The University, as described on page 3 is responsible for preparing the Financial Statements. Our responsibilities, as independent auditors, are established by College statute, the Auditing Practices Board and our profession's ethical guidance.

This report, including the opinion, has been prepared for and only for the members of the Governing Authority of the University as a body in accordance with our appointment. We do not, in giving this opinion, accept or assume the 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 give a true and fair view and are properly prepared in accordance with the most recent Harmonisation of Universities' Accounts 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 on the Financial Statements for the year ended 30 September 2002 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 of information in the Financial Statements.

In accordance with the terms of our engagement, our examination does not constitute an audit under the Universities Act, 1997.

**Opinion**

In our opinion the Financial Statements, which have been properly prepared in accordance with the most recent Harmonisation of Accounts agreement, read in conjunction with the accounting policies, give a true and fair view of the state of the University's affairs as at 30 September 2002 and of its surplus and cash-flows for the year then ended.

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**

**9 May 2003**

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**UNIVERSITY OF LIMERICK**

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**FIVE YEAR SUMMARY - EXPENDITURE**

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	<b>1997/98</b>	<b>%</b>	<b>1998/99</b>	<b>%</b>	<b>1999/00</b>	<b>%</b>	<b>2000/01</b>	<b>%</b>	<b>2001/02</b>	<b>%</b>
	<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>		<b>€'000</b>	
Colleges and Departments	22,364	42	26,682	44	28,175	43	32,332	45	36,974	44
Contract Research Programmes	7,618	14	8,350	14	8,176	12	8,082	11	11,384	13
Other Self-Funded Programmes	2,363	5	4,150	7	5,393	8	5,183	7	7,763	9
Academic and Other Services	6,010	11	6,046	10	6,726	10	7,284	10	7,971	10
Premises	5,254	10	6,532	11	6,998	11	7,452	10	8,192	10
Central Administration and Services	3,541	7	3,987	6	4,055	6	5,255	8	6,106	7
General Educational Expenditure	564	1	663	1	736	1	990	1	1,037	1
Student Services	1,550	3	1,611	3	1,812	3	1,901	3	2,084	2
Miscellaneous Expenditure	767	1	825	1	1,328	2	1,234	2	1,861	2
Amount Allocated for Capital Purposes	3,069	6	1,969	3	2,343	4	2,428	3	1,839	2
Total	<u>53,100</u>	<u>100</u>	<u>60,815</u>	<u>100</u>	<u>65,742</u>	<u>100</u>	<u>72,141</u>	<u>100</u>	<u>85,211</u>	<u>100</u>

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