



Oifig an Ard-Reachtair Cuntas and Ciste
Office of the Comptroller and Auditor General

Dublin Castle,
Dublin 2

Telephone: (01) 6031000 Fax: (01) 6031010
E-Mail: Postmaster@audgen.irigov.ie

Professor Vincent Cunnane,
President,
Institute of Technology Sligo,
Ash Lane,
Sligo

16th December 2014

**Re: Audit of Institute of Technology Sligo
Accounts for the year ended 31 August 2013**

Dear President,

The audit of the Institute for year ended 31 August 2013 has been completed. The C&AG has given a clear opinion on the financial statements.

Please find enclosed for your information a copy of

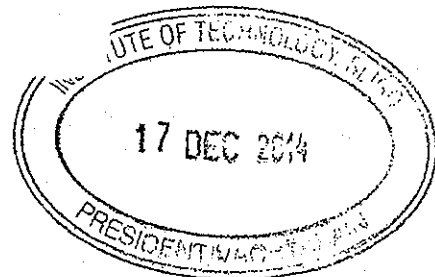
- the Certificate of the Comptroller and Auditor General
- the Annual Financial Statements of the Institute for year ended 31 August 2013

Any other observations arising from the audit have been communicated separately.

I would like to express my appreciation for the co-operation afforded to members of the audit team by your staff throughout the course of the audit.

Yours sincerely,

Brian Hill
Senior Auditor



INSTITUTE OF TECHNOLOGY, SLIGO

FINANCIAL STATEMENTS FOR YEAR ENDED 31ST AUGUST 2013

INSTITUTE OF TECHNOLOGY, SLIGO

Contents

	Page Number
Statement of Institute Responsibilities	2
Statement on Internal Control	3 - 4
Report of the Comptroller and Auditor General	5
Statement of Accounting Policies	6 - 9
Consolidated Income and Expenditure Account	10
Consolidated Balance Sheet	11
Institute Balance Sheet	12
Consolidated Cash Flow Statement	13
Notes to the Financial Statements	14 - 23

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Institute Responsibilities

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

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

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

Chairman Ray Maoharry
Ray Maoharry

Date: 10/12/2014

President Professor V. Cunnane
Professor V. Cunnane

Date: 10/12/2014

INSTITUTE OF TECHNOLOGY, SLIGO

Statement on Internal Control

Responsibility for Internal Controls

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

Explanation of Internal Controls System

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

Key Control Procedures

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

- Clearly defined organisational and management structure with associated policies and procedures.
- A Risk Management Committee which regularly reviews the risk register. Internal Audit Committee and Governing Body receive updates and approve the risk register.
- A Finance Committee which regularly reviews financial information including actual versus budgets with updates provided to the Governing Body.
- An Audit Committee with defined audit charter and clear terms of reference. It meets a number of times a year, to approve the audit strategy, annual audit plan and the outcome of audits undertaken. The minutes of the meetings are formally presented to the Governing Body. An annual report to the Governing Body covering the period from 1/9/2012 to 31/8/2013 was presented to the Governing Body on 21/10/2013 and approved by it.
- The Institute has outsourced the internal audit function. An internal audit strategy has been developed based on risk assessment.
- Regular updates are provided to the Governing Body on the performance of the Institute against the Strategic Plan.
- The Governing Body approved the annual governance statement on the 15th April 2013.

INSTITUTE OF TECHNOLOGY, SLIGO

Statement on Internal Control

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

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

Annual Review of Controls

The Governing Body carried out a review of the effectiveness of the system of internal control for the year-ended 31 August 2013 at its meeting on 21/10/2013.

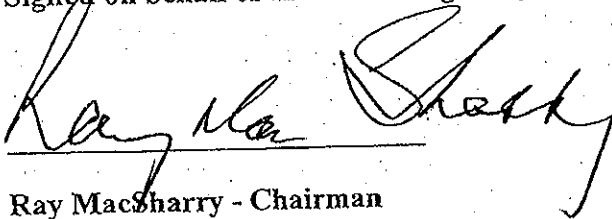
Internal control weaknesses

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

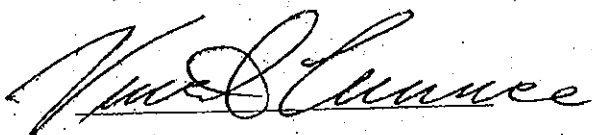
Code of Governance

We confirm that the Governing Body approved the Code of Governance of Irish Institutes of Technology, dated January 2012, at its meeting on 23rd April 2012 and the Institute complies with same.

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


Ray MacSharry - Chairman

Date 10/12/2014


Professor V. Cunnane - President

Date 10/12/2014



**Comptroller and Auditor General
Report for presentation to the Houses of the Oireachtas**

Institute of Technology Sligo

I have audited the financial statements of the Institute of Technology Sligo for the year ended 31 August 2013 under the Institutes of Technology Acts 1992 to 2006. The financial statements, which have been prepared under the accounting policies set out therein, 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 in Ireland.

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 of the state of the Group's and Institute's affairs and of the Group's income and expenditure, 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 the Institutes of Technology Acts 1992 to 2006.

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

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

Scope of audit of the financial statements

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

- whether the accounting policies are appropriate to the Institute's circumstances, and have been consistently applied and adequately disclosed

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

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

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Group's and Institute's affairs at 31 August 2013 and of the Group's income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Institute. The financial statements are in agreement with the books of account.

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

I have nothing to report in regard to those matters.

Seamus McCarthy
Seamus McCarthy
Comptroller and Auditor General

16 December 2014

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2013

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

1. BASIS OF PREPARATION

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

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

2. BASIS OF CONSOLIDATION

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

3. RECOGNITION OF INCOME

State Grants:

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

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

Devolved Grants:

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

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

Research Grants and Contracts:

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

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

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2013

Fee Income

Fee Income is accounted for on an accruals basis.

Interest Income:

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

4. STOCKS

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

5. LIQUID RESOURCES

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

6. FIXED ASSETS AND DEPRECIATION

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

(a) COST OR VALUATION

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

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

(b) EQUIPMENT

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

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2013

(c) DEPRECIATION

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

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

Computer equipment purchased before 1 September 2008 will continue to be depreciated on the basis of a four year life straight line depreciation policy. Computer Equipment purchased after that date will be depreciated on a three year life straight line basis.

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

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

7. FOREIGN CURRENCIES

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

8. PENSIONS

All pension entitlements of staff are conferred under a defined benefit scheme established under the Local Government (Superannuation) Act, 1980, and pension obligations are met by the Exchequer as they arise.

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.

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2013

9. DEFERRED CAPITAL GRANTS

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

10. CAPITAL DEVELOPMENT RESERVE

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

11. LEASED ASSETS

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

INSTITUTE OF TECHNOLOGY, SLIGO

Consolidated Income and Expenditure for the Year Ended 31 August 2013

INCOME	NOTE	2013 €'000s	2012 €'000s
State Grant	1	17,012	18,691
Student Fees	2	17,387	17,012
Amortisation of Deferred Capital Grants	17	2,863	3,031
Research Grants and Contracts	3	1,344	2,125
Student Support Funding Income recognised	4	401	323
Other Income	5	2,296	2,524
Interest Income		1,023	1,180
		<u>42,326</u>	<u>44,886</u>
EXPENDITURE			
Academic Departments	6	23,304	22,483
Academic Services	7	1,873	1,894
Facilities Costs	8	3,198	3,244
Central Administration and Services	9	4,753	3,906
General Educational Expenses	10	1,034	934
Student Services	11	1,555	1,647
Research Grants and Contracts	3	1,375	2,150
Student Support Funding Income applied	4	401	323
Other		238	396
Depreciation	14	2,868	3,038
		<u>40,599</u>	<u>40,015</u>
		<u>1,727</u>	<u>4,871</u>
OPERATING SURPLUS			
		<u>10,138</u>	<u>5,267</u>
ACCUMULATED SURPLUS AT 1st SEPTEMBER			
		<u>11,865</u>	<u>10,138</u>
ACCUMULATED SURPLUS AT 31st AUGUST			

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

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairman:

Ray MacSharry

Date:

10/12/2014

President:

Professor V. Cunnane

Date:

10/12/2014

INSTITUTE OF TECHNOLOGY, SLIGO

Consolidated Balance Sheet for the Year Ended 31 August 2013

	NOTE	2013 €'000s	2012 €'000s
FIXED ASSETS	14	69,529	65,373
		<u>69,529</u>	<u>65,373</u>
CURRENT ASSETS			
Debtors and Prepayments	15	1,817	1,546
Cash at bank and in hand		26,717	30,929
		<u>28,534</u>	<u>32,475</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses - Amounts falling due within one year	16	6,902	7,197
NET CURRENT ASSETS		<u>21,632</u>	<u>25,278</u>
NET ASSETS		<u>91,161</u>	<u>90,651</u>
Represented by :			
Deferred Capital Grants	17	69,495	65,337
Income and Expenditure Account		11,865	10,138
Capital Development Reserve	20	9,801	15,176
		<u>91,161</u>	<u>90,651</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairman:

Ray MacSharry

Date: 10/12/2014

President:

Professor V. Cunnane

Date: 10/12/2014

INSTITUTE OF TECHNOLOGY, SLIGO

Institute Balance Sheet for the Year Ended 31 August 2013

	2013 €'000s	2012 €'000s
FIXED ASSETS	69,495	65,337
	<u>69,495</u>	<u>65,337</u>
CURRENT ASSETS		
Debtors and Prepayments	1,964	1,447
Cash at bank and in hand	26,465	30,736
	<u>28,429</u>	<u>32,183</u>
CURRENT LIABILITIES		
Creditors and Accrued Expenses - Amounts falling due within one year	7,019	7,104
	<u>21,410</u>	<u>25,079</u>
NET CURRENT ASSETS		
	<u>90,905</u>	<u>90,416</u>
NET ASSETS		
Represented by :		
Deferred Capital Grants	69,495	65,337
Income and Expenditure Account	11,609	9,903
Capital Development Reserve	9,801	15,176
	<u>90,905</u>	<u>90,416</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairman:

Ray MacSharry
Ray MacSharry

Date: 10/12/2014

President:

Professor V. Cunnane
Professor V. Cunnane

Date: 10/12/2014

INSTITUTE OF TECHNOLOGY, SLIGO

Consolidated Cash Flow for the Year Ended 31 August 2013

	2013 €'000	2012 €'000
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating Surplus	1,727	4,871
Interest Income	(1,023)	(1,180)
(Profit)/Loss on disposal of Fixed Assets	-	12
Depreciation	2,868	3,038
Amortisation in line with asset depreciation	(2,863)	(3,031)
(Increase)/Decrease in Debtors	(506)	1,615
(Decrease)/Increase in Creditors	(906)	(419)
Net Cash (Outflow)/Inflow from Operating Activities	(703)	4,906

Cash Flow Statement

Net Cash (Outflow)/Inflow from Operating Activities	(703)	4,906
Interest Received	1,258	1,124
Capital Expenditure	(6,413)	(3,234)
Payments to acquire Fixed Assets	-	(12)
Proceeds from the Disposal of Fixed Assets	(6,413)	(3,246)
<i>Net Cash Outflow for capital expenditure</i>		
Financing	(28)	651
State Capital Grants Spent on Fixed Assets	1,559	443
State Recurrent Grants Spent on Fixed Assets	115	150
Other funds spent on Fixed Assets	1,646	1,244
<i>Net Cash Inflow from Financing</i>		
(Decrease)/Increase in Cash	(4,212)	4,028

Reconciliation of net cash flow to movement in net funds

(Decrease)/Increase in Cash	(4,212)	4,028
Opening net funds	30,929	26,901
Net Funds at 31 August	26,717	30,929

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements

Signed on behalf of the Governing Body:

Chairman:

Ray MacSharry
Ray MacSharry

Date:

10/12/2014

President:

Professor V. Cunnane
Professor V. Cunnane

Date:

10/12/2014

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

1. STATE GRANTS

	Allocated for Recurrent Expenditure €'000's	Allocated for Capital Expenditure €'000's	Total 2013 €'000's	Total 2012 €'000's
State Grant for Recurrent Expenditure - Higher Education Authority	17,012	1,559	18,571	18,341
State Grant for Minor Capital Works - Department of Education and Skills	-	-	-	1,444
State Grant for Capital Expenditure - Department of Education and Skills	-	(28)	(28)	-
Total - 2013	17,012	1,531	18,543	19,785
Total - 2012	18,691	1,094	19,785	

The total cost of certain Higher Certificate and Ordinary Degree courses is subvented by the European Social Fund (ESF) at national level. State Grants for Recurrent Expenditure are partly funded from this EU assistance. With effect from the 1st February 2007 the Higher Education Authority took over responsibility from the Department of Education and Skills for the funding of non-nursing recurrent expenditure.

2. STUDENT FEES

	2013 Student No. (WTE)	2013 €000's	2012 Student No. (WTE)	2012 €'000s
Fees Paid by State	3,620	3,797	3615	4,672
Non-EU Fees	20	132	2	14
Fees paid by students or on behalf of students	279	207	263	301
Life Long Learning and Other Fees	740	4,460	982	4,246
Student Contribution		8,791		7,770
- Less allocated for capital expenditure				9
	<u>4,659</u>	<u>17,387</u>	<u>4,862</u>	<u>17,012</u>

The Department of Education and Skills paid tuition fees in the year of €2,269,115 for full time degree courses and €1,528,338 for higher certificate and ordinary degree courses the total costs of which are partly funded by the ESF.

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

3. RESEARCH GRANTS AND CONTRACTS

	2013 €'000s	2012 €'000s
Income		
Research Grants and Contracts	1,447	2,284
- Less allocated for capital expenditure	(103)	(159)
	<u>1,344</u>	<u>2,125</u>
Expenditure		
Staff Costs	672	752
Non-Pay Costs		
Research materials	458	1,125
Consultancy Costs	34	36
Legal fees	21	46
Travel and Subsistence	80	85
Training and development	16	48
Equipment (Non Capitalised) purchases and maintenance	38	25
Other Expenses	56	33
	<u>1,375</u>	<u>2,150</u>
Net Outcome	<u>(31)</u>	<u>(25)</u>

Included in the Research Grant and Contract Income is an amount of €221,028 in respect of overhead recovery. The balance represents direct costs recovered for research work undertaken as outlined under Expenditure headings above.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

4. STUDENT SUPPORT FUNDING

	Disabilities €'000s	Student Assistance €'000s	2013 €'000s	2012 €'000s
Balance at 1 September 2012	74	52	126	107
Receipts				
Department of Education and Skills				
Higher Education Authority	57	336	393	342
Amounts Applied				
Capital (equipment)		(12)	(12)	
Non-capital	(120)	(281)	(401)	(323)
Balance at 31 August 2013	<u>11</u>	<u>95</u>	<u>106</u>	<u>126</u>

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

5. OTHER INCOME

	2013 €'000s	2012 €'000s
Superannuation Deductions Retained	1,450	1,491
Rental of Facilities	30	37
Pay Costs recouped in respect of Seconded Staff	-	137
Photocopying and Printing Services	95	46
Proceeds from Sale of Class Material	-	5
Socrates/Erasmus	57	47
Sundry Income	664	761
	<u>2,296</u>	<u>2,524</u>

6. ACADEMIC DEPARTMENTS

	2013 Total €000's	2012 Total €000's
Staff:		
Teaching	18,153	17,401
Technical	1,646	1,602
Administrative and Support	1,654	1,867
Non-Pay Costs:		
Classroom materials	643	596
Fees payable to educational partners	363	183
Payments to students and suppliers re TFS program	237	228
Training and staff development	62	84
Travel and subsistence	233	201
Other Expenses	313	321
TOTAL	<u>23,304</u>	<u>22,483</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

7. ACADEMIC SERVICES

	2013 Total €000's	2012 Total €000's
Staff:		
Library & Computer Services	1,224	1,298
Non-Pay Costs:		
Printed Material, books and periodicals	232	260
Other Expenses	417	336
TOTAL	1,873	1,894

8. FACILITIES COSTS

	2013 Total €000's	2012 Total €000's
Staff:		
Caretakers, Cleaning, Maintenance	554	551
Administration	433	483
Non-Pay Costs:		
Light, Heat and Power	684	614
Maintenance	625	768
Cleaning	372	393
Rent and Rates	129	86
Security	223	240
Other Expenses	178	109
TOTAL	3,198	3,244

9. CENTRAL ADMINISTRATION AND SERVICES

	2013 Total €000's	2012 Total €000's
Staff:		
Administration	3,019	2,690
Non-Pay Costs:		
Printing, Stationery & other Office Expenses	125	51
Communications	161	195
Recruitment, Training etc.	353	42
Travel and Subsistence	155	125
Insurance	79	73
Subscriptions to Sectoral Bodies	99	104
Marketing and Advertising	17	26
Legal Fees	70	28
Internal Audit	55	76
Auditors Remuneration	28	26
Other Professional fees	435	350
Other Expenses	157	120
TOTAL	4,753	3,906

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

10 GENERAL EDUCATIONAL EXPENSES

	2013 €000's	2012 €000's
Staff:		
Student Support	441	489
Non-Pay Costs:		
Other Expenses	593	445
TOTAL	1,034	934

11. STUDENT SERVICES

	2013		2012	
	Staff Costs €000's	Non-Pay €000's	Total €000's	Total €000's
Subventions to Student Union & Clubs & Societies		550	550	599
Student Services	204	253	457	489
Careers Advisory Service	93	8	101	104
Sports & Recreation	154	50	204	212
Health & Counselling	137	106	243	243
TOTAL	588	967	1,555	1,647

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

12. ANALYSIS OF EXPENDITURE

	Staff Costs €000's	Depreciation €000's	Other operating expenses €000's	2013 €000's	2012 €000's
Academic Department	21,453		1,851	23,304	22,483
Academic Services	1,224		649	1,873	1,894
Facilities Costs	987		2,211	3,198	3,244
General Administration and Services	3,019		1,734	4,753	3,906
General Education Expenses	441		593	1,034	934
Student Services	588		967	1,555	1,647
Research Grants and Contracts	672		703	1,375	2,150
Student Support funding	-		401	401	323
Other	98		140	238	396
Depreciation		2,868		2,868	3,038
2013 Total	28,482	2,868	9,249	40,599	40,015
2012 Total	28,062	3,038	8,915	40,015	

Analysis of Other Operating Expenditure

Classroom materials	634	577
Fees payable to educational partners	363	183
Library materials	232	271
IT licensing/upgrade and maintenance	320	279
General Education	263	436
Student Services	788	577
Students Union and Clubs and Societies subvention	550	599
Grants to students funded by external bodies	147	140
Research costs	570	1,291
Equipment	318	154
Light and Heat	681	600
Security	223	240
Cleaning and waste disposal	357	510
Services and repairs	736	896
Rent and Rates	83	19
Water rates	91	73
Travel, subsistence, etc	420	345
Training and development	367	194
Professional fees	761	660
Communication costs	163	205
Office stationery and supplies	333	216
Advertising of courses	598	273
Staff recruitment costs	92	21
Insurance costs	159	156
Total	9,249	8,915

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

13. TAXATION

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

14. FIXED ASSETS

	Total	Buildings	Buildings	Fixtures &	Computer	Plant &	Equipment	Motor
	€'000s	€'000s	in course of construction €000s	Fittings incl. Prefabs €000s	Equipment €'000s	Machinery €000s	€000s	Vehicles €'000s
Cost or Valuation								
At 1 September 2012	104,829	77,056	-	4,332	9,463	1,964	11,964	50
Additions	7,024	3,250	2,947	172	350	13	292	-
Disposal	(161)	-	-	-	(102)	-	(59)	-
	<u>111,692</u>	<u>80,306</u>	<u>2,947</u>	<u>4,504</u>	<u>9,711</u>	<u>1,977</u>	<u>12,197</u>	<u>50</u>
Depreciation								
At 1 September 2012	(39,456)	(16,004)	-	(3,085)	(8,361)	(1,399)	(10,576)	(31)
Charge for year	(2,868)	(1,617)	-	(182)	(386)	(93)	(583)	(7)
Disposal	161	-	-	-	102	-	59	-
	<u>(42,163)</u>	<u>(17,621)</u>	<u>-</u>	<u>(3,267)</u>	<u>(8,645)</u>	<u>(1,492)</u>	<u>(11,100)</u>	<u>(38)</u>
Net Book Value								
At 31 August 2013	<u>69,529</u>	<u>62,685</u>	<u>2,947</u>	<u>1,237</u>	<u>1,066</u>	<u>485</u>	<u>1,097</u>	<u>12</u>
Net Book Value								
At 31 August 2012	<u>65,373</u>	<u>61,052</u>	<u>-</u>	<u>1,247</u>	<u>1,102</u>	<u>565</u>	<u>1,388</u>	<u>19</u>

Cost or Valuation:

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

15. DEBTORS AND PREPAYMENTS

	2013	2012
	€'000s	€'000s
Tuition Fees	591	12
State & Other Capital Grant	75	103
Student Services Charge	22	92
Maintenance Grant Payments Due	4	31
Research Grants and Contracts	241	279
Prepayments and Accrued Income	573	335
Other Debtors	311	694
Total	<u>1,817</u>	<u>1,546</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

16. CREDITORS AND ACCRUED EXPENSES

	2013 €'000s	2012 €'000s
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received in Advance :		
State Recurrent Grant	15	13
Research Grants and Contracts	1,806	1,823
Deferred Income Student Support Funding	95	127
Student Registration Charges Payable	235	560
	<u>2,151</u>	<u>2,523</u>
Trade Creditors and Accruals	2,928	2,568
PAYE	440	446
PRSI	226	219
Other Creditors	139	117
Accruals and Deferred Income	1,018	1,324
	<u>4,751</u>	<u>4,674</u>
	<u>6,902</u>	<u>7,197</u>

17. DEFERRED CAPITAL GRANTS

	2013 €'000s	2012 €'000s
Opening Balance	65,337	65,612
Capital Grants Receivable		
State Grant for Minor Capital Works - Dept of Education and Skills	-	651
State Capital Grants - Dept of Education and Skills	(28)	-
Allocated from State Recurrent Grant - Higher Education Authority	1,559	443
State Capital Grants - Higher Education Authority	12	-
State Capital Grants - Enterprise Ireland	-	13
Other Capital Grants/Funding	103	137
	<u>1,646</u>	<u>1,244</u>
Transfer (to)/from Capital Development Reserve (Note 20)	5,375	1,524
Disposal of assets at cost	(161)	(134)
Reversal of depreciation relating to assets disposed	161	122
Release to Income		
Amortisation in Line with Asset Depreciation	(2,863)	(3,031)
Closing Balance	<u>69,495</u>	<u>65,337</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

The Institute had capital commitments of €7,450,056 at 31 August 2013.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

19. STUDENT MAINTENANCE GRANTS

	2013 €'000s	2012 €'000s
Receipts from Department of Education and Skills (Colleges Section)	1,599	3,062
Receipts from Department of Education and Skills (Student Support Unit)	609	1,122
Payments to students	(1,572)	(3,093)
Payments to students (top ups)	(609)	(1,122)
	<hr/>	<hr/>
Net Cash Inflow	27	(31)
	<hr/>	<hr/>
Opening Balance	(31)	-
	<hr/>	<hr/>
Closing Balance	<u>(4)</u>	<u>(31)</u>

The Institute processes payments to students in respect of 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 separately in the Income and Expenditure Account.

20. CAPITAL DEVELOPMENT RESERVE

	2013 €'000s	2012 €'000s
Balance as at 1st September 2012	<hr/> 15,176	<hr/> 16,700
	<hr/>	<hr/>
Transfer to Capital Account	(5,375)	(1,524)
	<hr/>	<hr/>
Closing Balance as at 31st August 2013	<u>9,801</u>	<u>15,176</u>

The Capital Development Reserve balance is made up of monies set aside to fund a project approved by the Governing Body for the refurbishment and extension of the Science Block. The budget currently approved for this project is €16.7M.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

21. ANCILLARY ACTIVITIES

(a) Research, Consultancy and Development

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

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

The financial results of the company per the audited accounts for the year ended 31 August 2013 were as follows:

	2013 €000's Audited	2012 €000's Audited
Income	137	167
Expenditure	(166)	(148)
Surplus/(Deficit)	(29)	19
Net Assets	144	173

(b) Commercial Services

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

The financial results of the company per the audited accounts for the year ended 31 August 2013 were as follows:

	2013 €000's Audited	2012 €000's Audited
Income	240	329
Expenditure	(190)	(341)
Surplus/(Deficit)	50	(12)
Net Assets	112	62

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

22. CONTINGENCIES

There were no contingencies existing at the 31st August 2013.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

23. DISCLOSURE OF TRANSACTIONS - GOVERNING BODY MEMBERS

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

24. EMPLOYEES

The average number of employees (whole-time equivalents) during the year was 454 (2012 - 461)

25. COMPARATIVE FIGURES

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

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Governing Body on the 10th December 2014.