



Oifig an Ard-Reachtair Cuntas and Ciste

Office of the Comptroller and Auditor General

Dublin Castle,
Dublin 2

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Professor Terri Scott,
President,
Institute of Technology Sligo,
Ash Lane,
Sligo

28th August 2013

**Re: Audit of Institute of Technology Sligo
Accounts for the year ended 31 August 2012**

Dear President,

The audit of the Institute for year ended 31 August 2012 has been completed. The C&AG has given a clear opinion on the financial statements.


Please find enclosed for your information a copy of

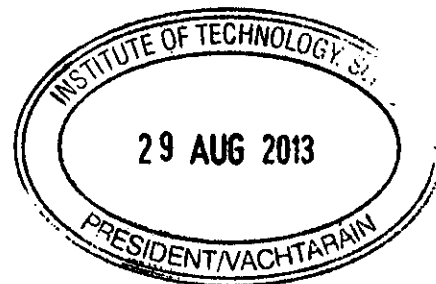
- the Certificate of the Comptroller and Auditor General
- the Annual Financial Statements of the Institute for year ended 31 August 2012

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,


Maureen Mulligan
Deputy Director of Audit





**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 2012 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 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 2012 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 Mc Carthy

**Seamus McCarthy
Comptroller and Auditor General**

26 August 2013

INSTITUTE OF TECHNOLOGY, SLIGO

FINANCIAL STATEMENTS FOR YEAR ENDED 31ST AUGUST 2012

INSTITUTE OF TECHNOLOGY, SLIGO

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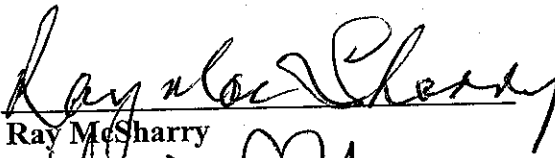
INSTITUTE OF TECHNOLOGY, SLIGO

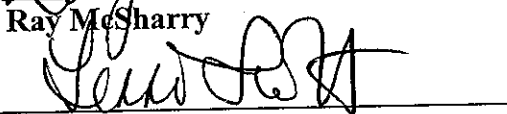
Statement of Institute Responsibilities

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

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

The Institute is responsible for keeping 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 McSharry

President 
Professor Terri Scott

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 1/9/2011 to 31/8/2012 was presented to the Governing Body on 22/10/2012 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 27/02/2012.

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.

INSTITUTE OF TECHNOLOGY, SLIGO

Statement on Internal Control

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.

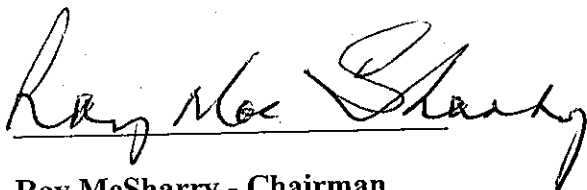
Annual Review of Controls

The Governing Body carried out a review of the effectiveness of the system of internal control for the year-ended 31 August 2012 at its meeting on 22/10/2012.

Internal control weaknesses

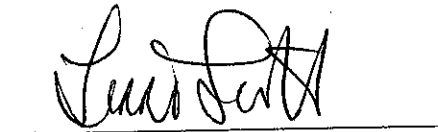
Weaknesses identified by internal audit or internal reviews are documented with actions to address same and responsible individuals identified. Follow up reviews are carried out and reported to the internal audit committee and Governing Body.

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



Ray McSharry - Chairman

Date 01/08/2013



Professor Terri Scott - President

Date 01/08/2013

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2012

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 2012

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 2012

(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 2012

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 2012

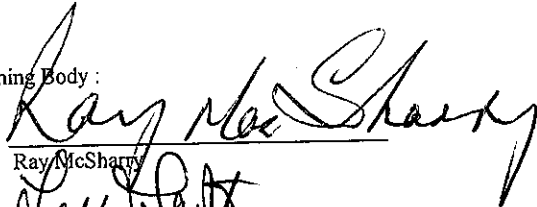
INCOME	NOTE	2012 €'000s	2011 €'000s
State Grant	1	18,691	17,082
Student Fees	2	17,012	17,224
Amortisation of Deferred Capital Grants	17	3,031	3,152
Research Grants and Contracts	3	2,125	2,180
Student Support Funding Income recognised	4	323	235
Other Income	5	2,524	2,826
Interest Income		1,180	641
		<u>44,886</u>	<u>43,340</u>
EXPENDITURE			
Academic Departments	6	22,483	23,636
Academic Services	7	1,894	1,723
Facilities Costs	8	3,244	2,991
Central Administration and Services	9	3,906	3,467
General Educational Expenses	10	934	972
Student Services	11	1,647	1,661
Research Grants and Contracts	3	2,150	2,180
Student Support Funding Income applied	4	323	235
Other		396	525
Depreciation	14	3,038	3,158
		<u>40,015</u>	<u>40,548</u>
OPERATING SURPLUS		<u>4,871</u>	<u>2,792</u>
TRANSFER TO CAPITAL DEVELOPMENT RESERVE			(3,400)
ACCUMULATED SURPLUS AT 1st SEPTEMBER		<u>5,267</u>	<u>5,875</u>
ACCUMULATED SURPLUS AT 31st AUGUST		<u>10,138</u>	<u>5,267</u>

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

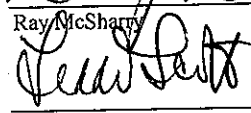
The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairman:


Ray McSharry

President:


Professor Terri Scott

INSTITUTE OF TECHNOLOGY, SLIGO

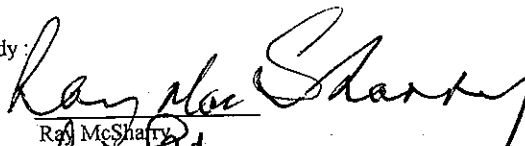
Consolidated Balance Sheet for the Year Ended 31 August 2012

	NOTE	2012 €'000s	2011 €'000s
FIXED ASSETS	14	65,373	65,652
		<u>65,373</u>	<u>65,652</u>
CURRENT ASSETS			
Debtors and Prepayments	15	1,546	3,105
Cash at bank and in hand		30,929	26,901
		<u>32,475</u>	<u>30,006</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses - Amounts falling due within one year	16	7,197	8,079
NET CURRENT ASSETS		<u>25,278</u>	<u>21,927</u>
NET ASSETS		<u>90,651</u>	<u>87,579</u>
Represented by :			
Deferred Capital Grants	17	65,337	65,612
Income and Expenditure Account		10,138	5,267
Capital Development Reserve	20	15,176	16,700
		<u>90,651</u>	<u>87,579</u>

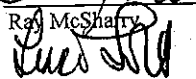
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Chairman:


Ray MacSharry

President:


Professor Terri Scott

INSTITUTE OF TECHNOLOGY, SLIGO

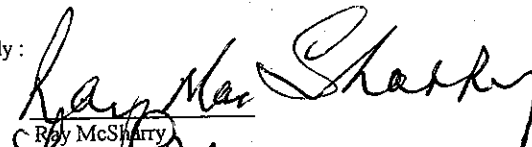
Institute Balance Sheet for the Year Ended 31 August 2012

	2012 €'000s	2011 €'000s
FIXED ASSETS	65,337	65,612
	<hr/>	<hr/>
	65,337	65,612
	<hr/>	<hr/>
CURRENT ASSETS		
Debtors and Prepayments	1,447	2,932
Cash at bank and in hand	30,736	26,751
	<hr/>	<hr/>
	32,183	29,683
CURRENT LIABILITIES		
Creditors and Accrued Expenses - Amounts falling due within one year	7,104	7,944
	<hr/>	<hr/>
NET CURRENT ASSETS	25,079	21,739
	<hr/>	<hr/>
NET ASSETS	<u>90,416</u>	<u>87,351</u>
 Represented by :		
Deferred Capital Grants	65,337	65,612
Income and Expenditure Account	9,903	5,039
Capital Development Reserve	15,176	16,700
	<hr/>	<hr/>
	90,416	87,351
	<hr/>	<hr/>

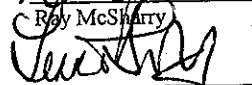
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Signed on behalf of the Governing Body :

Chairman:


Roy McSharry

President:


Professor Terri Scott

INSTITUTE OF TECHNOLOGY, SLIGO

Consolidated Cash Flow for the Year Ended 31 August 2012

	2012 €'000	2011 €'000
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating Surplus	4,871	2,792
Interest Income	(1,180)	(641)
(Profit)/Loss on disposal of Fixed Assets	12	(1)
Depreciation	3,038	3,158
Amortisation in line with asset depreciation	(3,031)	(3,152)
(Increase)/Decrease in Debtors	1,615	3,140
(Decrease)/Increase in Creditors	(419)	963
Net Cash (Outflow)/Inflow from Operating Activities	4,906	6,259

Cash Flow Statement

Net Cash (Outflow)/Inflow from Operating Activities	4,906	6,259
Interest Received	1,124	575
Capital Expenditure		
Payments to acquire Fixed Assets	(3,234)	(4,952)
Proceeds from the Disposal of Fixed Assets	(12)	1
<i>Net Cash Outflow for capital expenditure</i>	(3,246)	(4,951)
Financing		
State Capital Grants Spent on Fixed Assets	651	3,557
State Recurrent Grants Spent on Fixed Assets	443	1,794
Other funds spent on Fixed Assets	150	191
<i>Net Cash Inflow from Financing</i>	1,244	5,542
(Decrease)/Increase in Cash	4,028	7,425

Reconciliation of net cash flow to movement in net funds

(Decrease)/Increase in Cash	4,028	7,425
Opening net funds	26,901	19,476
Net Funds at 31 August	30,929	26,901

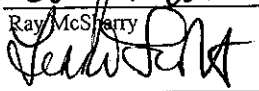
The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements

Signed on behalf of the Governing Body:

Chairman:


Ray McSperry

President:


Professor Terri Scott

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 2012 €'000's	Total 2011 €'000's
State Grant for Recurrent Expenditure - Higher Education Authority	17,898	443	18,341	18,876
State Grant for Minor Capital Works - Department of Education and Skills	793	651	1,444	759
State Grant for Capital Expenditure - Department of Education and Skills	0	0	0	2,798
Total - 2012	18,691	1,094	19,785	22,433
Total - 2011	17,082	5,351	22,433	

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

	2012 Student No. (WTE)	2012 €000's	2011 Student No. (WTE)	2011 €'000's
Fees Paid by State	3,615	4,672	3,708	6,642
Non-EU Fees	2	14	2	18
Fees paid by students or on behalf of students	263	301	210	447
Life Long Learning and Other Fees	982	4,246	970	3,904
- Less allocated for capital expenditure				
Student Contribution		7,770		6,168
- Less allocated for capital expenditure		9		45
	<u>4,862</u>	<u>17,012</u>	<u>4,890</u>	<u>17,224</u>

The Department of Education and Skills paid tuition fees in the year of €2,556,784 for full time degree courses and €2,114,838 for higher certificate and ordinary degree courses the total costs of which are part funded by the ESF.

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

3. RESEARCH GRANTS AND CONTRACTS

	2012 €'000's	2011 €'000's
Income		
Research Grants and Contracts	2,284	2,417
- Less allocated for capital expenditure	(159)	(237)
	<u>2,125</u>	<u>2,180</u>
Expenditure		
Staff Costs	752	688
Non-Pay Costs		
Research materials	1,125	1,124
Consultancy Costs	36	67
Legal fees	46	39
Travel and Subsistence	85	106
Training and development	48	42
Equipment (Non Capitalised) purchases and maintenance	25	30
Other Expenses	33	84
	<u>2,150</u>	<u>2,180</u>
Net Outcome	<u>(25)</u>	<u>0</u>

Included in the Research Grant and Contract Income is an amount of €379,912 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	2012 €'000s	2011 €'000s
Balance at 1 September 2011	93	14	107	77
Receipts				
Department of Education and Skills				
Higher Education Authority	94	248	342	265
Amounts Applied			0	0
Capital (equipment)				
Non-capital	113	210	323	235
Balance at 31 August 2012	<u>74</u>	<u>52</u>	<u>126</u>	<u>107</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

	2012 €'000s	2011 €'000s
Superannuation Deductions Retained	1,491	1,545
Rental of Facilities	37	68
Pay Costs recouped in respect of Seconded Staff	137	183
Photocopying and Printing Services	46	74
Proceeds from Sale of Class Material	5	7
Socrates/Erasmus	47	41
Sundry Income	761	908
	<u>2,524</u>	<u>2,826</u>

6. ACADEMIC DEPARTMENTS

	2012 Total €000's	2011 Total €000's
Staff: Teaching	17,401	18,266
Technical	1,602	1,729
Administrative and Support	1,867	1,903
Non-Pay Costs:		
Classroom materials	711	851
Payments to students and suppliers re TFS program	228	260
Training and staff development	152	155
Travel and subsistence	201	212
Other Expenses	321	260
TOTAL	<u>22,483</u>	<u>23,636</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

7. ACADEMIC SERVICES

	2012	2011
	Total	Total
	€000's	€000's
Staff:		
Library & Computer Services	1,298	1,280
Non-Pay Costs:		
Printed Material, books and periodicals	260	209
Other Expenses	336	234
TOTAL	<u>1,894</u>	<u>1,723</u>

8. FACILITIES COSTS

	2012	2011
	Total	Total
	€000's	€000's
Staff:		
Caretakers, Cleaning, Maintenance	551	577
Administration	483	429
Non-Pay Costs:		
Light, Heat and Power	614	591
Maintenance	768	434
Cleaning	393	415
Rent and Rates	86	95
Security	240	238
Other Expenses	109	212
TOTAL	<u>3,244</u>	<u>2,991</u>

9. CENTRAL ADMINISTRATION AND SERVICES

	2012	2011
	Total	Total
	€000's	€000's
Staff:		
Administration	2,690	2,395
Non-Pay Costs:		
Printing, Stationery & other Office Expenses	51	83
Communications	195	164
Recruitment, Training etc.	42	61
Travel and Subsistence	125	135
Insurance	73	78
Subscriptions to Sectoral Bodies	104	113
Marketing and Advertising	26	71
Architects Fees	0	1
Legal Fees	28	37
Internal Audit	76	50
Auditors Remuneration in respect of audit services	26	26
Other Professional fees	350	219
Other Expenses	120	34
TOTAL	<u>3,906</u>	<u>3,467</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

10 GENERAL EDUCATIONAL EXPENSES

	2012 €000's	2011 €000's
Staff:		
Student Support	489	628
Non-Pay Costs:		
Other Expenses	445	344
TOTAL	<u>934</u>	<u>972</u>

11. STUDENT SERVICES

			2012	2011
	Staff Costs €000's	Non-Pay €000's	Total €000's	Total €000's
Subventions to Student Union & Clubs & Societies	-	599	599	613
Student Services	238	251	489	557
Careers Advisory Service	102	2	104	103
Sports & Recreation	159	53	212	131
Health & Counselling	158	85	243	257
TOTAL	<u>657</u>	<u>990</u>	<u>1,647</u>	<u>1,661</u>

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	2012 €000's	2011 €000's
Academic Department	20,870		1,613	22,483	23,636
Academic Services	1,298		596	1,894	1,723
Facilities Costs	1,034		2,210	3,244	2,991
General Administration and Services	2,690		1,216	3,906	3,590
General Education Expenses	489		445	934	1,284
Student Services	657		990	1,647	1,226
Research Grants and Contracts	752		1,398	2,150	2,180
Student Support funding			323	323	235
Other	272		124	396	525
Depreciation		3,038		3,038	3,158
2012 Total	28,062	3,038	8,915	40,015	40,548
2011 Total	28,845	3,158	8,545	40,548	

Analysis of Other Operating Expenditure

Classroom materials	692	825
Library materials	271	209
IT licensing/upgrade and maintenance	279	130
General Education	436	306
Student Services	577	495
Students Union and Clubs and Societies subvention	599	613
Grants to students funded by external bodies	140	162
Research costs	1,291	1,432
Equipment	154	277
Light and Heat	600	591
Security	240	238
Cleaning and waste disposal	510	464
Services and repairs	896	509
Rent and Rates	19	83
Water rates	73	54
Travel, subsistence, etc	345	371
Training and development	262	315
Professional fees	660	584
Communication costs	205	167
Office stationery and supplies	216	224
Advertising of courses	273	327
Staff recruitment costs	21	12
Insurance costs	156	157
Total	8,915	8,545

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 €'000s	Buildings €'000s	Buildings in course of construction €000s	Fixtures & Fittings incl. Prefabs €000s	Computer Equipment €'000s	Plant & Machinery €000s	Equipment €000s	Motor Vehicles €'000s
Cost or Valuation								
At 1 September 2011	102,192	75,464	-	4,157	8,880	1,883	11,723	85
Additions	2,771	1,592	-	176	586	81	324	12
Disposal	(134)			(1)	(3)		(83)	(47)
	<u>104,829</u>	<u>77,056</u>	<u>-</u>	<u>4,332</u>	<u>9,463</u>	<u>1,964</u>	<u>11,964</u>	<u>50</u>
Depreciation								
At 1 September 2011	(36,540)	(14,512)	-	(2,878)	(7,835)	(1,295)	(9,950)	(70)
Charge for year	(3,038)	(1,492)	-	(208)	(529)	(104)	(697)	(8)
Disposal	122			1	3		71	47
	<u>(39,456)</u>	<u>(16,004)</u>	<u>-</u>	<u>(3,085)</u>	<u>(8,361)</u>	<u>(1,399)</u>	<u>(10,576)</u>	<u>(31)</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>
Net Book Value								
At 31 August 2011	<u>65,652</u>	<u>60,952</u>	<u>-</u>	<u>1,279</u>	<u>1,045</u>	<u>588</u>	<u>1,773</u>	<u>15</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

	2012 €'000s	2011 €'000s
Tuition Fees	12	-
State Recurrent Grant	-	135
State & Other Capital Grant	103	1,692
Student Services Charge	92	-
Maintenance Grant Payments Due	31	-
Research Grants and Contracts	279	242
Prepayments and Accrued Income	335	391
Other Debtors	694	645
Total	<u>1,546</u>	<u>3,105</u>

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

16. CREDITORS AND ACCRUED EXPENSES

	2012 €'000s	2011 €'000s
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received in Advance :		
State Recurrent Grant	13	0
Research Grants and Contracts	1,823	2,153
Deferred Income Student Support Funding	127	107
Student Registration Charges Payable	560	271
	<u>2,523</u>	<u>2,531</u>
Trade Creditors and Accruals	2,568	2,304
State Capital Grant	0	850
PAYE	446	437
PRSI	219	201
Other Creditors	117	121
Accruals and Deferred Income	1,324	1,635
	<u>4,674</u>	<u>5,548</u>
	<u>7,197</u>	<u>8,079</u>

17. DEFERRED CAPITAL GRANTS

	2012 €'000s	2011 €'000s
Opening Balance	65,612	63,222
Capital Grants Receivable		
State Grant for Minor Capital Works - Dept of Education and Skills	651	759
State Capital Grants - Dept of Education and Skills	0	2,798
Allocated from State Recurrent Grant - Higher Education Authority	443	1,794
State Capital Grants - Health Service Executive		
State Capital Grants - Higher Education Authority		
State Capital Grants - Enterprise Ireland	13	1
Other Capital Grants/Funding	137	190
	<u>1,244</u>	<u>5,542</u>
Transfer (to)/from Capital Development Reserve (Note 20)	1,524	0
Disposal of assets at cost	(134)	(13)
Reversal of depreciation relating to assets disposed	122	13
Release to Income		
Amortisation in Line with Asset Depreciation	<u>(3,031)</u>	<u>(3,152)</u>
Closing Balance	<u>65,337</u>	<u>65,612</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

The Institute had capital commitments of €1,918,372 at 31 August 2012.

INSTITUTE OF TECHNOLOGY, SLIGO

Notes to the Financial Statements

19. STUDENT MAINTENANCE GRANTS

	2012 €'000s	2011 €'000s
Receipts from Department of Education and Skills (Colleges Section)	3,062	3,935
Receipts from Department of Education and Skills (Student Support Unit)	1,122	1,418
Payments to students	(3,093)	(3,935)
Payments to students (top ups)	(1,122)	(1,418)
	<hr/>	<hr/>
Net Cash Inflow	(31)	0
Opening Balance	0	0
	<hr/>	<hr/>
Closing Balance	<u>(31)</u>	<u>0</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

	2012 €'000s	2011 €'000s
Balance as at 1st September 2011	<hr/> 16,700	<hr/> 13,300
Transfer from Income & Expenditure		
Transfer from Revenue Reserves		2,330
Transfer from Student Registration Fees		<hr/> 1,070
Transfer to Capital Account	(1,524)	-
	<hr/>	<hr/>
Closing Balance as at 31st August 2012	<u>15,176</u>	<u>16,700</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.

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 2012 were as follows:

	2012 €000's Audited	2011 €000's Audited
Income	167	189
Expenditure	(148)	(190)
Surplus/(Deficit)	19	(1)
Net Assets	173	154

(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 2012 were as follows:

	2012 €000's Audited	2011 €000's Audited
Income	329	351
Expenditure	(341)	(351)
Surplus/(Deficit)	(12)	-
Net Assets	62	74

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 2012.

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 461 (2011 - 452)

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 1st August 2013.