

INSTITUTE OF TECHNOLOGY, SLIGO

FINANCIAL STATEMENTS FOR YEAR ENDED 31ST AUGUST 2011

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 McSherry

President Jim 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 organizational 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 to 1/7/2010 to 31/8/2011 was presented to the Governing Body on 12/12/2011 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 13/6/2011.

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 2009, at its meeting on 20th May 2009.

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 2011 at its meeting on 12/12/2011.

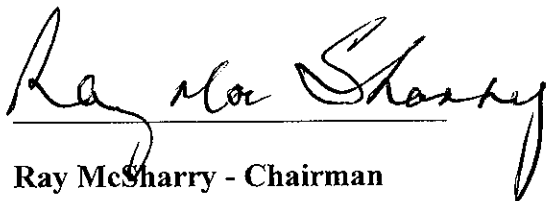
Contingencies

The Governing Body has been fully updated on the claim by a contractor and note that the conciliation process has begun and is due to be completed on the 24th February 2012. It has been fully briefed on the view of the design team and note 22 reflects same.

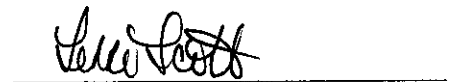
Internal control weaknesses

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 18th June 2012


Professor Terri Scott - President

Date 15th June 2012



**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 2011 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 applicable law 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 applicable law.

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

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

Scope of audit of the financial statements

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

- whether the accounting policies are appropriate to the Institute's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and

- the overall presentation of the financial statements.

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

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 2011 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 moneys have 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
Comptroller and Auditor General**

29 June 2012

INSTITUTE OF TECHNOLOGY, SLIGO

Statement of Accounting Policies for year ended 31st August 2011

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, for the year. The 2010 comparatives have been restated to reflect these changes.

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 2011

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 2011

(c) DEPRECIATION

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

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 2011

9. DEFERRED CAPITAL GRANTS

Deferred Capital Grants represent the unamortised 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 which have had the prior approval of the Higher Education Authority, together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserve Account provided the defined projects to which they are committed are in line with the Institute's Capital Development Plan, have been approved by the Governing Body, 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 Account for the Year Ended 31 August 2011

INCOME	NOTE	2011 €'000s	2010 €'000s
State Grant	1	17,082	19,580
Tuition Fees	2	11,011	11,768
Student Registration Charge	3	6,213	5,878
Amortisation of Deferred Capital Grants	17	3,152	2,811
Research Grants and Contracts	4	2,180	1,817
Student Support Funding Income recognised	5	235	220
Other Income	6	2,826	3,127
Interest Income		641	552
		<u>43,340</u>	<u>45,753</u>
EXPENDITURE			
Academic Departments	7	23,636	24,249
Academic Services	8	1,723	1,707
Facilities Costs	9	2,991	2,634
Central Administration and Services	10	3,590	3,322
General Educational Expenses	11	1,284	1,226
Student Registration Fees	3	1,226	1,030
Research Grants and Contracts	4	2,180	1,746
Student Support Funding Income applied	5	235	220
Other		525	572
Depreciation	14	<u>3,158</u>	<u>2,816</u>
		<u>40,548</u>	<u>39,522</u>
OPERATING SURPLUS		<u>2,792</u>	<u>6,231</u>
TRANSFER TO CAPITAL DEVELOPMENT RESERVE		(3,400)	(9,093)
ACCUMULATED SURPLUS AT 1st SEPTEMBER		<u>5,875</u>	<u>8,737</u>
ACCUMULATED SURPLUS AT 31st AUGUST		<u><u>5,267</u></u>	<u><u>5,875</u></u>


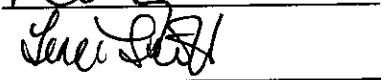
There are no gains or losses other than those recognised above.

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

President

INSTITUTE OF TECHNOLOGY, SLIGO

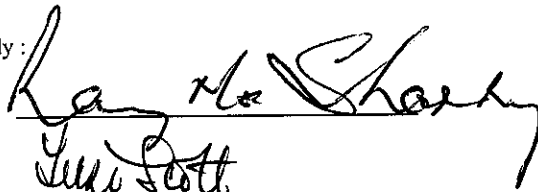
Consolidated Balance Sheet for the Year Ended 31 August 2011

	NOTE	2011 €'000s	2010 €'000s
FIXED ASSETS	14	65,652	63,261
		<u>65,652</u>	<u>63,261</u>
CURRENT ASSETS			
Debtors and Prepayments	15	3,105	6,179
Cash at bank and in hand		26,901	19,476
		<u>30,006</u>	<u>25,655</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses - Amounts falling due within one year	16	8,079	6,519
NET CURRENT ASSETS		<u>21,927</u>	<u>19,136</u>
NET ASSETS		<u>87,579</u>	<u>82,397</u>
Represented by :			
Deferred Capital Grants	17	65,612	63,222
Income and Expenditure Account		5,267	5,875
Capital Development Reserve	20	<u>16,700</u>	<u>13,300</u>
		<u>87,579</u>	<u>82,397</u>

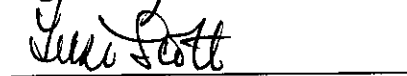
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Signed on behalf of the Governing Body :

Chairman



President



INSTITUTE OF TECHNOLOGY, SLIGO

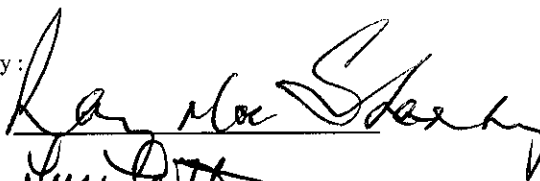
Institute Balance Sheet for the Year Ended 31 August 2011

	2011 €'000s	2010 €'000s
FIXED ASSETS	65,612	63,222
	<hr/>	<hr/>
	<u>65,612</u>	<u>63,222</u>
CURRENT ASSETS		
Debtors and Prepayments	2,932	6,126
Cash at bank and in hand	26,751	19,286
	<hr/>	<hr/>
	29,683	25,412
CURRENT LIABILITIES		
Creditors and Accrued Expenses - Amounts falling due within one year	7,944	6,467
	<hr/>	<hr/>
NET CURRENT ASSETS	<u>21,739</u>	<u>18,945</u>
	<hr/>	<hr/>
NET ASSETS	<u><u>87,351</u></u>	<u><u>82,167</u></u>
 Represented by :		
Deferred Capital Grants	65,612	63,222
Income and Expenditure Account	5,039	5,645
Capital Development Reserve	<u>16,700</u>	<u>13,300</u>
	<hr/>	<hr/>
	<u>87,351</u>	<u>82,167</u>

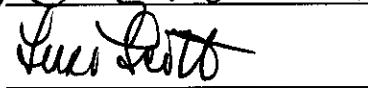
The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairman



President



Consolidated Cash flow Statement for the Year ended 31 August 2011

	2011 €'000	2010 €'000
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating Surplus	2,792	6,231
Interest Income	(641)	(552)
Profit on disposal of Fixed Assets	(1)	0
Depreciation	3,158	2,816
Amortisation in line with asset depreciation	(3,152)	(2,811)
(Increase)/Decrease in Debtors	3,140	(829)
(Decrease)/Increase in Creditors	963	(1,544)
Net Cash (Outflow)/Inflow from Operating Activities	<u>6,259</u>	<u>3,311</u>

Cash Flow Statement

Net Cash (Outflow)/Inflow from Operating Activities	<u>6,259</u>	<u>3,311</u>
Interest Received	575	446
Capital Expenditure		
Payments to acquire Fixed Assets	(4,952)	(7,618)
Proceeds from the Disposal of Fixed Assets	1	-
<i>Net Cash Outflow for capital expenditure</i>	<u>(4,951)</u>	<u>(7,618)</u>
Financing		
State Capital Grants Spent on Fixed Assets	3,557	1,346
State Recurrent Grants Spent on Fixed Assets	1,794	582
Other funds spent on Fixed Assets	191	115
<i>Net Cash Inflow from Financing</i>	<u>5,542</u>	<u>2,043</u>
(Decrease)/Increase in Cash	<u>7,425</u>	<u>(1,818)</u>

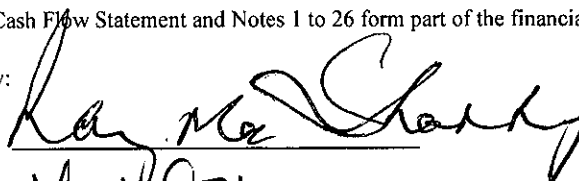
Reconciliation of net cash flow to movement in net funds

(Decrease)/Increase in Cash	7,425	(1,818)
Opening net funds	19,476	21,294
Net Funds at 31 August	<u>26,901</u>	<u>19,476</u>

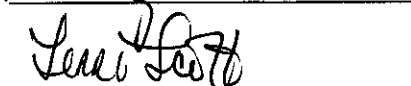
The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 26 form part of the financial statements

Signed on behalf of the Governing Body:

Chairman



President



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 2011 €'000's	Total 2010 €'000's
State Grant for Recurrent Expenditure - Higher Education Authority	17,082	1,794	18,876	20,809
State Grant for Minor Capital Works - Department of Education and Skills	-	759	759	681
State Grant for Capital Expenditure - Department of Education and Skills	-	2,798	2,798	4,448
Total - 2011	17,082	5,351	22,433	25,938
Total - 2010	19,580	6,358	25,938	

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. TUITION FEES

	2011 Student No. (WTE)	2011 €000's	2010 Student No. (WTE)	2010 €'000s
Fees Paid by State	3,708	6,642	3,679	6,600
Non-EU Fees	2	18	3	27
Fees paid by students or on behalf of students	210	447	226	369
Life Long Learning and Other Fees	970	3,904	932	4,772
- Less allocated for capital expenditure				
	<u>4,890</u>	<u>11,011</u>	<u>4,840</u>	<u>11,768</u>

The Department of Education and Skills paid tuition fees in the year of €3,300,740 for full time degree courses and €3,341,524 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. Student Registration Fees

(a) Annual Registration Fees are payable by students, the full time rate being set at €1,500 for the 2010/11 academic year. By direction of the Department of Education and Skills, €995 of each full time fee is retained by the Institute and applied to meet recurrent expenditure. This amounted to €4,075,000 in the year of account. The balance of €2,093,000 was used to provide facilities and services for students.

	2011 €'000s	2010 €'000s
(b) Application of Registration Charges		
Gross Registration Charges including repeat exam fees	6,168	5,930
- Less allocated for capital expenditure	45	(52)
	<u>6,213</u>	<u>5,878</u>
Less Expenses incurred directly from the Student Registration fee	(1,226)	(1,030)
Net Income	<u>4,987</u>	<u>4,848</u>
Transfers in relation to:		
Interest income on Restricted funds	158	150
Capital Development Reserve	(1,070)	(1,071)
Total Transfer	<u>(912)</u>	<u>(921)</u>
Retained for Recurrent Expenditure	<u>4,075</u>	<u>3,927</u>

Notes to the Financial Statements

4. RESEARCH GRANTS AND CONTRACTS

	2011 €'000s	2010 €'000s
Income		
Research Grants and Contracts	2,417	1,881
- Less allocated for capital expenditure	(237)	(64)
	<u>2,180</u>	<u>1,817</u>
Expenditure		
Staff Costs	688	972
Non-Pay Costs		
Research materials	1,124	420
Consultancy Costs	67	151
Legal fees	39	47
Travel and Subsistence	106	96
Training and development	42	35
Equipment (Non Capitalised) purchases and maintenance	30	4
Other Expenses	84	21
	<u>2,180</u>	<u>1,746</u>
Net Outcome	<u>-</u>	<u>71</u>

Included in the Research Grant and Contract Income is an amount of €44,294 in respect of overhead recovery. The balance represents direct costs recovered for research work undertaken as outlined under Expenditure headings above.

5. STUDENT SUPPORT FUNDING

	Disabilities €'000s	Student Assistance €'000s	2011 €'000s	2010 €'000s
Balance at 1 September 2010	47	30	77	77
Receipts				
Higher Education Authority	128	137	265	220
Amounts Applied				
Capital (equipment)			-	-
Non-capital	82	153	235	220
Balance at 31 August 2011	<u>93</u>	<u>14</u>	<u>107</u>	<u>77</u>

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

Notes to the Financial Statements

6. OTHER INCOME

	2011 €'000s	2010 €'000s
Superannuation Deductions Retained	1,545	1,676
Rental of Facilities	68	122
Pay Costs recouped in respect of Seconded Staff	183	235
Photocopying and Printing Services	74	76
Donations/Sponsorships	-	100
Proceeds from Sale of Class Material	7	12
Insurance Claims	-	53
Socrates/Erasmus	41	78
Sundry Income	908	775
	<u>2,826</u>	<u>3,127</u>

7. ACADEMIC DEPARTMENTS

	2011 Total €000's	2010 Total €000's
Staff: Teaching	18,266	18,817
Technical	1,729	1,787
Administrative and Support	1,903	2,188
Non-Pay Costs:		
Classroom materials	851	716
Payments to students and suppliers re Training For Success program	260	283
Training and staff development	155	81
Travel and subsistence	212	175
Other Expenses	260	202
TOTAL	<u>23,636</u>	<u>24,249</u>

8. ACADEMIC SERVICES

	2011 Total €000's	2010 Total €000's
Staff: Library & Computer Services	1,280	1,241
Non-Pay Costs:		
Printed Material, books and periodicals	209	194
Other Expenses	234	272
TOTAL	<u>1,723</u>	<u>1,707</u>

Notes to the Financial Statements

9. FACILITIES COSTS

	2011 Total €000's	2010 Total €000's
Staff:		
Caretakers, Cleaning, Maintenance	577	579
Administration	429	344
Non-Pay Costs:		
Light, Heat and Power	591	456
Maintenance	434	422
Cleaning	415	368
Rent and Rates	95	119
Security	238	245
Other Expenses	212	101
TOTAL	<u>2,991</u>	<u>2,634</u>

10. CENTRAL ADMINISTRATION AND SERVICES

	2011 Total €000's	2010 Total €000's
Staff :		
Administration	2,518	2,401
Non-Pay Costs:		
Printing, Stationery & other Office Expenses	83	120
Communications	164	166
Recruitment, Training etc.	61	64
Travel and Subsistence	135	87
Insurance	78	62
Subscriptions to Sectoral Bodies	113	112
Marketing and Advertising	71	24
Architects Fees	1	2
Legal Fees	37	35
Internal Audit	50	48
Auditors remuneration	26	27
Other Professional fees	219	139
Other Expenses	34	35
TOTAL	<u>3,590</u>	<u>3,322</u>

11. GENERAL EDUCATIONAL EXPENSES

	2011 €000's	2010 €000's
Staff:		
Student Support	940	858
Non-Pay Costs:		
Other Expenses	344	368
TOTAL	<u>1,284</u>	<u>1,226</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	2011 €000's	2010 €000's
Academic Department	21,898		1,738	23,636	24,249
Academic Services	1,280		443	1,723	1,707
Facilities Costs	1,006		1,985	2,991	2,634
General Administration and Services	2,518		1,072	3,590	3,322
General Education Expenses	940		344	1,284	1,226
Student registration fees	203		1,023	1,226	1,030
Research Grants and Contracts	688		1,492	2,180	1,746
Student Support funding			235	235	220
Other	312		213	525	572
Depreciation		3,158		3,158	2,816
2011 Total	28,845	3,158	8,545	40,548	39,522
2010 Total	29,720	2,816	6,986	39,522	

Analysis of Other Operating Expenditure

Classroom materials	825	709
Library materials	209	194
IT licensing/upgrade and maintenance	130	235
General Education	306	286
Student Services	495	479
Students Union and Clubs and Societies subvention	613	582
Grants to students funded by external bodies	162	179
Research costs	1,432	645
Equipment < €3,000	277	31
Light and Heat	591	457
Security	238	246
Cleaning and waste disposal	464	409
Services and repairs	509	530
Rent	73	35
Rates	10	19
Water rates	54	87
Travel, subsistence, etc	371	290
Training and development	315	148
Professional fees	584	499
Communication costs	167	171
Office stationery and supplies	224	230
Advertising of courses	327	353
Staff recruitment costs	12	40
Insurance costs	157	132
Total	8,545	6,986

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	Fittings	Equipment	Machinery	€000s	Vehicles
			of construction	incl. Prefabs	€'000s	€000s		€'000s
			€000s	€000s				
Cost or Valuation								
At 1 September 2010	96,656	67,157	4,413	3,314	8,305	1,922	11,462	83
Additions	5,549	972	2,922	843	575	(39)	261	15
Transfers		7,335	(7,335)					
Disposal	(13)							(13)
	<u>102,192</u>	<u>75,464</u>	<u>-</u>	<u>4,157</u>	<u>8,880</u>	<u>1,883</u>	<u>11,723</u>	<u>85</u>
Depreciation								
At 1 September 2010	(33,395)	(13,056)	-	(2,596)	(7,306)	(1,197)	(9,162)	(78)
Charge for year	(3,158)	(1,456)	-	(282)	(529)	(98)	(788)	(5)
Disposal	13							13
	<u>(36,540)</u>	<u>(14,512)</u>	<u>-</u>	<u>(2,878)</u>	<u>(7,835)</u>	<u>(1,295)</u>	<u>(9,950)</u>	<u>(70)</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>
Net Book Value								
At 31 August 2010	<u>63,261</u>	<u>54,101</u>	<u>4,413</u>	<u>718</u>	<u>999</u>	<u>725</u>	<u>2,300</u>	<u>5</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

	2011	2010
	€'000s	€'000s
Tuition Fees	-	2
State Recurrent Grant	135	460
State & Other Capital Grant	1,692	4,430
Research Grants and Contracts	242	462
Prepayments and Accrued Income	391	364
Other Debtors	645	461
Total	<u>3,105</u>	<u>6,179</u>

Notes to the Financial Statements

16. CREDITORS AND ACCRUED EXPENSES

	2011 €'000s	2010 €'000s
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received in Advance :		
Research Grants and Contracts	2,153	2,090
Deferred Income Student Support Funding	107	77
Student Registration Charges Payable	271	169
	<u>2,531</u>	<u>2,336</u>
Trade Creditors and Accruals	2,304	1,886
State Capital Grant	850	363
PAYE	437	336
PRSI	201	249
Other Creditors	121	124
Accruals and Deferred Income	1,635	1,225
	<u>5,548</u>	<u>4,183</u>
	<u>8,079</u>	<u>6,519</u>

17. DEFERRED CAPITAL GRANTS

	2011 €'000s	2010 €'000s
Opening Balance	63,222	59,502
Capital Grants Receivable		
State Grant for Minor Capital Works - Dept of Education and Skills	759	1,346
State Capital Grants - Dept of Education and Skills	2,798	4,430
Allocated from State Recurrent Grant - Higher Education Authority	1,794	582
State Capital Grants - Enterprise Ireland	1	4
Other Capital Grants/Funding	190	111
	<u>5,542</u>	<u>6,473</u>
Transfer from Capital Development Reserve (Note 20)		58
Disposal of assets at cost	(13)	
Reversal of depreciation relating to assets disposed	13	
Amortisation in Line with Asset Depreciation	<u>(3,152)</u>	<u>(2,811)</u>
Closing Balance	<u>65,612</u>	<u>63,222</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

The Institute had no capital commitments at 31 August 2011.

Notes to the Financial Statements

19. Student Maintenance Grants	2011 €'000s	2010 €'000s
Receipts from Department of Education and Skills (Colleges Section)	3,935	4,084
Receipts from Department of Education and Skills (Student Support Unit)	1,418	1,433
Payments to students	(3,935)	(4,084)
Payments to students (top ups)	(1,418)	(1,433)
Net Cash Inflow	<u>-</u>	<u>-</u>
Opening Balance	-	-
Closing Balance	<u><u>-</u></u>	<u><u>-</u></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	2011 €'000s	2010 €'000s
Balance as at 1st September 2010	<u>13,300</u>	<u>4,265</u>
Transfer from Income & Expenditure		
Transfer from Revenue Reserves	2,330	8,022
Transfer from Student Registration Fees	<u>1,070</u>	<u>1,071</u>
Transfer to Capital Account	-	(58)
Closing Balance as at 31st August 2011	<u><u>16,700</u></u>	<u><u>13,300</u></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 the Institute from that date onwards.

The financial results of the company per the audited accounts for the year ended 31 August 2011 were as follows:

	2011 €000's Draft	2010 €000's Audited
Income	189	160
Expenditure	(188)	(158)
Surplus/(Deficit)	1	2
Net Assets	156	155

(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 2011 were as follows:

	2011 €000's Draft	2010 €000's Audited
Income	351	310
Expenditure	(351)	(328)
Surplus/(Deficit)	0	(18)
Net Assets	74	74

The financial statements of these entities do not form part of 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 2011.

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 452 (2010 - 478)

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 18th June 2012.