

LETTERKENNY INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS FOR YEAR ENDED 31ST AUGUST 2014

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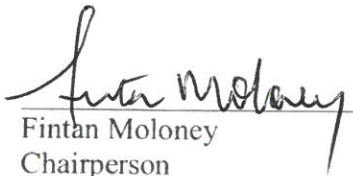
LETTERKENNY INSTITUTE OF TECHNOLOGY

STATEMENT OF INSTITUTE RESPONSIBILITIES

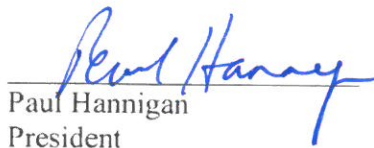
The Institutes of Technology Acts 1992 to 2006 require the Institute to prepare financial statements in such form as may be approved by the Higher Education Authority and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements, the Institute is required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

- select suitable accounting policies and apply them consistently
- make judgments 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.


Fintan Moloney
Chairperson

8/10/2015
Date


Paul Hannigan
President

8/10/2015
Date

LETTERKENNY INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

For the year ended 31 August 2014

Responsibility for the System of Internal Control

The Governing Body of Letterkenny Institute of Technology acknowledges its responsibility for ensuring that an effective system of internal control, based on compliance with the Code of Governance of Irish Institutes of Technology, is maintained and operated. The system of internal control consists of those processes used to identify, evaluate, prioritise and manage the significant risks faced by Letterkenny Institute of Technology in the management of its affairs. The system can provide only 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 Governing Body has taken steps to ensure an appropriate control environment, including the following:

- Procedures and regulations are documented, implemented and up to date. The Institute is engaged in an ongoing process to update existing procedures and to introduce new policies and procedures where appropriate.
- Regular reviews of periodic and annual reports, including financial performance against budgets, are performed by the Governing Body. Timeliness of preparation of draft statutory accounts has improved in recent years.
- An Audit Committee operates with clear terms of reference, dealing with significant control issues and receiving the reports of the internal and external auditors.
- Clearly defined capital investment control guidelines are in place.

Letterkenny Institute of Technology has an outsourced internal audit function, which operates in accordance with the Code of Governance of Irish Institutes of Technology. Annual internal audit plans take account of areas of potential risk identified by management and the Audit Committee. The Internal Audit Plan for 2013/2014 was approved by the Audit Committee in September 2013. The Internal Audit Plan for 2014/2015 was approved by the Audit Committee in November 2014.

Risk Management

In December 2012, the Governing Body reviewed and approved the Institute's Risk Management Policy. An Institute-wide risk register has been developed and is subject to bi-annual review by the Institute's Executive Board. Responsibility for risk management oversight and maintenance of the Institute's risk register has been assigned to a member of Executive Board.

Annual Review of Controls

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

- Senior officers within the Institute, who have responsibility for the development and maintenance of an internal control framework.
 - Work processes and procedures across key Institute activities are designed to ensure adequate and appropriate segregation of duties.
 - The Executive Board reviews the Institute's financial performance during the year, including comparisons against budget.
- The Audit Committee which assists the Governing Body in fulfilling its oversight responsibilities.
 - The Audit Committee oversees the work of the Internal Auditors and, at a minimum of once each year, meets the Internal Auditors to review their plans and activities.
 - Deliberations of the Audit Committee and any issues of concern are reported to the Governing Body.
 - The Audit Committee's Annual Report for year ended 31 August 2014 was presented to the Governing Body in December 2014.
- The Institute's Internal Auditors.
 - The Internal Audit plan considers risk when identifying areas for review.
 - The Internal Auditors perform their work in accordance with the Internal Audit plan. Where the work relates to the Institute's system of internal control, the Internal Auditors submit reports which provide independent assurance on the adequacy and effectiveness of the Institute's system of internal control, with recommendations for improvement. These reports are provided to the Institute's Audit Committee which reports directly to the Governing Body.
- The comments made by the Comptroller and Auditor General in his Report on the audit to the Audit Committee, management letter and other reports.

We confirm that the Governing Body conducted a review of the effectiveness of the system of internal controls for the year ended 31 August 2014 in December 2014.

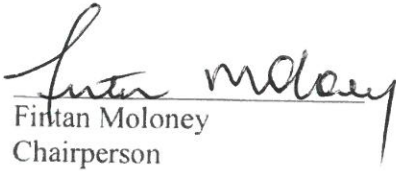
We also confirm that the Governing Body approved the latest Code of Governance of Irish Institutes of Technology in September 2013. The Governing Body is committed to fully implementing the latest Code.

Activities in progress

- The Institute has incurred operating deficits for each of the four years ending 31 August 2011, 31 August 2012, 31 August 2013 and 31 August 2014. The Institute is engaged in ongoing consultation with the Higher Education Authority regarding its financial position, with particular focus on the financial challenges associated with the School of Tourism, Killybegs.
- The Institute's Risk Management Policy was approved by Governing Body in December 2012. The Institute has been working towards full implementation of the policy across all

activities. A revised Risk Management Policy is in development at sectoral level and is expected to be approved by the Institute in 2015.

- The Institute is working towards full implementation of the Internal Controls Framework.
- The Institute continues to work towards broader compliance with the Code of Governance of Irish Institutes of Technology.


Fintan Moloney
Chairperson

8/10/2015
Date


Paul Hannigan
President

8/10/2015
Date



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

Letterkenny Institute of Technology

I have audited the financial statements of the Letterkenny Institute of Technology for the year ended 31 August 2014 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 income and expenditure account, the balance sheet, the 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 Institute's affairs and of its 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 Institute's affairs at 31 August 2014 and of its 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.

Going concern

Without qualifying my opinion on the financial statements, I draw attention to Note 26 which discloses the basis on which the Governing Body considers that it is appropriate to prepare the financial statements on a going concern basis. Deficits have been incurred by the Institute in each of the last four years. The Institute acknowledges that further deficits of similar magnitude could cast doubt over its going concern status in the medium term.

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 October 2015

Statement of Accounting Policies for year ended 31 August 2014

The significant accounting policies adopted by Letterkenny Institute of Technology 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 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. 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.

Minor Capital Works:

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. Full provision is made for foreseeable losses.

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

Fee Income:

Fee Income is accounted for on an accruals basis. All fee income is included under this heading including Life Long Learning and Other Fees. Where the Institute concludes fee income recognised is not collectable the Institute makes an appropriate provision for the amount not considered collectable and discloses this as a separate expense.

Interest Income:

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

3. STOCKS

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

4. 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 2009, 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.

(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

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.

5. 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.

6. PENSIONS

From 1 January 2013 all new employees are members of the single public sector pension scheme. All other 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, with the exception of deductions under the single public service pension scheme which are remitted to the Department of Public Expenditure and Reform.

The Institute does not make contributions towards the scheme and has no obligations in respect of entitlements.

7. DEFERRED CAPITAL GRANTS

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

8. CAPITAL DEVELOPMENT RESERVE

The Capital Development Reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student contributions, 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.

9. LEASED ASSETS

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

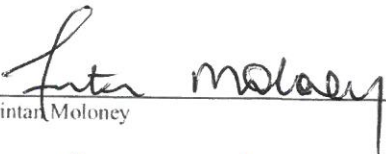
Income and Expenditure Account for the Year Ended 31 August 2014

INCOME	NOTE	2014	2013
		€'000s	€'000s
State Grant	1	11,499	12,496
Tuition Fees	2	9,810	9,303
Amortisation of Deferred Capital Grants	17	2,044	2,250
Research Grants and Contracts	3	1,283	1,160
Other Income Generating Activities	21	401	440
Other Income	5	2,522	2,276
Student Support Funding Income recognised	4	489	510
Interest Income		97	222
		28,145	28,657
EXPENDITURE			
Academic Departments	6	17,318	17,395
Academic Services	7	687	786
Facilities Costs	8	1,592	1,558
Central Administration and Services	9	3,834	3,800
General Educational Expenses	10	727	903
Student Services	11	975	914
Research Grants and Contracts	3	1,283	1,160
Other Income Generating Activities	21	394	433
Student Support Funding Income applied	4	445	490
Depreciation	14	2,044	2,250
		29,299	29,689
OPERATING DEFICIT		(1,154)	(1,032)
TRANSFER TO CAPITAL DEVELOPMENT RESERVE	20	0	0
ACCUMULATED SURPLUS AT 1st SEPTEMBER		4,247	5,279
ACCUMULATED SURPLUS AT 31st August		3,093	4,247

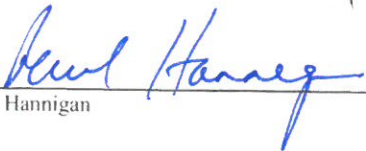
There are no gains or losses other than those recognised above.

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairperson 
Fintan Moloney

Date 8/10/2015

President 
Paul Hannigan

Date 8/10/2015

Balance Sheet As At 31 August 2014

	NOTE	2014 €'000s	2013 €'000s
FIXED ASSETS	14	72,349	72,761
		<u>72,349</u>	<u>72,761</u>
CURRENT ASSETS			
Debtors and Prepayments	15	1,785	1,912
Cash at bank and in hand		5,627	6,787
		<u>7,412</u>	<u>8,699</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses - Amounts falling due within one year	16	2,660	2,793
NET CURRENT ASSETS		<u>4,752</u>	<u>5,906</u>
NET ASSETS		<u>77,101</u>	<u>78,667</u>
Represented by :			
Deferred Capital Grants	17	72,349	72,761
Income and Expenditure Account		3,093	4,247
Capital Development Reserve	20	1,659	1,659
		<u>77,101</u>	<u>78,667</u>

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairperson

Fintan Moloney

Date

8/10/2015

President

Paul Hannigan

Date

8/10/2015

Cash Flow Statement for the year ended 31 August 2014

	2014	2013
	€'000	€'000
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating deficit	(1,154)	(1,032)
Interest income	(97)	(222)
Depreciation	2,044	2,250
Amortisation in line with asset depreciation	(2,044)	(2,250)
(Increase)/Decrease in Debtors	127	892
(Decrease) in Creditors	(133)	(53)
Net Cash Outflow from Operating Activities	(1,257)	(415)

Cash Flow Statement

Net Cash Outflow from Operating Activities	(1,257)	(415)
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Interest Received	97	222
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Capital Expenditure

Payments to acquire Fixed Assets	(1,632)	(1,466)
Net Cash Outflow for capital expenditure	(1,632)	(1,466)

Financing

State Capital Grants Spent on Fixed Assets	76	192
State Recurrent Grants Spent on Fixed Assets	482	497
Other funds spent on Fixed Assets	1,074	76
Net Cash Inflow from Financing	1,632	765

Decrease in Cash	(1,160)	(894)
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Reconciliation of net cash flow to movement in net funds

Decrease in cash	(1,160)	(894)
Opening net funds	6,787	7,681
Net Funds at 31 August	5,627	6,787

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 27 form part of the financial statements.

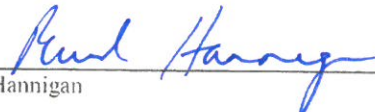
Signed on behalf of the Governing Body:

Chairperson


Fintan Moloney

Date 8/10/2015

President


Paul Hannigan

Date 8/10/2015

Notes To The Financial Statements

1. STATE GRANTS

	Allocated for Recurrent Expenditure €'000's	Allocated for Capital Expenditure €'000's	Total 2014 €'000's	Total 2013 €'000's
State Grant for Recurrent Expenditure - HEA	10,954	482	11,436	12,408
State Grant for Recurrent Expenditure - HEA (Nursing)	545	-	545	585
State Grant for Capital Expenditure - Department of Education and Skills	-	76	76	192
Total - 2014	11,499	558	12,057	13,185
Total - 2013	12,496	689	-	13,185

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

	2014 Student No. (WTE)	2014 €000's	2013 Student No. (WTE)	2013 €000's
Fees Paid by State	2,769	2,724	2,647	3,231
Non-EU Fees	1	11	2	13
Fees paid by students or on behalf of students	83	366	154	374
Life Long Learning and Other Fees	179	197	77	51
Student Contribution	-	6,512	-	5,634
	3,032	9,810	2,880	9,303

The Department of Education and Skills paid tuition fees in the year of €2,078,384 (2013: €2,072,971) for full time degree courses and €603,419 (2013: €1,069,588) 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

	2014 €'000s	2013 €'000s
Income		
Research Grants and Contracts	1,297	1,171
Less: Research Grants and Contract Income allocated to capital	(14)	(11)
Net Income	<u>1,283</u>	<u>1,160</u>
Expenditure		
Pay Costs	805	699
Non-Pay Costs	478	461
Total Costs	<u>1,283</u>	<u>1,160</u>
Net Outcome	<u>0</u>	<u>0</u>

Included in the Research Grant and Contract Income is an amount of €25,693 (€9,481 in 2013) in respect of overhead recovery. The balance represents direct costs recovered for research work undertaken as outlined under Expenditure headings above.

4. STUDENT SUPPORT FUNDING

	Disabilities €'000s	Student Assistance €'000s	2014 €'000s	2013 €'000s
Balance at 1 September 2013	15	(3)	12	(8)
Receipts:				
Higher Education Authority	320	180	500	534
Less: Receipts Allocated to Capital	(11)	-	(11)	(24)
Net Receipts	<u>309</u>	<u>180</u>	<u>489</u>	<u>510</u>
Amounts Applied:				
Pay Costs	149	-	149	184
Non Pay Costs	<u>116</u>	<u>180</u>	<u>296</u>	<u>306</u>
	<u>265</u>	<u>180</u>	<u>445</u>	<u>490</u>
Balance at 31 August 2014	<u>59</u>	<u>(3)</u>	<u>56</u>	<u>12</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

	2014	2013
	€'000s	€'000s
Superannuation Deductions Retained	1,153	1,202
Rental of Facilities	69	95
Central Research Overhead	154	159
Sundry Income	1,146	820
TOTAL	2,522	2,276

6. ACADEMIC DEPARTMENTS

	2014	2013
	€'000s	€'000's
Pay Costs	16,232	16,390
Non-Pay Costs:	1,086	1,005
TOTAL	17,318	17,395

7. ACADEMIC SERVICES

	2014	2013
	€'000s	€'000's
Pay Costs	526	608
Non-Pay Costs	161	178
TOTAL	687	786

8. FACILITIES COSTS

	2014 €000's	2013 €000's
Pay Costs	470	482
Non-Pay Costs:	1,122	1,076
TOTAL	1,592	1,558

9. CENTRAL ADMINISTRATION AND SERVICES

	2014 €000's	2013 €000's
Pay Costs	2,957	2,873
Non-Pay Costs:	877	927
TOTAL	3,834	3,800

10. GENERAL EDUCATIONAL EXPENSES

	2014 €000's	2013 €000's
Pay Costs	491	523
Non-Pay Costs:	236	380
TOTAL	727	903

11. STUDENT SERVICES

	2014 €000's	2014 €000's	2014 €000's	2013 €000's
	Staff Costs	Non Pay	Total	Total
Subvention to Clubs, Societies and Students Union	128	372	500	464
Student Services	42	346	388	378
Careers Advisory Services	-	6	6	6
Health and Counselling	-	81	81	66
TOTAL	170	805	975	914

12. ANALYSIS OF EXPENDITURE

	Staff Costs €000's	Depreciation €000's	Other operating expenses €000's	2014 €000's	2013 €000's
Research Grants and Contracts	805	18	478	1,301	1,272
Academic Departments	16,232	317	1,086	17,635	17,792
Academic Services	526	7	161	694	793
Facilities Costs	470	1,639	1,122	3,231	3,141
Central Administration and Services	2,957	42	877	3,876	3,928
General Education Expenses	491	-	236	727	903
Other Income Generating Activities	264	3	130	397	437
Student Support Funding	149	18	296	463	509
Student Registration Charges	170	-	805	975	914
2014 Total	22,064	2,044	5,191	29,299	29,689
2013 Total	22,187	2,250	5,252	-	29,689

Analysis of Other Operating Expenditure	2014 €000's	2013 €000's
Materials and Other Consumables	413	380
Light, Heat & Power	498	514
Repairs and Maintenance Costs	498	460
Printed material, books and periodicals	155	170
Travel & Subsistence	394	386
Printing, Stationery, Postage and other Office Expenses	124	164
Rent, Rates and Insurance costs	196	196
Recruitment, training etc.	436	394
Audit fee	28	28
Consultancy Costs	188	187
Equipment (non capitalised) purchases	93	117
Computer maintenance, software and licences	298	333
Security and Grounds Maintenance	110	101
Medical service	81	66
Communications	81	82
Advertising and Marketing	108	145
Institute Management Service	49	75
Waste Disposal	20	15
Health and safety	30	19
Student Support Funding	296	306
Student Registration Charges	724	675
Course development and validation	41	19
Bad Debts	68	200
Other expenses	262	220
Total	5,191	5,252

13. TAXATION

Letterkenny Institute of Technology is exempt from Corporation Tax under a charitable status order.

14. FIXED ASSETS

	Total	Land and Buildings	Buildings in course of construction	Fixtures and Fittings	Computer Equipment	Equipment	Plant and Machinery	Motor Vehicles
	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s	€'000s
Cost or Valuation								
At 1 September 2013	111,143	89,246	37	157	11,533	9,676	454	40
Additions	1,632	228	1,034	14	136	205	15	-
Transfer of Assets in Course of Construction	0	-	-	-	-	-	-	-
Disposal	(264)	-	-	-	(211)	(53)	-	-
	<u>112,511</u>	<u>89,474</u>	<u>1,071</u>	<u>171</u>	<u>11,458</u>	<u>9,828</u>	<u>469</u>	<u>40</u>
Depreciation								
At 1 September 2013	38,382	17,587	-	52	11,326	9,242	135	40
Charge for year	2,044	1,563	-	17	204	213	47	-
Disposal	(264)	-	-	-	(211)	(53)	-	-
	<u>40,162</u>	<u>19,150</u>	<u>-</u>	<u>69</u>	<u>11,319</u>	<u>9,402</u>	<u>182</u>	<u>40</u>
Net Book Value								
At 31 August 2014	<u>72,349</u>	<u>70,324</u>	<u>1,071</u>	<u>102</u>	<u>139</u>	<u>426</u>	<u>287</u>	<u>-</u>
Net Book Value								
At 31 August 2013	<u>72,761</u>	<u>71,659</u>	<u>37</u>	<u>105</u>	<u>207</u>	<u>434</u>	<u>319</u>	<u>-</u>

Cost or Valuation:

Land and buildings were valued at 1 January, 1993 on the basis of guidelines advised by the Department of Education and Skills.

The Institute's computer system in relation to student registration etc. was developed by a consortium acting on behalf of the Department of Education and Skills. The system was provided to the Institute through this consortium. Only the capital costs borne by the Institute itself for this computer system have been included in the Balance Sheet.

15. DEBTORS AND PREPAYMENTS

	2014	2014	2013	2013
	€'000s	€'000s	€'000s	€'000s
Tuition and Other Fees	623		349	
Less Provision for Bad debts	(472)	151	(349)	-
State Recurrent Grant - Higher Education Authority		-		676
State Recurrent Grant - Health Service Executive		-		-
State & Other Capital Grant		845		169
Research Grants and Contracts		116		228
Self Funded Activities		16		57
Student Support Funding				3
Prepayments and Accrued Income		278		447
Other Debtors	399		411	
Less Provision for Bad debts	(20)	379	(79)	332
Maintenance Grants		-		-
Total		<u>1,785</u>		<u>1,912</u>

16. CREDITORS AND ACCRUED EXPENSES

	2014	2013
	€'000s	€'000s
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received in Advance :		
State Recurrent Grant-Higher Education Authority	147	-
Research Grants and Contracts	598	853
Self Funded Activities	201	508
Deferred Income Student Support Funding	50	15
Tuition and Other Fees in Advance	93	198
Maintenance Grants	-	5
	<u>1,089</u>	<u>1,579</u>
Trade Creditors and Accruals	10	55
PAYE /PRSI	549	539
VAT	66	122
Withholding Tax	7	4
Relevant Contracts Tax	1	4
Other Creditors	144	150
Accruals and Deferred Income	794	340
	<u>1,571</u>	<u>1,214</u>
	<u>2,660</u>	<u>2,793</u>

17. DEFERRED CAPITAL GRANTS

	2014	2013
	€'000s	€'000s
Opening Balance	72,761	73,545
Capital Grants Receivable		
State Capital Grants - Department of Education and Skills	76	192
Minor Capital Works - Department of Education and Skills	-	-
Allocated from State Recurrent Grant - HEA	482	497
State Capital Grants - Enterprise Ireland	-	-
Allocated from Student Support Funding	11	24
Allocated from Capital Development Reserve	-	701
Other Capital Grants/Funding	1,063	52
	<u>74,393</u>	<u>75,011</u>
Disposals	(264)	(83)
Release to Income		
Amortisation in Line with Asset Depreciation	(2,044)	(2,250)
Disposals	264	83
Closing Balance	<u>72,349</u>	<u>72,761</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

Estimated capital commitments of €4,507,299 existed at the end of the period.

19. Student Maintenance Grants	2014	2013
	€'000s	€'000s
Receipts from Department of Education and Skills (Colleges Section)	317	993
Receipts from Department of Education and Skills (Student Support Unit)	154	436
Payments to students	(322)	(917)
Payments to students (top ups)	(154)	(428)
Net Cash (Outflow) / Inflow	(5)	84
Opening Balance	5	(79)
Closing Balance	0	5

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	2014	2013
	€'000s	€'000s
Balance as at 1st September 2013	1,659	2,360
Contribution to Capital (Used in Year)	-	(701)
Closing Balance as at 31st August 2014	1,659	1,659

21. Other Income Generating Activities	2014	2013
Income	€'000s	€'000s
New Business Development Centre	182	230
An Danlann Student Centre	219	214
Total Income	401	444
Less: Income Allocated to Capital	-	(4)
Net Income	401	440
Expenditure		
Pay Costs	264	255
Non-Pay Costs	130	178
	394	433
Net Outcome	7	7

22. Commitments under Property Leases

At the year end the Institute had commitments under property leases expiring as follows:

	2014 €'000s	2013 €'000s
Within 1 year	68	70
Between 1 and 5 years	100	272
More than 5 years	-	-
	<u>168</u>	<u>342</u>

23. Contingencies

There were no contingencies existing at 31st August 2014.

24. 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.

25. Employees

The average number of employees (whole-time equivalents) during the year was 368 (356 in 2013).

26. Financial Position

Letterkenny Institute of Technology has incurred operating deficits in each of the four years ended 31 August 2011, 31 August 2012, 31 August 2013 and 31 August 2014. The Institute is aware that further deficits of similar magnitude will result in depletion of reserves that could call into question the going concern status of the Institute in the near to medium term. Factors contributing to these deficits include the following:

1. Decreases in State Grant for funding of recurrent activities.
2. Suspension of State grants for funding of capital investments, such as equipment, computer equipment, fixtures and fittings. The need to allocate recurrent funding for capital purposes decreases income available to fund recurrent activities.
3. Amalgamation of Tourism College Killybegs into the Institute with effect from February 2007.

The Institute is engaged in ongoing discussions with the Higher Education Authority and with the Department of Education and Skills, with a view to ensuring that the Institute can sustain educational and related activities for the foreseeable future. The going concern basis has been adopted in preparing the financial statements, as the Institute has sufficient reserves to meet projected expenditures as they fall due for a period exceeding 12 months from the expected approval of the financial statements.

27. Approval of Financial Statements

The financial statements were approved by the Governing Body on 8 October 2015.