

LETTERKENNY INSTITUTE OF TECHNOLOGY

FINANCIAL STATEMENTS FOR YEAR ENDED 31ST AUGUST 2012

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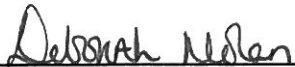
LETTERKENNY INSTITUTE OF TECHNOLOGY

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 Technologies 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.


Deborah Nolan
Chairperson

26/9/2013
Date


Paul Hannigan
President

26/9/13
Date

LETTERKENNY INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

For the year ended 31st August, 2012

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 2012, 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 is designed to manage rather than eliminate risk, recognising that only reasonable and not absolute assurance can be provided 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 currently documented, implemented and up to date.
- Regular reviews of periodic and annual reports, including financial performance against budgets, are performed by the Governing Body.
 - Prior to 2013, these reports reflected performance against budget in respect of expenditure only. Since early 2013, these finance reports have been developed to reflect a more comprehensive income and expenditure account with comparison against budget.
 - Statutory accounts had not been available for audit in a timely manner in previous years. Draft statutory accounts for year ended 31 August 2012 were ready for audit on 7 February 2013. The Institute is striving to ensure that accounts for year ended 31 August 2013 and subsequent years are completed within three months of year-end.
- 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 2012. The Internal Audit programme for 2012 was approved by the Audit Committee in November 2011, and the Internal Audit Plan 2013 – 2015 was approved by the

Audit Committee in November 2012 in consultation with the Internal Auditors. The Internal Audit Plan 2013 - 2015 was developed based on input from the Institute's Executive Board, the Audit Committee and the Internal Auditors.

Risk Management

The Institute's risk management strategy is in the early stages of development. In December 2012, the Institute's Risk Management Policy, created using an agreed sectoral policy as a template, was reviewed and approved by the Governing Body. An Institute-wide risk register has been developed and will be subject to bi-annual review by the Institute's Executive Board. Responsibility for maintaining the Institute's risk register has been assigned to a member of Executive Board during 2013.

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.
 - During 2011/2012, the Institute completed a Periodic Programme Evaluation (PPE) process across all Schools with a view to ensuring the effectiveness and efficiency of each validated programme. The PPE process, which is carried out every five years in accordance with the Institute's Quality Assurance Handbook, involves an internal self-evaluation combined with a review by a panel of external experts, and is designed to ensure that both academic and labour market needs of the learner are satisfied.
- 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 2012 was presented to the Governing Body in December 2012.
- The Institute's Internal Auditors.
 - The Internal Audit plan considers risk when identifying areas for review. The plan is also informed by issues raised by Institute management.
 - 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 2012 in March 2013. Timeliness of this review represents a significant improvement on the previous year, where the review took place sixteen months after the year end.

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's Risk Management Policy was approved by Governing Body in December 2012. The Institute is working towards full implementation of the policy across all activities.
- The Institute is working towards full implementation of the Internal Controls Framework.
- The Institute is working towards broader compliance with the Code of Governance of Irish Institutes of Technology 2012.
- The Institute has drafted policies in the following areas with a view to approving and implementing same during 2013 and 2014: Data Protection Policy, Code of Conduct for Employees, Emergency Response / Critical Incidents / Business Continuity.


Deborah Nolan
Chairperson

26/9/2013.
Date


Paul Hannigan
President

26/9/2013
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 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 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 2012 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.

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.

Internal Control Review

The Statement on Internal Control discloses that the Governing Body carried out a review of the effectiveness of the Institute's system of internal control for the year ended 31 August 2012 in March 2013.

I have nothing to report in regard to other matters.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

31 October 2013

Statement of Accounting Policies for year ended 31st August, 2012

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.

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. 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 now included under this heading including Life Long Learning and Other Fees.

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

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.

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

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.

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 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.

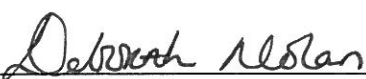
Income and Expenditure Account for the Year Ended 31 August 2012

		2012	2011
INCOME	NOTE	€'000s	€'000s
State Grant	1	12,860	14,775
Tuition Fees	2	8,931	9,119
Amortisation of Deferred Capital Grants	17	2,273	2,449
Research Grants and Contracts	3	1,049	1,159
Other Income Generating Activities	21	325	269
Other Income	5	2,254	2,268
Student Support Funding Income recognised	4	391	446
Interest Income		299	166
		28,382	30,651
EXPENDITURE			
Academic Departments	6	17,456	18,208
Academic Services	7	786	808
Facilities Costs	8	1,643	1,776
Central Administration and Services	9	4,119	4,000
General Educational Expenses	10	925	939
Student Services	11	868	989
Research Grants and Contracts	3	1,049	1,159
Other Income Generating Activities	21	384	345
Student Support Funding Income applied	4	473	392
Depreciation	14	2,273	2,449
		29,976	31,065
OPERATING DEFICIT		(1,594)	(414)
TRANSFER TO CAPITAL DEVELOPMENT RESERVE	20	0	(294)
ACCUMULATED SURPLUS AT 1st SEPTEMBER		6,873	7,581
ACCUMULATED SURPLUS AT 31st August		5,279	6,873

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

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 25 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairperson 
Deborah Nolan

President 
Paul Hannigan


Balance Sheet As At 31 August 2012

	NOTE	2012 €'000s	2011 €'000s
FIXED ASSETS	14	73,545	71,276
		<u>73,545</u>	<u>71,276</u>
CURRENT ASSETS			
Debtors and Prepayments	15	2,474	3,634
Cash at bank and in hand		7,681	8,006
		<u>10,155</u>	<u>11,640</u>
CURRENT LIABILITIES			
Creditors and Accrued Expenses - Amounts falling due within c	16	2,516	2,407
NET CURRENT ASSETS		<u>7,639</u>	<u>9,233</u>
NET ASSETS		<u>81,184</u>	<u>80,509</u>
Represented by :			
Deferred Capital Grants	17	73,545	71,276
Income and Expenditure Account		5,279	6,873
Capital Development Reserve	20	2,360	2,360
		<u>81,184</u>	<u>80,509</u>

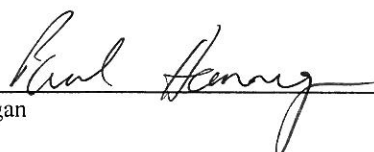
The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 25 form part of the financial statements.

Signed on behalf of the Governing Body :

Chairperson


Deborah Nolan

President


Paul Hannigan

Cash Flow Statement for the year ended 31 August 2012	2012	2011
	€'000	€'000
Reconciliation of operating deficit to net cash inflow from operating activities		
Operating deficit	(1,594)	(414)
Interest income	(299)	(166)
Depreciation	2,273	2,449
Amortisation in line with asset depreciation	(2,273)	(2,449)
Decrease in Debtors	1,160	1,379
Increase/(Decrease) in Creditors	109	(26)
Net Cash Inflow/(Outflow) from Operating Activities	(624)	773
Cash Flow Statement		
Net Cash Inflow/(Outflow) from Operating Activities	(624)	773
Interest Received	299	166
Capital Expenditure		
Payments to acquire Fixed Assets	(4,542)	(10,618)
Proceeds from the Disposal of Fixed Assets	-	-
<i>Net Cash Outflow for capital expenditure</i>	(4,542)	(10,618)
Financing		
State Capital Grants Spent on Fixed Assets	3,053	10,166
State Recurrent Grants Spent on Fixed Assets	1,314	309
Other funds spent on Fixed Assets	175	143
<i>Net Cash Inflow from Financing</i>	4,542	10,618
(Decrease)/increase in Cash	(325)	939
Reconciliation of net cash flow to movement in net funds		
(Decrease)/increase in cash	(325)	939
Opening net funds	8,006	7,067
Net Funds at 31 August	7,681	8,006

The Statement of Accounting Policies, Cash Flow Statement and Notes 1 to 25 form part of the financial statements.

Signed on behalf of the Governing Body:

Chairperson


Deborah Nolan

President


Paul Hannigan

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	12,860	1,314	14,174	15,205
State Grant for Minor Capital Works - Department of Education and Skills	-	162	162	758
State Grant for Capital Expenditure - Department of Education and Skills	-	2,891	2,891	9,287
State Grant for Capital Expenditure - Enterprise Ireland	-	(46)	(46)	40
Total - 2012	12,860	4,321	17,181	25,290
Total - 2011	14,775	10,515	-	25,290

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

	2012 Student No. (WTE)	2012 €000's	2011 Student No. (WTE)	2011 €000's
Fees Paid by State	2,374	3,658	2,387	4,836
Non-EU Fees	1	1	1	4
Fees paid by students or on behalf of students	478	407	410	532
Life Long Learning and Other Fees	39	51	231	53
Student Contribution	-	4,814	-	3,694
	2,892	8,931	3,029	9,119

The Department of Education and Skills paid tuition fees in the year of €843,084 for full time degree courses and €1,497,231 for higher certificate and ordinary degree courses, the total costs of which are part funded by the ESF. The Health Service Executive paid €1,207,569 in respect of the tuition fee element for full time nursing degree students.

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

3. RESEARCH GRANTS AND CONTRACTS

	2012 €'000s	2011 €'000s
Income		
Research Grants and Contracts	1,090	1,162
Less: Research Grants and Contract Income allocated to capital	(41)	(3)
Net Income	1,049	1,159
Expenditure		
Staff Costs	577	863
Non-Pay Costs		
Consumables and Other Expenses	103	64
Consultancy Costs	50	41
Travel and Subsistence	59	64
Equipment (Non Capitalised) purchases and maintenance	10	33
Other Expenses	250	94
	1,049	1,159
Net Outcome	0	0

Included in the Research Grant and Contract Income is an amount of €23,875 (€13,998 in 2011) 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	2012 €'000s	2011 €'000s
Balance at 1 September 2011	77	(3)	74	20
Receipts				
Higher Education Authority	189	221	410	446
Less: Receipts Allocated to Capital	(19)	0	(19)	0
Net Receipts	170	221	391	446
Amounts Applied	252	221	473	392
Balance at 31 August 2012	(5)	(3)	(8)	74

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	2011
	€'000s	€'000s
Superannuation Deductions Retained	1,167	1,306
Rental of Facilities	99	91
Central Research Overhead	178	114
Sundry Income	810	757
TOTAL	2,254	2,268

6. ACADEMIC DEPARTMENTS

	2012	2011
	Total	Total
	€000's	€000's
Staff: Teaching	13,648	14,229
Technical	2,084	2,104
Administrative and Support	727	794
Non-Pay Costs:		
Materials and Other Consumables	321	358
Other Expenses	676	723
TOTAL	17,456	18,208

7. ACADEMIC SERVICES

	2012	2011
	Total	Total
	€000's	€000's
Staff:		
Library & Computer Services	585	598
Non-Pay Costs:		
Printed Material, books and periodicals	193	204
Other Expenses	8	6
TOTAL	786	808

8. FACILITIES COSTS

	2012 €000's	2011 €000's
Staff:		
Caretakers, Cleaning, Maintenance	601	625
Non-Pay Costs:		
Light, Heat and Power	392	460
Other Expenses	650	691
TOTAL	1,643	1,776

9. CENTRAL ADMINISTRATION AND SERVICES

	2012 €000's	2011 €000's
Staff :		
Administration	3,028	3,003
Non-Pay Costs:		
Printing, Stationery, Postage & other Office Expenses	41	48
Recruitment, Training etc.	278	227
Audit Fee	28	26
Other Expenses	744	696
TOTAL	4,119	4,000

10. GENERAL EDUCATIONAL EXPENSES

	2012 €000's	2011 €000's
Staff:		
Student Support	554	591
HEA IT Investment Fund	30	89
Non-Pay Costs:		
HEA IT Investment Fund	-	-
Other Expenses	341	259
TOTAL	925	939

11. STUDENT SERVICES

	2012 €000's	2012 €000's	2012 €000's	2011 €000's
	Staff Costs	Non Pay		
Subvention to Clubs, Societies and Students Union	115	305	420	475
Student Services	44	315	359	429
Careers Advisory Services	-	6	6	8
Health and Counselling	-	83	83	77
TOTAL	159	709	868	989

12. ANALYSIS OF EXPENDITURE

	Staff Costs €000's	Depreciation €000's	Other operating expenses €000's	2012 €000's	2011 €000's
Research Grants and Contracts	577	133	472	1,182	1,322
Academic Departments	16,459	360	997	17,816	18,621
Academic Services	585	10	201	796	816
Facilities Costs	601	1,566	1,042	3,209	3,336
General Administration and Services	3,028	180	1,091	4,299	4,280
General Education Expenses	584	-	341	925	939
Other Income Generating Activities	254	7	130	391	351
Student Support Funding	164	17	309	490	411
Student Registration Charges	159	-	709	868	1,244

2012 Total	22,411	2,273	5,292	29,976	31,320
2011 Total	23,451	2,449	5,420	-	31,320

	2012 €000's	2011 €000's
Analysis of Other Operating Expenditure		
Transfer to Capital Development Reserve for Student Facilities etc.	-	255
Materials and Other Consumables	437	451
Light, Heat & Power	477	488
Repairs and Maintenance Costs	363	411
Printed material, books and periodicals	206	218
Travel & Subsistence	399	399
Printing, Stationary, Postage and other Office Expenses	227	209
Rent, Rates and Insurance costs	225	199
Recruitment, training etc.	421	239
Audit fee	28	26
Consultancy Costs	196	139
Equipment (non capitalised) purchases	103	116
Computer maintenance, software and licences	261	281
Security and Grounds Maintenance	173	188
Medical service	83	77
Communications	84	103
Advertising and Marketing	197	137
Institute Management Service	69	71
Waste Disposal	18	34
Health and safety	29	31
Student Support Funding	309	241
Student Registration Charges	709	834
Course development and validation	71	26
Other expenses	207	247
Total	5,292	5,420

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	Motor Vehicles
	€'000s	€'000s	€000s	€000s	€'000s	€000s	€'000s
Cost or Valuation							
At 1 September 2011	105,283	84,173	469	118	11,193	9,290	40
Additions	4,542	3,915	51	29	328	219	-
Transfer of Assets in Course of Construction	-	469	(469)	-	-	-	-
Disposal	(65)	-	-	-	(57)	(8)	-
	109,760	88,557	51	147	11,464	9,501	40
Depreciation							
At 1 September 2011	34,007	14,501	-	22	10,972	8,477	35
Charge for year	2,273	1,545	-	13	267	443	5
Disposal	(65)	-	-	-	(57)	(8)	-
	36,215	16,046	-	35	11,182	8,912	40
Net Book Value							
At 31 August 2012	73,545	72,511	51	112	282	589	0
Net Book Value							
At 31 August 2011	71,276	69,672	469	96	221	813	5

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

	2012 €'000s	2011 €'000s
Tuition and Other Fees	306	479
State Recurrent Grant - Higher Education Authority	767	897
State Recurrent Grant - Health Service Executive	116	134
State & Other Capital Grant	343	635
State Grant - Devolved Grant	-	323
Prepayments and Accrued Income	291	331
Other Debtors	572	786
Maintenance Grants	79	49
Total	2,474	3,634

16. CREDITORS AND ACCRUED EXPENSES

	2012	2011
	€'000s	€'000s
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Payments Received in Advance :		
Research Grants and Contracts	574	381
Self Funded Activities	541	520
Deferred Income Student Support Funding	(8)	74
Tuition and Other Fees in Advance	186	95
	<u>1,293</u>	<u>1,070</u>
Trade Creditors and Accruals	77	190
PAYE /PRSI	547	558
VAT	109	59
Withholding Tax	4	6
Relevant Contracts Tax	1	1
Other Creditors	156	165
Accruals and Deferred Income	329	358
	<u>1,223</u>	<u>1,337</u>
	<u>2,516</u>	<u>2,407</u>

17. DEFERRED CAPITAL GRANTS

	2012	2011
	€'000s	€'000s
Opening Balance	71,276	63,107
Capital Grants Receivable		
State Capital Grants - Department of Education and Skills	2,891	9,287
Devolved Grant - Department of Education and Skills	162	879
Allocated from State Recurrent Grant - HEA	1,314	309
State Capital Grants - Enterprise Ireland	(46)	40
Allocated from Student Support Funding	19	-
Other Capital Grants/Funding	202	103
	<u>75,818</u>	<u>73,725</u>
Disposals	(65)	(17)
Release to Income		
Amortisation in Line with Asset Depreciation	(2,273)	(2,449)
Disposals	65	17
Closing Balance	<u>73,545</u>	<u>71,276</u>

18. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

Estimated capital commitments of €201,599 existed at the end of the period.

19. Student Maintenance Grants	2012	2011
	€'000s	€'000s
Receipts from Department of Education and Skills (Colleges Section)	1,944	3,364
Receipts from Department of Education and Skills (Student Support Unit)	859	1,293
Payments to students	(1,975)	(3,143)
Payments to students (top ups)	(859)	(1,431)
Net Cash Inflow / (Outflow)	(31)	83
Opening Balance	(48)	(131)
Closing Balance	(79)	(48)

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	2011
	€'000s	€'000s
Balance as at 1st September 2011	2,360	2,066
Student Registration Charges	0	255
Interest	0	39
Closing Balance as at 31st August 2012	2,360	2,360

21. Other Income Generating Activities	2012	2011
Income	€'000s	€'000s
New Business Development Centre	140	129
An Danlann Student Centre	185	140
Total Income	325	269
Less: Income Allocated to Capital	-	-
Net Income	325	269
Expenditure		
Staff Costs	254	249
Non-Pay Costs		
Consumables and Other Expenses	130	96
	384	345
Net Outcome	(59)	(76)

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 370 (392 in 2011).

25. Approval of Financial Statements

The financial statements were approved by the Governing Body on the 26th of September, 2013.