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Letterkenny Institute of Technology

Financial Statements

For the year ended 31 August 2016



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Statement of Responsibility of the Institute


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 Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.


The Institute is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enables 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.

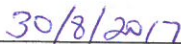
Chairman:


Mr. Fintan Moloney

President:


Paul Hannigan

Date:





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Statement on Internal Control

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 2016/2017/2018 was approved by the Audit Committee in March 2016.

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.



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Statement on Internal Control (Continued)

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 2016 was presented to the Governing Body in September 2016.
- 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 2016 in September 2016.

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.



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Statement on Internal Control (Continued)

Activities in progress

- The Institute has incurred operating deficits for each of the six years beginning the year ended 31 August 2011. 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 and is confident that the deficit will be addressed in the short term through additional funding from the HEA.
- 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.
- 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

30/8/2017

Date

Paul Hannigan
President

30/8/2017

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 Letterkenny Institute of Technology for the year ended 31 August 2016 under the Institutes of Technology Acts 1992 to 2006. The financial statements comprise the statement of income and expenditure, the statement of changes in reserves and capital account, the statement of financial position, the statement of cash flows 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.

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 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

- give a true and fair view of the assets, liabilities and financial position of the Institute as at 31 August 2016 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Institute were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Future pension arrangements

Without qualifying my opinion on the financial statements, I draw attention to Note 1g Employee Benefits.

Employees of the Institute are members of two defined benefit pension schemes: the Single Public Service Pension Scheme and the Education Sector Superannuation Scheme 2015. The Institute has not provided in these financial statements for the cost of future benefits that have accrued to staff members under the schemes.

The Single Scheme applies to Institute staff that joined the public sector as new entrants on or after 1 January 2013. The Institute is prescribed in legislation as a relevant authority for the purposes of the Scheme, and is liable to meet future pension payments. The Scheme states that Oireachtas funding will be provided to meet such obligations.

Employees recruited to the Institute before 1 January 2013 became members of the Education Sector Superannuation Scheme 2015. This provides that the payment of Scheme benefits is a function of the Institute. In reality, however, the payment and funding mechanisms have remained unchanged since the introduction of the Scheme i.e. pension payments continue to be funded directly under Vote 26 Education and Skills and are paid on the Department's behalf by the Payroll Shared Services Centre, on an agency basis.

The Department of Education and Skills is seeking legal advice in relation to where the responsibility lies for pension liabilities under the 2015 Scheme.

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 if I find

- any material instance where 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
- 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 upon which reporting is by exception.



Colette Drinan

**For and on behalf of the
Comptroller and Auditor General**

| September 2017

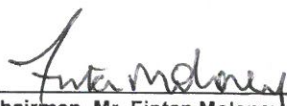
**lyit**Institiúid
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of Technology**Letterkenny Institute of Technology****Statement of Income and Expenditure**
Year ended 31 August 2016

	Note	31/08/16 €000's	31/08/15 €000's
Income			
State Grants	3	12,413	11,755
Tuition Fees	4	11,170	10,085
Research Grants & Contracts	5	1,595	1,586
Student Support Funding	7	413	335
Other Income	8	2,451	2,188
Other Income Generating Activities	10	455	360
Amortisation of Deferred Capital Grants	20	2,261	2,268
Interest Income		1	64
Total Income		30,759	28,641
Expenditure			
Staff costs	9	22,663	22,224
Other Operating Expenses	11	5,972	5,507
Depreciation	13	2,261	2,268
Total Expenditure		30,896	29,999
Surplus / (Deficit) before other gains / (losses)		(137)	(1,358)
Surplus / (Deficit) before Tax		(137)	(1,358)
Taxation	12		
Surplus / (Deficit) for the year		(137)	(1,358)

The Statement of Income and Expenditure includes all gains and losses recognised in the year.

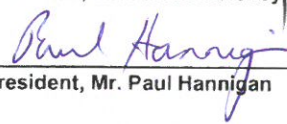
Notes 1 - 28 form part of the financial statements.

Signed on behalf of the Governing Body:


 Chairman, Mr. Fintan Moloney

Date

30/8/2017


 President, Mr. Paul Hannigan

Date

30/8/2017



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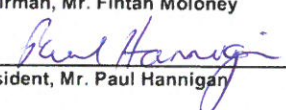
Statement of Changes in Reserves and Capital Account
Year ended 31 August 2016

	Deferred Capital Grants €000's	Development Reserve €000's	Capital Reserve €000's	Revenue Reserves €000's	Total €000's
Balance at 1 September 2014	72,349		1,659	3,093	77,101
Deficit for the year				(1,358)	(1,358)
Amortisation of Deferred Capital Grants	(2,268)				(2,268)
State Grant Allocated to Capital	621				621
Research Grants and Contracts allocated to Capital	61				61
Student Support Funding allocated to Capital	15				15
Other Capital Grants	4,148				4,148
Balance at 31 August 2015	74,926		1,659	1,735	78,320
Deficit for the year				(137)	(137)
Amortisation of Deferred Capital Grants	(2,261)				(2,261)
State Grant Allocated to Capital	384				384
Student Support Funding allocated to Capital	44				44
Other Capital Grants	1				1
Balance at 31 August 2016	73,094		1,659	1,598	76,351


Notes 1 - 28 form part of the financial statements.

Signed on behalf of the Governing Body:


Chairman, Mr. Fintan Moloney


President, Mr. Paul Hannigan


Date


Date



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of Technology**Letterkenny Institute of Technology****Statement of Financial Position**
Year ended 31 August 2016

	Note	31/08/16 €000's	31/08/15 €000's
Non Current Assets			
Fixed Assets	13	73,100	74,926
		<u>73,100</u>	<u>74,926</u>
Current Assets			
Receivables	15	1,556	2,614
Cash and Cash Equivalents	16	4,434	3,390
		<u>5,990</u>	<u>6,004</u>
Less Payables; Amounts due within 1 year	17	(2,739)	(2,610)
Net Current Assets		<u>3,251</u>	<u>3,394</u>
Total Assets less Current Liabilities		<u>76,351</u>	<u>78,320</u>
Total Net Assets		<u>76,351</u>	<u>78,320</u>
Represented by:			
Deferred Capital Grants	20	73,094	74,926
Capital Development Reserve	21	1,659	1,659
Income & Expenditure Reserve		1,598	1,735
Total		<u>76,351</u>	<u>78,320</u>

Notes 1 - 28 form part of the financial statements.

Signed on behalf of the Governing Body:

Fintan Moloney
Chairman, Mr. Fintan Moloney

30/8/2017
Date

Paul Hannigan
President, Mr. Paul Hannigan

30/8/2017
Date



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Statement of Cash Flows
Year ended 31 August 2016

	Year Ended 31/08/16 €000's	Year Ended 31/08/15 €000's
Net Cash flow from Operating Activities		
Excess expenditure over income	(137)	(1,358)
Depreciation of fixed assets	2,261	2,268
Amortisation of deferred capital grants	(2,261)	(2,268)
(Increase) / Decrease in receivables	1,058	(829)
(Decrease) / Increase in payables	129	(50)
Interest Income	(1)	(64)
Net Cash Inflow / (Outflow) from Operating Activities	1,049	(2,301)
Cash Flows from Investing Activities		
Payments to acquire Fixed Assets	(435)	(4,845)
Interest Received	1	64
Net Cash Outflow for Investing Activities	(434)	(4,781)
Cash Flows from Financing Activities		
State Recurrent Grants spent on Fixed Assets	384	621
Other funds spent on Fixed Assets	45	4,224
Net Cash Inflow from Financing Activities	429	4,845
Net Increase / (Decrease) in cash and Cash Equivalents in the year	1,044	(2,237)
Cash & Cash Equivalents at 1 September	3,390	5,627
Cash & Cash Equivalents at 31 August	4,434	3,390

Notes 1 - 28 form part of the financial statements.

Signed on behalf of the Governing Body

Fintan Moloney
Chairman, Mr. Fintan Moloney

30/8/2017
Date

Paul Hanrigan
President, Mr. Paul Hanrigan

30/8/2017
Date



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Notes to the financial statements

For the year ended 31 August 2016

1. Significant accounting policies

The accounting policies which are considered material in relation to the financial statements are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and statement of compliance

The primary objective of the Institute is to provide third level education.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, and promulgated for use in Ireland by Chartered Accountants Ireland and with the requirements of the Higher Education Authority.

No adjustments were required to the prior year financial statements on adoption of FRS 102 in the current year. For more information see note 26.

The functional currency of FRS 102 financial statements for Letterkenny Institute of Technology is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates.

The date of transition to FRS 102 is 1 September 2014.

b. Going concern

Letterkenny Institute of Technology has incurred operating deficits in each of the six years beginning the year ended 31 August 2011. The Institute is aware that continuing deficits will result in the depletion of reserves and could call into question the going concern status of the Institute in the near to medium term. Factors contributing to these deficits included:

Decreases in State Grant for funding of recurrent activities.

Suspension of State Grants for funding of capital investments such as equipment, computer equipment, and fixtures and fittings. The need to allocate recurrent funding for capital purposes decreased income available to fund recurrent activities. This funding has been restored recently.

Amalgamation of Tourism College Killybegs into the Institute with effect from February 2007.

Given the significant reduction in the deficit for the year ended 31 August 2016, the restoration of funding for minor capital works in recent years, and anticipated increased funding going forward, the Governing Body is satisfied that the Institute has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.



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Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

c. Tangible Fixed Assets

(i) Land and buildings

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	50 years
Leased Land & Buildings	Over the term of the lease

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(ii) 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. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Fixtures & Fittings including Prefabs	10 years
Computer equipment	3 years
Plant & Machinery	10 years
Equipment	5 years
Motor Vehicles	5 years

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

d. Stocks

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

e. Taxation

As an exempt charity, the Institute is not liable for corporation tax or income tax on any of its charitable activities. It is registered for value added tax, but since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases. Certain research and commercial activities within the Institute falls into the VAT net, any input or output tax relating to these activities is returned to the Revenue by the Institute.



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Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

f. Recognition of income

State Grants

Recurrent State grants from the Higher Education Authority and other State bodies are recognised in the period in which they are receivable. Non Recurrent Grants from the Higher Education Authority or other State bodies received in respect of the acquisition or construction of Fixed Assets are treated as Deferred Capital Grants and amortised in line with the depreciation over the life of the assets.

Fee Income

Fee income is accounted for on an accruals basis.

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. The most common classes of such transactions are:

(i) Donations with no restrictions

Donations with no restrictions include amounts given to the Institute by way of cash or asset with no restriction as to how the donation should be used. Such donations are recorded in the Statement of Income and Expenditure on entitlement to the income.

(ii) Donations with restrictions

Donations with restrictions are recorded within the Statement of Income & Expenditure on entitlement to the income. The restricted income received is held in a restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

(iii) Research grants from non-government sources

Income from grants from non-government sources is recognised in the Statement of Income and Expenditure when performance related conditions are met. If a restriction in use but no performance related condition exists, the income is recorded in the Statement of Income and Expenditure when the Institute becomes entitled to the income.

Grants with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Income and Expenditure.

Grants with restrictions are recorded within the Statement of Income and Expenditure on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction.

Other Income from non-State sources used for capital purposes

Income from non-government sources used for capital purposes is recognised in the Statement of Income and Expenditure when performance related conditions are met. If a restriction in use but no performance related condition exists, the income is recorded in the Statement of Income and Expenditure when the Institute becomes entitled to the income.

Income from non-government sources used for capital purposes with unfulfilled performance related conditions are held as deferred income until such time as the conditions are met, at which point the income is recorded in the Statement of Income and Expenditure.



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Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

Income from non-government sources used for capital purposes with restrictions are recorded within the Statement of Income and Expenditure on entitlement to the income and subsequently retained within a restricted reserve until such time that the expenditure is incurred in line with the restriction

Minor Capital Works

The Minister for Education and Skills introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works.

In all cases Minor Capital Works funding is recognised in the period received.

Income from short-term deposits

All income from short-term deposits is credited to the Statement of Income and Expenditure in the period in which it is earned.

g. Employee benefits

(i) Retirement Benefits

All employees recruited from 1 January 2013 are members of the single public sector pension scheme and all other pension entitlements of staff are conferred under a defined benefit scheme established under the Education Sector Superannuation Scheme 2015 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.

The Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012. Deductions made from employees under the Single Scheme are remitted by the Institute to the Department of Public Expenditure and Reform.

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The Institute had 39 members of the Single Scheme at 31 August 2016. Future benefits accruing to Scheme members have not been provided for in these financial statements. It is the Institute's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future State funding.

The Department of Public Expenditure and Reform is assessing the current arrangements in respect of the Single Scheme and is considering a number of options in relation to the future payment of benefits and financing of those benefits.

(ii) Short-Term Benefits

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position. There is no accrual for holiday pay for Academic staff at year-end due to the nature of their contracts.



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Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

h. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

i. Leases

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

j. Deferred Capital Grants

Deferred capital grants represent unamortised value of accumulated funds allocated for fixed assets.

k. 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.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institute's accounting policies, which are described in note 1, the Governing Body is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Institute's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Governing Body has made in the process of applying the Institute's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The Governing body has determined that the going concern basis remains appropriate as outlined in note 1b. to the financial statements.



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Notes to the financial statements – (continued)

For the year ended 31 August 2016

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty:

Holiday Pay Accrual

The holiday pay accrual is calculated by reference to the days holidays outstanding at the year-end. Academic staff do not require an accrual at year-end due to the nature of their contract. There is no need for a transition adjustment in respect of holiday pay, if the accrual at 31 August is less than 5% of the salaries and wages cost for the year ended 31 August 2016.

Provision for Bad Debts

We have estimated the bad debt provision using historical collection rates, particularly in relation to tuition fee and student contribution receivables.



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Notes to the Financial statements - (Continued) Year ended 31 August 2016

3. State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	2016 Total €000's	Restated 2015 Total €000's
State Grant for Recurrent Expenditure - HEA	11,019	384	11,403	11,247
State Grant for Recurrent Expenditure - HEA (Nursing)	523		523	539
State Grant for Capital Expenditure - Department of Education and Skills				
State Grant for Minor Capital Works	871		871	590
Total 2016	12,413	384	12,797	12,376
Total 2015	11,755	621	12,376	

4. Tuition Fees and Student Contribution

	2016 Students WTE	2016 State Funded	2016 Non State Funded	2016 Total €000's	2015 Students WTE	2015 State Funded	2015 Non State Funded	2015 Total €000's
Fees paid by State	2,654	1,891		1,891	2,513	2,181		2,181
Non EU Fees	21		94	94	4		27	27
Fees paid by students or on behalf of Students	429		392	392	456		396	396
Life Long Learning and other fees	313		330	330	256		247	247
Student Contribution		6,018	2,445	8,463		5,204	2,030	7,234
Student Numbers / Net Fee Income	3,417	7,909	3,261	11,170	3,229	7,385	2,700	10,085

The Higher Education Authority paid tuition fees in the year of €1,576,988 (2015: €1,890,764) for full-time Degree courses, and €313,625 (2015: €273,392) for Higher Certificate and Ordinary Degree courses, the total costs of which are part funded by the European Social Fund.

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



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of Technology**Letterkenny Institute of Technology****Notes to the Financial statements - (Continued)**
Year ended 31 August 2016**5. Research Grants & Contracts**

	2016	2015
	Total	Total
	€000's	€000's
Income		
State & semi state	1,347	1,454
European Union	162	91
Industry	21	20
IOTI	25	18
Other	40	64
Less: Research Grants and Contract Income allocated to capital	0	(61)
Net Income	1,595	1,586
Expenditure		
Pay Costs	920	951
Non Pay Costs	675	635
	1,595	1,586
Net Outcome	0	0

6 Analysis of State Derived Income.

Name of Grantor	Opening Deferral	Grant	Closing	
	01/09/15	received	Deferral	I&E 2016
			31/08/16	
Note 3 - State Grant				
HEA	(645)	11,666	382	11,403
HEA - Nursing		523		523
Allocated for Capital expenditure		(384)		(384)
State Grant Minor Capital Works Allocated for Recurrent Expenditure		871		871
Total State Income	(645)	12,676	382	12,413
Note 4 - Tuition Fees & Student Contribution				
HEA		1,891		1,891
Faillte Ireland		288		288
Dept. of Education & Skills		9		9
SUSI		5,721		5,721
Total State Income	0	7,909	0	7,909
Note 5 - Research & Contracts				
Enterprise Ireland	103	426	255	784
HEA	71	75	(56)	90
HSE	37	0	(35)	2
Department of Education & Skills	66	283	24	373
Bord Iascaigh Mhara	(8)	107	(1)	98
Total State Income	269	891	187	1,347

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Notes to the Financial statements - (Continued) Year ended 31 August 2016

7. Student Support Funding

	2016 Disabilities €000's	2016 Assistance €000's	2016 Total €000's	2015 Total €000's
Balance at 1 September	(35)	(3)	(38)	12
Receipts;				
Higher Education Authority	300	152	452	351
Other	5		5	
Less: Receipts allocated to capital	(44)		(44)	(16)
Net Receipts	261	152	413	335
Amounts Applied;				
Pay Costs	120	0	120	142
Non Pay Costs	98	152	250	243
Total Expenditure	218	152	370	385
Balance at 31 August	8	(3)	5	(38)

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

8. Other Income

	2016 Total €000's	2015 Total €000's
Superannuation Deductions retained	1,166	1,195
Rental of Facilities	101	84
Central Research Overhead	109	134
Sundry Income	1,075	775
Net Outcome	2,451	2,188



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Notes to the financial statements - (continued) For the year ended 31 August 2016

9. Staff Costs

The average number of persons (including senior post-holders) employed by the Institute during the year, expressed in full time equivalent is:

	2016 No. of employees	2015 No. of employees
Teaching and research	193	187
Technical	45	47
Central administration and services	106	103
	344	337
	2016 €'000	2015 €'000
Salaries and wages	22,663	22,224
	22,663	22,224

Key management compensation

The total remuneration for key management personnel for the year 2016 totalled €155,677 (2015: €158,994). Key management personnel of the Institute consist of the President and the Governing Body.

Higher paid staff

The Institute has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration, in salary bands of €10,000, using €60,000 as the starting value, is as follows:

Salary Bands	Year Ended 31 August 2016	Year Ended 31 August 2015
60,000 - 70,000	36	36
70,001 - 80,000	76	65
80,001 - 90,000	17	24
90,001 - 100,000	9	10
100,001 - 110,000	2	1
110,001 - 120,000	-	-
120,001 - 130,000	-	-
130,001 - 140,000	-	-
140,001 - 150,000	1	1
Grand Total	141	137



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Notes to the Financial statements - (Continued) Year ended 31 August 2016

10. Other Income Generating Activities

	2016 €000's	2015 €000's
Income		
CoLab	233	143
An Danlann Student Centre	222	217
Total Income	455	360
Expenditure		
Pay Costs	279	266
Non-Pay Costs	155	153
	434	419
Net Outcome	21	(59)

11. Other Operating Expenses

	2016 Pay Costs €000's	2016 Depreciation €000's	2016 Other Operating Expenses €000's	2016 Total €000's	2015 Total €000's
Research Grants & Contracts	920	47	675	1,642	1,612
Academic Departments	16,654	470	1,226	18,350	17,918
Academic Services	553	3	168	724	695
Facilities	468	1,682	1,190	3,340	3,244
Central Admin	3,103	51	922	4,076	4,274
General Education	410	6	694	1,110	666
Other IncomeGenerating Activities	279		155	434	419
Student Support Funding	120		250	370	402
Student Services	156	2	692	850	769
Total Expenditure	22,663	2,261	5,972	30,896	29,999
Total 2015	22,224	2,268	5,507	-	29,999

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Notes to the Financial statements - (Continued) Year ended 31 August 2016

11. Other Operating Expenses - Continued

	2016 €000's	2015 €000's
Materials and Other Consumables	342	348
Light, Heat and Power	396	468
Repairs and Maintenance Costs	705	676
Printed material, books and periodicals	159	166
Travel and Subsistence	487	447
Printing, Stationary, Postage and other Office Expenses	168	210
Rent, Rates and Insurance costs	205	180
Recruitment, training etc.	546	538
Auditors Remuneration in respect of Audit Services	24	30
Consultancy costs	185	130
Equipment (non capitalised) purchases	132	155
Computer Maintenance, Software and Licenses	325	379
Security and Grounds Maintenance	97	99
Medical service	78	82
Communications	70	73
Advertising and Marketing	201	228
Institute Management Service	53	53
Waste Disposal	21	22
Health and safety	26	23
Student Support Funding	250	243
Student Registration Charges	614	525
Course development and validation	35	49
Bad Debts	420	10
Other Expenses	433	373
Total Other Operating Expenses	5,972	5,507

12. Taxation

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



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Notes to the financial statements - (continued)

For the year ended 31 August 2016

13. Tangible Fixed Assets

	Land & Buildings €'000	Assets in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Equipment €'000	Motor Vehicles €'000	Total €'000
Cost								
At 1 September 2015	94,369	0	415	11,901	480	9,792	40	116,997
Additions in year	19		52	264	35	65		435
Trfs Assets in Construction								
Disposals in year				(164)		(9)		(173)
At 31 August 2016	94,388	0	467	12,001	515	9,848	40	117,259
Depreciation								
At 1 September 2015	20,811	0	111	11,451	230	9,428	40	42,071
Transfers								0
Charge for year	1,662		47	337	51	164		2,261
Eliminated on disposals				(164)		(9)		(173)
At 31 August 2016	22,473	0	158	11,624	281	9,583	40	44,159
Net book value								
At 31 August 2016	71,915	0	309	377	234	265	0	73,100
At 1 September 2015	73,558	0	304	450	250	364	0	74,926



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Notes to the financial statements - (continued) For the year ended 31 August 2016

14. Stocks

LYIT does not hold stocks of raw materials or finished goods for resale.

15. Receivables

	2016 €'000	2016 €'000	2015 €'000	2015 €'000
State Grant receivable		382		645
Other capital funding receivable				731
Tuition and Other Fees receivable	761		845	
Less Provision for Bad debts	(533)	228	(489)	356
Research grants and contracts receivable		328		113
Self Funded Activities		38		8
Prepayments & Accrued Income		239		320
Other receivables	345		445	
Less Provision for Bad debts	(4)	341	(4)	441
		1,556		2,614

16. Cash & cash equivalents

	2016 €'000	2015 €'000
Cash at bank including balances held on short term deposit	4,434	3,390
	4,434	3,390

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of Technology**Letterkenny Institute of Technology****Notes to the financial statements - (continued)
For the year ended 31 August 2016****17. Payables: amounts falling due
within one year**

	2016 €000's	2015 €000's
Trade payables	46	9
Research grants and contracts received in advance	253	476
Self Funded Activities	177	210
Tuition fees received in advance	445	288
Deferred Income Student Support Funding	50	50
Accruals and Deferred Income	1,100	862
Other tax and social security	542	574
Other payables	126	141
Total Creditors	2,739	2,610

18. Student Maintenance Grants

	2016 €000's	2015 €000's
Receipts from Department of Education and Skills (Colleges Section)	4	46
Receipts from Department of Education and Skills (Student Support Unit)	-	11
Payments to students	(4)	(46)
Payments to students (top ups)	-	(11)
Net Cash (Outflow) / Inflow	-	-
Opening Balance	-	-
Closing Balance	-	-

From September 2012 responsibility for the payment of Third Level Training and Top up Grants was allocated to SUSI (Student Universal Support Ireland). For students that had commenced study prior to this date, the payment of the Third Level Training Grant continues to be processed by the Institute. The level of grants processed by the Institute is therefore reducing in each period and from September 2017 all payments will be made by SUSI.



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Notes to the financial statements - (continued) For the year ended 31 August 2016

19. Commitments under Property Leases

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

	2016 €000's	2015 €000's
Within 1 Year	32	68
Between 2 & 5 Years	-	32
Greater than 5 years	-	-
Total Commitments	32	100

20. Deferred Capital Grants

	2016 €000's	2015 €000's
At 1 September		
Opening Balance	74,926	72,349
Capital Grants Receivable		
Allocated from State Recurrent Grant - HEA	384	621
Allocated from Research Grants & Contracts		61
Allocated from Student Support Funding	44	15
Other Capital Grants/Funding	1	4,148
Total	429	4,845
Disposals	(173)	(359)
Amortised to Income and expenditure in year		
Amortised in line with depreciation	(2,261)	(2,268)
Total	(2,261)	(2,268)
Disposals	173	359
At 31 August		
Closing Balance	73,094	74,926

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of Technology**Letterkenny Institute of Technology****Notes to the financial statements - (continued)**
For the year ended 31 August 2016**21. Capital Development Reserve**

	2016 €000's	2015 €000's
Opening Balance	1,659	1,659
Contribution to Capital (Used in Year)	-	-
Closing Balance	<u>1,659</u>	<u>1,659</u>

22. Capital Commitments

	2016 €000's	2015 €000's
Contracted for but not provided	19	17
	<u>19</u>	<u>17</u>

23. Related Parties

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 Governance of Irish Institute's of Technology in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

24. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2016.

25. Post Statement of Financial Position Events

There were no significant events since the Statement of Financial Position date which could have implications for these financial statements.



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Notes to the financial statements - (continued) For the year ended 31 August 2016

26. Explanation of Transition to FRS 102

This is the first year that the Institute has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous Irish GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

The Institute has elected to use the transition provisions in Section 35 of FRS 102 in relation to property, plant and equipment, whereby the previous GAAP valuation may be used as "deemed cost" going forward.

There was no impact on opening reserves at the date of transition as a result of the adoption of FRS 102, and no impact on the previously reported result for the year ended 31 August 2015. Where necessary, the comparative figures have been regrouped and restated on the same basis as the current year figures.

27. Technological University: Connacht-Ulster Alliance

By collaborating together Galway-Mayo Institute of Technology, Letterkenny Institute of Technology and Institute of Technology Sligo will achieve the criteria required to become a technological university (TU) and thereby enhance the ability of the higher education system in the region to support economic, social and cultural developments across a geographically dispersed, mostly rural community. The current timeline is 5 years to achieving re-designation as a TU. Cumulative cost projections for the 3 institutions up to 2019 is €11.8m as outlined in a recent funding submission to the HEA. As a result of this submission the HEA has committed funding of €757,000 to the project for 2015/16. Any changes to the proposed legislation on technological universities may have implications for the Connacht-Ulster Alliance project.

28. Approval of Financial Statements

The financial statements were approved by the Governing Body on 30 August 2017.