

**University College Cork
National University of Ireland, Cork**

Consolidated Financial Statements

Year Ended 30 September 2013

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HONORARY TREASURER'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – YEAR ENDED 30 SEPTEMBER 2013

Format of Accounts

For several years, the University's financial statements have been prepared on a tailor-made basis agreed between the universities and the Higher Education Authority (HEA). Following detailed consultation with the HEA and the Comptroller and Auditor General, it has been agreed that the published financial statements from the year ended 30 September 2003, be prepared on the basis of Generally Accepted Accounting Principles (GAAP). In addition, the previous basis will continue to be used to prepare a HEA Funding Statement, i.e. a financial report which reflects the funding requirements of the universities, along with a reconciliation between both formats. These are the statements that are now appended.

There are significant differences between the two formats of financial statements. Under the Funding Statement arrangement, it was agreed that a proportion of fee income (related to economic fee income from non-EU status and fee levies paid by all students) was treated as capital income to be used for development purposes and not included in the recurrent income of the University. Certain non-recurring income, e.g. profit arising on disposal of fixed assets, is treated as income under GAAP. There are also significant differences in the treatment relating to depreciation and amortisation of capital receipts. A number of other minor differences in treatment also arise.

The net result will be differences across both the income and expenditure account and balance sheet. While the commentary to follow is based on GAAP, it could be argued that the HEA Funding Statements gives a better overview of operational performance, given the impact of depreciation and amortisation on the GAAP accounts.

Income and Expenditure Account

The net out-turn for the year on the income and expenditure account is a deficit of €4.4m, primarily due to greater level of depreciation vis a vis amortisation, the continued delay in the resolution of the funding issues in relation to the Dental School & Hospital and an increased provision in relation to outstanding tuition fees.

Earnings before depreciation, interest, tax and amortisation (EBITDA) recorded a surplus of €4.5m

Income from operations (adjusted for pension deferred income – note 29) at €290.6m shows a decline of €9.8m/3.3% on the previous year, primarily due to continuing reductions in exchequer funding in support of all teaching, learning and research activities. Academic fee income remains at the previous year's level, with research income down €1.5m to €78.4m.

Expenditure (adjusted for pension FRS17 adjustment) at €295m is lower by €4.5m as the University reduced operating costs by €2.9m in line with the reduced level of exchequer income. Depreciation is also lower by €1.9m, given the reductions in grant support for the University's estate, while staff costs remain at previous year's levels.

Research income decreased to €78.4m from €79.9m in the previous year. While EU and commercial research funding continued to increase, it was offset by continued reductions in exchequer related research support.

Capital Expenditure and Balance Sheet

The pace of enhancement to the physical estate of the University again slowed in 2012/13 reflecting the reduced availability of exchequer funding for capital purposes. Additions totalling €10m in the year were lower by €16m from the previous years activity. Depreciation was €21.8m, resulted in a net book value of assets of €564.9m. A total of €9.6m (down 12%) was received during the year in the form of capital grants.

The main fixed asset addition during the year was the further development of the Tyndall National Institute.

The University continues to benefit from the fund-raising activities of Cork University Foundation Limited. Once again, I express the University's appreciation for this support which is vital for the continuing essential development of its infrastructure.

HONORARY TREASURER'S REPORT

State Grant

In the year under review, State Grant contributed €53.6m as against €58.7m in the previous year. This reflects the deterioration in public finances and is a reduction of €5.1m on the previous year. In addition ring fenced exchequer funding for Nursing, Medical Education & Skills Programmes continue to decline. The State Grant continues to decline and now contributes 16% of total income, as against 17% in the previous year. This trend is expected to continue as exchequer funding falls while the University continues to diversify and grow non exchequer income sources.

Fees

Fee income remained similar to the previous year at €116.3m and now represents just over 34% of total income. Under the Government's "free fees initiative", fees in respect of full-time undergraduate students from EU countries are paid for by the State. This grant in lieu of fees, for 2012/13 was €45.7m/39.2%, with the balance of fee income derived from the student contribution, post graduate fees and increased levels of non EU student fee income. The University continue to rely on this income source to compensate for the on-going decline in State support for the University.

Research Income

Research income decreased during the year to €78.4m, down €1.5m/1.9% on prior year levels, primarily due reduced exchequer related research funding. The university continues to diversify its research funding sources. EU research income now accounts for €11.6m/14.8% of total research income while competitive research awarded by industry remained close to prior year levels. Science Foundation Ireland remains the largest contributor to research across the University.

This outcome is due to the diligence and dedication of large numbers of academic staff who, as principal investigators, generate this income. Such income is now earned on a seriously competitive basis. UCC has been singularly successful in the competitive awards of Science Foundation Ireland's Research Centre funding programme during 2012/13.

Overhead income received from funding agencies remains below international benchmarks and continues to put pressure on overall University finances. In 2012/13 overheads earned from research, was €8.1m/11.5% of direct research income. The national Full Economic Costing (FEC) project is underway to address the overhead deficit. It is co-ordinated by the Irish Universities Association (IUA) and funded by Cycle 2 of Strategic Innovation Funding (SIF). It involves all 7 universities, working together to ensure an effective audit process exists to demonstrate the real cost of hosting research, to ultimately recover overhead from funding agencies that reflects the real cost of research in line with international norms.

Balance Sheet

Revenue reserves, following the performance in the year, are now €8.8m.

Tighter treasury management has improved the University's cash balance from an overdraft in 2008 to a credit balance of €85.9m at September 2013. This cash position is however enhanced by the timing of contract research and tuition fee receipts as well as a reduction in debtors.

Creditors at €182.1m are greater than 2011/12 levels, primarily due to increased deferred income in relation to research grants and state grant received in advance together with movement in long term to short term borrowing associated with S.50 developed student accommodation buy back arrangements.

In turn, long term borrowings at €29.6m have decreased year on year reflecting this movement given the imminent buy back of S50 student accommodation.

Debtors, year on year have improved by €1.9m, primarily due to a reduction in cash outstanding from non-exchequer related sources and a reduction in student related debtors.

HONORARY TREASURER'S REPORT

Pension

2010 saw the transfer to the State of UCC's pension fund, as set out in the Financial Measures (Miscellaneous Provisions) legislation. Since March 2010, the liability for pension now rests with the State.

Disclosure note 29 sets out in detail the University position in relation to this matter.

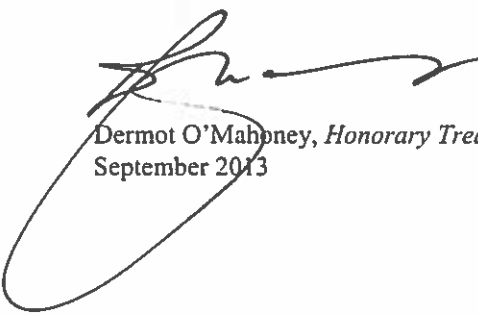
Summary

2012/13 was another successful year for the University. Student numbers at Under and Post graduate continued their growth path, despite the national funding difficulties.

Research activity continued to diversify, further enhancing the overall quality of education offered to students

However, despite the academic and research successes, the decline in exchequer income continues to outpace growth in non-exchequer income sources. In addition continued failure nationally to fund the University appropriately for Dentistry programmes, resulted in the University again recording of a net deficit in 2012/13.

This together with an sustainable funding model for the sector is now urgently required to enable UCC play its role in supporting the economic, cultural and social development of the region and of Irish society.



Dermot O'Mahoney, *Honorary Treasurer*
September 2013

STATEMENT OF GOVERNING BODY'S RESPONSIBILITIES

The Governing Body is required to comply with the Universities Act, 1997, and to keep in such form as may be approved of by an t-Údarás um Ard-Oideachas all proper and usual accounts of money received and expended by it.


In preparing those accounts, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Governing Body is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, the Statement of Recommended Practice on Accounting in Higher Education Institutions and are prepared in accordance with accounting standards generally accepted in Ireland.

The Governing Body is responsible for ensuring that the business of the University is conducted in a proper and regular manner and for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Governing Body:


Dr. Michael Murphy
President


Dr. Catherine Day
Chairperson UCC Governing Body

Date: 3/11/15

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK

We have audited the financial statements of University College Cork for the year ended 30 September 2013 which comprise the Statement of Accounting Policies, the Consolidated Income and Expenditure Account, the Consolidated and University Balance Sheet, the Consolidated Statement of Historic Cost Surpluses and Deficits, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Cash Flow Statement and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the members of the Governing Body of University College Cork as a body. Our audit work has been undertaken so that we might state to the members of the Governing Body those matters we state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Governing Body for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University, the Governing Body and Auditors

As more fully explained in the Statement of the Governing Body's Responsibilities, the University is responsible for the preparation of the financial statements. The Governing Body is responsible for developing and maintaining an effective system of internal control. It also acknowledges that the system of internal control can only provide reasonable and not absolute assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Our responsibility, as independent auditor, is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We review whether the statement of internal control required by the Code of Governance for Irish Universities made in the Statement of Corporate Governance on pages 8 to 11 reflects the University's compliance with the relevant provisions of the Code and is consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not. We are not required to consider whether the University's statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the University's corporate governance procedures or its internal control procedures.

Scope of the 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 University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the University; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Consolidated Financial Statements of University College Cork for the year ended 30 September 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. We read the Honorary Treasurer's Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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**INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNING BODY OF UNIVERSITY COLLEGE CORK**

Opinion on financial statements

In our opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the University and the University's subsidiaries as at 30 September 2013 and of the deficit for the year then ended.

Emphasis of Matter – Recognition of Pension Scheme Assets

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in Note 29 to the financial statements concerning the recognition of an asset equivalent to the university's pension liabilities. The assets of the Closed Scheme have been transferred to the National Pension Reserve Fund and under Section 12(6) of the *Financial Measures (Miscellaneous Provisions) Act, 2009* the Oireachtas will make good any deficiency arising if the aggregate of members' and employers' contributions paid to or withheld by the university are insufficient to meet the university's obligations to pay these benefits in accordance with the scheme. The obligations of '2005 scheme' are met on a 'pay as you go' basis by the State following the transfer of the scheme assets to the National Pension Reserve Fund in 2009, and, an asset equivalent to the '2005 scheme' pension liability has been recognised in the financial statements as part of its overall deferred pension funding asset. In view of the significance of this matter, we consider that it should be drawn to your attention.

Matters on which we are required to report

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the University.
- The University balance sheet and its income and expenditure account are in agreement with the books of account.
- In our opinion the information given in the Honorary Treasurer's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions the Code of Governance of Irish Universities which require us to report to you if, in our opinion, the statement of internal control required by the Code of Governance for Irish Universities made in the Statement of Corporate Governance does not reflect the University's compliance with the relevant provisions of the Code and is not consistent with the information of which we are aware from our audit work on the financial statements.



Chartered Accountants and Statutory Audit Firm
Cork

Date: 08/01/2016

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the governing body but no control procedures can provide absolute assurance in this area. Legislation in Ireland governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Statement of Governance and Internal Control
University College Cork
Year End September 2013

Code of Governance for Irish Universities

In 2006 the HEA developed a Code of Governance for the sector which set out best practice governance arrangements for Irish Universities. The code envisaged a period of transition of three years for the sector to move from existing practice in 2007 and to the recommended configuration.

A revised code of governance of Irish Universities was issued in December 2012 which updated the code including the amalgamation of the annual governance declaration with the statement of internal control, into one combined Statement of Governance and Internal Control.

In February 2007, the Governing Body of University College Cork formally adopted the Code of Governance for Irish Universities and commenced the process of implementing the required processes and procedures to ensure full compliance over the period 2007 to 2010.

University College Cork – Governance Code

The subsequent 2012 revised “Governance of Irish Universities” was adopted by the Governing Body of UCC in December 2012.

A Manual of the Structure, Code of Practice and Procedures of the Governing Body which sets out the duties and responsibilities of Governing Body members is in place. A Code of Conduct for Members of the Governing Body and Governing Body Committees was approved by UCC Governing Body on 28 October, 2008 and is now incorporated into a Regulation governing the Conduct of Governing Body Business.

A Code of Conduct for Employees has been agreed with Unions and approved by the Governing Body at its meeting in April, 2009. Policies governing the conduct of staff are in place. The conduct of staff is primarily governed by the contract of employment. Employees are also required to comply with a range of policies and details of these policies are included in a starter pack issued to new employees with their contract of employment as well as being part of orientation for all new staff. All UCC HR policies are available on the UCC website and web-link to these policies is included in the contract of employment issued to all new members of staff.

The Governing Body is the principle university governance and decision-making body in accordance with the Universities Act, 1997. The Governing Body is responsible for guiding the strategic direction of the University with particular emphasis on overseeing policy, monitoring the performance of the University and working with the President and senior management to set the University’s strategic aims.

On academic matters, Academic Council is responsible, subject to the financial constraints determined by the Governing Body and to review by the Governing Body, and subject to the traditional principles of academic freedom, for controlling the academic affairs of the University including the curriculum, instruction and education provided by the University.

The President is the Chief Officer of the University and is appointed by the Governing Body. The President is responsible for managing and directing the academic, administrative, financial, personnel and other activities of the University.

The University Management Team comprises the President and other officers and senior managers of the University. The University Management Team structure includes two groups (Strategy and Operations).

The Governing Body has overall responsibility for the University’s system of internal control. The system of internal control covers all material controls including financial, operational and compliance controls, and risk management systems that support the achievement of the University’s aims and objectives while safeguarding the public and other funds and assets for which the University is responsible.

The Governing Body of UCC acknowledges its responsibility for developing and maintaining an effective system of internal control. To effectively discharge this responsibility, there are two main standing committees of the Governing Body that provide the assurance to Governing Body around governance, risk and control. The Finance Committee under delegation in statute from Governing Body oversees the financial management of the University while the Audit Committee provide the assurance to Governing Body on risk management and the effectiveness of controls.

Internal Control Environment

While the University's system of internal control remains under constant review, the initial process of review and implementation in line with the Code of Governance is now substantially complete. Notwithstanding this, the University continues to review and enhance its internal control environment as required to ensure relevant risks are mitigated to an acceptable level.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives or to conduct university affairs in an orderly and legitimate manner. To that extent, such a system can only provide reasonable, but not absolute, assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

The key elements of the system of internal control include:

- Clearly defined management responsibilities including segregation of duties, formal delegated authorities and sample checking of invoices and payments.
- Policies, procedures and regulations;
- Login, profile, management and password controls for access and use of financial systems
- Strategic planning processes;
- Planning, resource allocation and budgetary control systems which are monitored through regular management reporting including the issuing of monthly reports to budget-holders and review by senior management throughout the year;
- Information systems to ensure timely management reporting;
- A risk management system which identifies and reports key risks and the management actions taken to address these risks;
- Adherence to national policy as informed by HEA and Departmental circulars and communiqués.

Monitoring the effectiveness of the system of internal control is informed by the following processes:

- (i) On-going review by the University Management Team and the provision of annual assurance statements by senior officers;
- (ii) The Annual Report of the President to the Governing Body;
- (iii) The President's Routine Reports presented at each meeting of the Governing Body;
- (iv) Reports from the Finance Committee meetings relating to income, expenditure, research, treasury, debtors, liabilities/borrowings and capital which are placed before meetings of the Governing Body;
- (v) Reports from Academic Council meetings which are placed before meetings of the Governing Body;
- (vi) Risk Management Committee and monitoring of the risk register;
- (vii) Risk Management committee minutes forwarded after each meeting to Audit Committee;
- (viii) The regular report to Governing Body and the annual report of the Audit Committee to the Governing Body together with the work performed by the Internal Audit function during the year and comments arising from the committee's review of risk management and corporate governance arrangements;

- (ix) Management letters and reports from the university's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee;
- (x) Quality Assurance reports;
- (xi) Communication of the results of other periodic reviews.

Work continues in relation to Fraud and Good Faith reporting as well as in relation to the development of a Heritage Asset register.

Specifically in relation to the Code of Governance:

Financial Reporting - The University affirms that all appropriate procedures for the production of the annual financial statements are in place.

Internal Audit - UCC has an in-house Internal Audit Function in place since March 2003. The Internal Audit Charter has been updated in line with the HEA Code and was approved by the Audit Committee on 7th November 2007 and by Governing Body on 11th December 2007. Internal Audit carries out an annual programme of risk based audits.

Risk Management: - The Audit Committee of the University is charged with assuring the Governing Body on Risk Management. A Risk Management Committee is in place which reports to the University Management Team and the Audit Committee. A University Risk Register is in place and is subject to review at 6 meetings of the Risk Management Committee and 2 Risk Workshops for the University Management Team each year. The Risk Management Committee has responsibility for the embedding of risk management across the University. The University has appointed a Risk Management Officer to support Risk Management and Business Continuity Planning within the University

Procurement - The University confirms that procurement procedures in place have been communicated to all staff and that to the best of UCC's knowledge and belief the University continues to strive to ensure compliance with these procedures in all material ways.

Asset Disposal - The disposal of University assets to third parties and employees is governed by University procedures communicated to all staff. To the best of UCC's knowledge and belief the University has been compliant with these procedures.

Capital Appraisal Guidelines - The University confirms that, where appropriate, UCC has put in place processes to facilitate compliance with the Guidelines for the Appraisal and Management of Capital Projects issued by the Department of Finance in February 2005.

Value For Money - The University, to the best of its knowledge and belief, has followed the Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20th October 2005 and communicated to the Universities.

Tax Compliance - The University is to the best of its knowledge and belief fully compliant with taxation laws and is committed to ensuring that all tax liabilities are paid on the relevant due dates.

Statutory Obligations - UCC management has processes in place to enable compliance with the statutory obligations applicable to the University.

Government Policy on Pay - UCC is complying with government policy on pay and with the departures framework for remuneration agreed with the HEA under s.25 of the Universities Act, 1997. Where appropriate, discussions continue with the Department of Education & Skills to develop a national framework for the sector to enable the University respond appropriately via additional remuneration to deliver on University targets and national objectives.

Travel Policy - UCC has a travel policy and associated procedure in place. The policy and procedures are made available to all staff on the university website. The policy and procedures have been developed having regard to the requirements of Department of Finance travel circulars and the requirements of the Revenue Commissioners in relations to employee expenses.

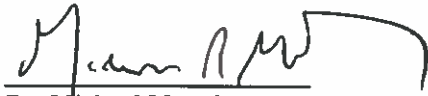
Child Protection - UCC has procedures and guidelines in place in relation to child protection. These procedures and guidelines have been consolidated in a Child Protection Policy.

Governing Body Fees - No fees are paid to members of the Governing Body.

Subsidiary Companies - The UCC Code of Governance applies to subsidiary companies. Each subsidiary company produces financial statements which are independently audited and are included in the UCC Consolidated Financial Statements. The subsidiary companies' audited statutory financial statements are presented to the Finance Committee and to the Audit Committee.

Financially Significant Developments - There were no significant financial developments affecting UCC in the past year. As in previous years, UCC continues to recognise a deferred state asset in relation to all pension liabilities, inclusive of added year liabilities of €52.9m. This view is in accordance with senior counsel opinion and the view of our commercial auditor, Deloitte, and reflects Governing Body's understanding in relation to the transfer to the State of UCC's pension asset and related liabilities as set out in the Financial Measures (Miscellaneous Provisions Act) 2009 of future pension liabilities.

Signed



Dr. Michael Murphy
President

I wish to confirm that the Governing Body of University College Cork at its meeting on **3/11/15** approved the Statement of Governance and Internal Control for the year ended 30th September 2013



Dr. Catherine Day
Chairperson UCC Governing Body

STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the University are as follows:

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and the Statement of Recommended Practice - Accounting for Further and Higher Education Institutions. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Accounting convention

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain land and buildings.

Basis of consolidation

The consolidated financial statements include the University and its subsidiary undertakings and other undertakings in which the University has a financial interest, as indicated in note 12. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation.

In accordance with FRS2, the activities of the Students Union have not been consolidated because the University does not control those activities. The financial statements of Cork University Foundation Limited and University College Cork Trust Fund are also excluded as they are not controlled by the University.

Recognition of income

Recurrent grants from the Higher Education Authority 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.

Academic fees are recognised in the period in which they are receivable.

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year plus income related to any related contributions towards overhead costs as earned.

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

Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the year, together with any related contributions toward overhead costs.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Tangible fixed assets

(a) Land and buildings

The University's buildings are valued at depreciated replacement cost. Land and buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost as they are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. The last valuation was carried out on 30 September 1994. The University has fixed the value of the land and buildings as at 30 September 1994 as this was the first year of the implementation of generally accepted accounting principles in respect of Fixed Assets in presenting the financial statements of the University. Land and buildings acquired since the valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University of 50 years.

STATEMENT OF ACCOUNTING POLICIES - continued

Tangible fixed assets - continued

(a) Land and buildings - continued

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

(b) Equipment

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

Computer equipment	3 years
Equipment	5 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

Heritage assets

Heritage assets (valuable artefacts held and maintained for their contribution to knowledge and culture) valued at over €10,000 are capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage Assets are not depreciated.

The University holds a number of heritage assets acquired in past accounting periods which are not capitalised, as reliable cost information is not available and conventional valuation approaches lack sufficient reliability.

Financial assets

Investments that are listed on a recognised stock exchange are carried at market value. Those that are not listed are carried at historical cost less any provision for impairment in their value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the University on books and consumable stocks financed from recurrent grants are charged to the Income and Expenditure account.

Taxation

As an exempt charity, the University 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.

Trading activities undertaken by the University are administered through its subsidiary companies. The majority of these subsidiary companies are exempt from Corporation Tax as they are exempt charities.

Liquid resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

STATEMENT OF ACCOUNTING POLICIES - continued

Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Financing Arrangements

Assets held under financing arrangements which transfer substantially all of the risks and rewards of ownership to the University are treated as if they had been purchased outright and are included in the balance sheet as tangible assets at cost. The corresponding commitments are shown as liabilities.

Retirement Benefits

The University operated two defined benefit pension schemes during the year, as detailed in note 29. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

Amounts in respect of current and past service costs, and the interest cost on scheme liabilities, and actuarial gains and losses are calculated in accordance with FRS17, with equivalent amounts recognised on foot of the transfer arrangement in the Income and Expenditure Account and Statement of Total Recognised Gains and Losses. Contributions to the scheme represent a cost to the University and are charged to the Income and Expenditure Account.

As further detailed in note 29, a deferred pension funding asset has been recognised equivalent to the University's pension liability.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme. (SPSPS). This scheme is administrated by the Department of Public Expenditure and Reform. Contributions are charged to the income and expenditure account in the year in which they fall due.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

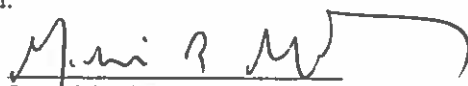
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year Ended 30 September 2013


	Notes	Consolidated 2013 €'000	Consolidated 2013 €'000	Consolidated 2012 €'000	Consolidated 2012 €'000
Income					
State grants	1		53,633		58,735
Academic fees	2		116,321		116,268
Research grants and contracts	3		78,440		79,916
Amortisation of deferred capital grants	18		12,735		14,708
Other operating income	4		28,362		29,070
Interest income	5		1,107		1,704
Net deferred funding for pensions	29		<u>50,425</u>		<u>41,658</u>
Total income			<u>341,023</u>		<u>342,059</u>
Expenditure					
Staff costs	6	198,755		198,139	
FRS 17 Impact	29	<u>12,780</u>	211,535	<u>3,395</u>	201,534
Other operating expenses	7		73,554		76,417
Interest payable and similar charges	8	858		1,247	
FRS 17 Impact	29	<u>37,645</u>	38,503	<u>38,263</u>	39,510
Depreciation	11		<u>21,832</u>		<u>23,744</u>
Total expenditure			<u>345,424</u>		<u>341,205</u>
(Deficit)/surplus for the year after depreciation of assets before taxation			(4,401)		854
Taxation	9		—		—
(Deficit)/surplus for the year after depreciation of assets and after taxation	10		<u>(4,401)</u>		<u>854</u>

The deficit for the year arose solely from continuing operations.

The financial statements on pages 12 to 34 were approved by the Governing Body on 3/11/15 and were signed on its behalf by:

Signed:


Dr. Michael Murphy
President



Dermot O'Mahoney
Honorary Treasurer


CONSOLIDATED AND UNIVERSITY BALANCE SHEET
30 September 2013

	Notes	Consolidated		University	
		2013 €'000	2012 €'000	2013 €'000	2012 €'000
Fixed assets					
Tangible assets	11	564,905	576,701	480,903	491,654
Financial assets	12	-	-	1,627	1,627
		<u>564,905</u>	<u>576,701</u>	<u>482,530</u>	<u>493,281</u>
Current assets					
Stocks	13	501	488	397	392
Debtors	14	31,008	32,960	41,583	42,966
Cash at bank		<u>85,994</u>	<u>65,332</u>	<u>76,460</u>	<u>56,202</u>
		<u>117,503</u>	<u>98,780</u>	<u>118,440</u>	<u>99,560</u>
Creditors: Amounts falling due within one year	15	<u>(182,111)</u>	<u>(146,300)</u>	<u>(159,891)</u>	<u>(141,470)</u>
Net current liabilities		<u>(64,608)</u>	<u>(47,520)</u>	<u>(41,451)</u>	<u>(41,910)</u>
Total assets less current liabilities		500,297	529,181	441,079	451,371
Creditors: Amounts falling due after one year	16	<u>(29,551)</u>	<u>(50,863)</u>	<u>(11,263)</u>	<u>(13,427)</u>
Net assets excluding deferred pension funding asset and liability		470,746	478,318	429,816	437,944
Deferred pension funding asset	29	1,004,899	915,081	1,004,899	915,081
Pension liability	29	<u>(1,004,899)</u>	<u>(915,081)</u>	<u>(1,004,899)</u>	<u>(915,081)</u>
Net assets		<u>470,746</u>	<u>478,318</u>	<u>429,816</u>	<u>437,944</u>
Deferred capital grants	18	327,733	330,904	300,762	303,566
Represented by:					
Revenue reserves	20	8,810	13,211	(5,149)	175
Revaluation reserve	19	<u>134,203</u>	<u>134,203</u>	<u>134,203</u>	<u>134,203</u>
Total reserves		<u>143,013</u>	<u>147,414</u>	<u>129,054</u>	<u>134,378</u>
Total		<u>470,746</u>	<u>478,318</u>	<u>429,816</u>	<u>437,944</u>

The financial statements on pages 12 to 34 were approved by the Governing Body on 3/11/15 and were signed on its behalf by:

Signed:


Dr. Michael Murphy
President


Dermot O'Mahoney
Honorary Treasurer

CONSOLIDATED STATEMENT OF HISTORIC COST SURPLUSES AND DEFICITS
Year Ended 30 September 2013

It is not possible to determine the difference between historical cost depreciation and the actual charge due to the fact that the historical cost information is not available.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2013

	Notes	2013 €'000	2012 €'000
(Deficit)/surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		(4,401)	854
Prior year adjustment (Note 31)		-	9,894
Actuarial loss on pension liabilities	29	(39,393)	(165,926)
Adjustment to deferred pension funding asset	29	<u>39,393</u>	<u>165,926</u>
Total (losses)/gains recognised since last financial statements		<u>(4,401)</u>	<u>10,748</u>
Reconciliation			
Opening reserves as previously stated		147,414	136,666
Prior year adjustment (Note 31)		<u>-</u>	<u>9,894</u>
Opening reserves as restated		147,414	146,560
Total recognised (losses)/gains		<u>(4,401)</u>	<u>854</u>
Closing reserves		<u>143,013</u>	<u>147,414</u>

CONSOLIDATED CASH FLOW STATEMENT
Year Ended 30 September 2013

	Notes	2013 €'000	2012 €'000
Net cash inflow from operating activities	23	23,464	7,703
Returns on investments and servicing of finance	24	249	457
Capital expenditure and financial investment	25	<u>(407)</u>	<u>(15,250)</u>
Net cash inflow/ (outflow) before financing		23,306	(7,090)
Financing	26	<u>(2,644)</u>	<u>5,711</u>
Increase / (decrease) in cash in the year		<u>20,662</u>	<u>(1,379)</u>
Reconciliation of net cash flow to movement in net debt			
Increase / (decrease) in cash in the year		20,662	(1,379)
Cash flow from decrease/ (increase) in debt and lease financing	26	<u>2,644</u>	<u>(5,711)</u>
Change in net debt resulting from cash flows		23,306	(7,090)
Non cash changes	27	<u>1,395</u>	<u>1,261</u>
Movement in net cash/(debt) in year		24,701	(5,829)
Net cash at start of year	27	<u>10,313</u>	<u>16,142</u>
Net cash at end of year	27	<u>35,014</u>	<u>10,313</u>

NOTES TO THE ACCOUNTS

1 State grants	2013	2012
	€'000	€'000
State grants allocated for recurrent purposes	<u>53,633</u>	<u>58,735</u>
The above grant income was received from the Higher Education Authority and the Department of Health.		
2 Academic fees	2013	2012
	€'000	€'000
Academic fee income	<u>116,321</u>	<u>116,268</u>
A total of €45,674,401 (2011/2012: €48,912,552) included in academic fee income was paid directly by the Higher Education Authority.		
3 Research grants and contracts	2013	2012
	€'000	€'000
State and semi-state	55,071	58,742
European Union	11,555	10,373
Industry	4,602	4,407
Other	<u>7,212</u>	<u>6,394</u>
	<u>78,440</u>	<u>79,916</u>
4 Other operating income	2013	2012
	€'000	€'000
Rental income	1,822	1,805
Funded post income	1,516	1,383
Student residences income	4,895	5,233
Leisure facilities income	2,468	2,141
Student Facilities & Services (UCC) Limited income	2,808	2,831
Art Gallery income	238	281
Profit on disposal of fixed assets	65	79
Other income	<u>14,550</u>	<u>15,317</u>
	<u>28,362</u>	<u>29,070</u>
5 Interest income	2013	2012
	€'000	€'000
Interest income	<u>1,107</u>	<u>1,704</u>

NOTES TO THE ACCOUNTS - continued

6 Staff costs

The average monthly number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalent was:

	2013 Number	2012 Number
Teaching and research	1,408	1,467
Technical	105	103
Central administration and services	876	892
Other	<u>243</u>	<u>227</u>
	<u>2,632</u>	<u>2,689</u>

	2013 €'000	2012 €'000
Salaries and wages	167,244	167,927
Social welfare costs	13,003	13,006
Other pension costs	<u>18,508</u>	<u>17,206</u>
	<u>198,755</u>	<u>198,139</u>

7 Other operating expenses

	2013 €'000	2012 €'000
Heat, light, water and power	6,434	6,149
Advertising and promotion	1,064	912
Professional fees	4,446	4,591
Training and development	987	853
Equipment	3,549	4,671
Laboratory consumables	6,568	7,187
Postage, print and stationary supplies	2,647	2,558
Communications	823	991
Books and periodicals	2,331	2,165
Rent and rates	1,430	1,411
Motor, travel and subsistence	7,328	6,789
Computer supplies	752	936
Insurance	1,421	1,395
Software Costs	1,976	1,820
Repairs and maintenance	9,692	11,856
Consumables and other expenses	<u>22,106</u>	<u>22,133</u>
	<u>73,554</u>	<u>76,417</u>

Auditor's remuneration for work carried out for the group in respect of the financial year is as follows:

	2013 €'000	2012 €'000
Statutory Audit Fee	21	21
Commercial Audit Fee	98	99
Tax advisory services	97	74
Any non audit services	-	-

NOTES TO THE ACCOUNTS - continued

8 Interest Payable and Similar Charges	2013	2012
	€'000	€'000
Interest charges and similar charges		
On bank loans, overdrafts and other loans wholly repayable within 5 years	314	404
On bank loans repayable after 5 years	327	493
On obligations arising under financing arrangements	<u>217</u>	<u>350</u>
	858	1,247
Pension finance charge (Note 29)	<u>37,645</u>	<u>38,263</u>
	<u>38,503</u>	<u>39,510</u>

9 Taxation

No taxation charge arises as the University and its principal subsidiary companies are exempt charities and are not liable for corporation tax or income tax on any of its charitable activities.

10 Surplus on continuing operations for the year	2013	2012
	€'000	€'000
The (deficit)/surplus on continuing operations for the year is made up as follows:		
University's deficit for the year	(5,324)	(493)
Surplus generated by the subsidiary undertakings	<u>923</u>	<u>1,347</u>
Total	<u>(4,401)</u>	<u>854</u>

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets	Land and buildings (including heritage assets)	Computer equipment	Equipment	Assets in course of construction	Total
	€'000	€'000	€'000	€'000	€'000
CONSOLIDATED					
Cost or valuation					
At 1 October 2012	679,628	44,796	143,249	7,249	874,922
Additions	1,074	333	3,704	4,952	10,063
Reclassification	8,174	-	19	(8,193)	-
Disposals	-	-	(595)	-	(595)
At 30 September 2013	<u>688,876</u>	<u>45,129</u>	<u>146,377</u>	<u>4,008</u>	<u>884,390</u>
Depreciation					
At 1 October 2012	127,265	43,091	127,865	-	298,221
Depreciation for year	13,274	752	7,806	-	21,832
Disposals	-	-	(568)	-	(568)
At 30 September 2013	<u>140,539</u>	<u>43,843</u>	<u>135,103</u>	<u>-</u>	<u>319,485</u>
Net book value					
At 30 September 2013	<u>548,337</u>	<u>1,286</u>	<u>11,274</u>	<u>4,008</u>	<u>564,905</u>
At 1 October 2012	<u>552,363</u>	<u>1,705</u>	<u>15,384</u>	<u>7,249</u>	<u>576,701</u>

Land and buildings and equipment include assets valued in 1994 on a depreciated replacement cost basis by the College Planning Officer of €125,984,000 and €8,219,000 respectively. Land and buildings and assets in course of construction includes €32,530,000 (2012: €32,530,000) in respect of freehold land which is not depreciated. Fixed Assets also include €39,556,000 (2012: €51,282,000) in relation to land and buildings which have been accounted for in accordance with the Financial Reporting Standard, 5 "Reporting Substance of Transaction", issued by the Accounting Standards Board. These land and buildings are legally owned by special purpose finance companies. The commercial effect of the transactions surrounding the sale and ultimate repurchase of these buildings is that the University continues to bear all significant benefits and risks relating to the land and buildings.

Included in the above are assets deemed to be held for heritage purposes. The assets primarily relate to buildings but also include some manuscripts. The University also owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the balance sheet because, even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them. The University did not acquire any heritage assets in the current financial year.

NOTES TO THE ACCOUNTS - continued

11 Tangible fixed assets - continued

UNIVERSITY	Land and buildings (including heritage assets)	Computer equipment	Equipment	Assets in course of construction	Total
	€'000	€'000	€'000	€'000	€'000
Cost or Valuation					
At 1 October 2012	583,696	44,280	139,557	7,249	774,782
Additions	-	324	3,515	4,952	8,791
Reclassifications	8,174	-	19	(8,193)	-
Disposals	-	-	(523)	-	(523)
At 30 September 2013	<u>591,870</u>	<u>44,604</u>	<u>142,568</u>	<u>4,008</u>	<u>783,050</u>
Depreciation					
At 1 October 2012	114,785	42,872	125,471	-	283,128
Charge for year	11,562	654	7,315	-	19,531
Disposals	-	-	(512)	-	(512)
At 30 September 2013	<u>126,347</u>	<u>43,526</u>	<u>132,274</u>	<u>-</u>	<u>302,147</u>
Net book value					
At 30 September 2013	<u>465,523</u>	<u>1,078</u>	<u>10,294</u>	<u>4,008</u>	<u>480,903</u>
At 1 October 2012	<u>468,911</u>	<u>1,408</u>	<u>14,086</u>	<u>7,249</u>	<u>491,654</u>

NOTES TO THE ACCOUNTS - continued

12 Financial assets	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Investments at the year end were held as follows:				
Subsidiary companies	<u>-</u>	<u>-</u>	<u>1,627</u>	<u>1,627</u>

The University held an interest in the following subsidiary undertakings:

Subsidiary undertakings	Principal activity	Interest %	Registered office/place of business
Incorporated			
Property Management (UCC) Limited	Property development	100%	University College Cork, Western Road, Cork.
Campus Accommodation (UCC) Limited	Student accommodation	100%	University College Cork, Western Road, Cork.
Art Gallery (UCC) Limited	Art gallery	100%	University College Cork, Western Road, Cork.
Student Facilities & Services (UCC) Limited	Student services	100%	University College Cork, Western Road, Cork.
Mardyke Leisure (UCC) Limited	Leisure facilities	100%	University College Cork, Western Road, Cork.
GMC Holdings Limited	Dormant	100%	University College Cork, Western Road, Cork.
Biosciences (UCC) Limited	Property holding company	100%	University College Cork, Western Road, Cork.
Tenton Limited	Property holding company	100%	University College Cork, Western Road, Cork.
UCC Academy Limited	Educational	100%	University College Cork, Western Road, Cork.

13 Stocks	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Consumables	16	17	17	17
Finished goods for resale	<u>485</u>	<u>471</u>	<u>380</u>	<u>375</u>
	<u>501</u>	<u>488</u>	<u>397</u>	<u>392</u>

There is no material difference between the balance sheet amount of stocks and its replacement cost.

14 Debtors	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Trade debtors	522	993	522	993
Research grants and contracts receivable	24,892	25,043	24,892	25,043
Amounts due from subsidiary undertakings	-	-	10,894	8,961
State grant receivable - HEA	545	698	545	698
State grant receivable - other	275	-	275	-
Other taxation and social insurance	1,316	939	1,316	939
Other debtors	<u>3,458</u>	<u>5,287</u>	<u>3,139</u>	<u>6,332</u>
	<u>31,008</u>	<u>32,960</u>	<u>41,583</u>	<u>42,966</u>

NOTES TO THE ACCOUNTS - continued

15 Creditors: Amounts falling due within one year	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Trade creditors	5,198	7,472	4,771	7,069
Research grants and contracts in advance	81,609	59,192	81,609	59,192
Academic fees received in advance	26,087	24,509	26,087	24,509
State grant received in advance-HEA	11,034	16,285	11,034	16,285
Obligations arising under financing arrangements	18,865	1,713	-	-
Bank loans & overdrafts (note 17)	2,564	2,443	1,965	1,843
Amounts owed to subsidiary undertakings	-	-	480	405
Other taxation and social security	4,918	5,455	4,781	5,407
Deferred income	6,990	7,007	4,850	4,441
Other creditors & accruals	<u>24,846</u>	<u>22,224</u>	<u>24,314</u>	<u>22,319</u>
	<u>182,111</u>	<u>146,300</u>	<u>159,891</u>	<u>141,470</u>

16 Creditors: Amounts falling due after one year	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Bank loans (note 17)	18,565	21,330	11,263	13,427
Obligations arising under financing arrangements	<u>10,986</u>	<u>29,533</u>	-	-
	<u>29,551</u>	<u>50,863</u>	<u>11,263</u>	<u>13,427</u>

Nature and Security of Obligations arising under financing arrangements

As stated in note 11, Fixed Assets have been accounted for in accordance with FRS 5. The liabilities included in the obligations arising under financing arrangements above represent the ultimate liabilities to repurchase the assets concerned. The borrowings are secured by legal title until the repurchase takes place.

17 Bank Borrowings	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
In one year or less (note 15)	<u>2,564</u>	<u>2,443</u>	<u>1,965</u>	<u>1,843</u>
Between one and two years	2,743	2,636	2,010	1,903
Between two and five years	6,452	7,404	4,416	5,301
In five years or more	<u>9,370</u>	<u>11,290</u>	<u>4,837</u>	<u>6,223</u>
Total (note 16)	<u>18,565</u>	<u>21,330</u>	<u>11,263</u>	<u>13,427</u>
Total	<u>21,129</u>	<u>23,773</u>	<u>13,228</u>	<u>15,270</u>

NOTES TO THE ACCOUNTS - continued

18 Deferred capital grants	HEA	Other grants and benefactors	Total
	€'000	€'000	€'000
Consolidated			
At 1 October 2012			
Buildings	178,055	143,535	321,590
Equipment	<u>4,943</u>	<u>4,371</u>	<u>9,314</u>
Total	<u>182,998</u>	<u>147,906</u>	<u>330,904</u>
Cash received			
Buildings	2,698	3,331	6,029
Equipment	<u>1,196</u>	<u>2,350</u>	<u>3,546</u>
Total	<u>3,894</u>	<u>5,681</u>	<u>9,575</u>
Disposals – cash received			
Buildings	-	-	-
Equipment	<u>-</u>	<u>(523)</u>	<u>(523)</u>
Total	<u>-</u>	<u>(523)</u>	<u>(523)</u>
Released to income and expenditure			
Buildings	(3,942)	(3,181)	(7,123)
Equipment	<u>(3,027)</u>	<u>(2,585)</u>	<u>(5,612)</u>
Total	<u>(6,969)</u>	<u>(5,766)</u>	<u>(12,735)</u>
Disposals – accumulated grant amortisation			
Buildings	-	-	-
Equipment	<u>-</u>	<u>512</u>	<u>512</u>
Total	<u>-</u>	<u>512</u>	<u>512</u>
At 30 September 2013			
Buildings	176,811	143,685	320,496
Equipment	<u>3,112</u>	<u>4,125</u>	<u>7,237</u>
Total	<u>179,923</u>	<u>147,810</u>	<u>327,733</u>

NOTES TO THE ACCOUNTS - continued

18 Deferred capital grants – continued	HEA	Other grants and benefactors	Total	
	€'000	€'000	€'000	
University				
At 1 October 2012				
Buildings	157,881	137,169	295,050	
Equipment	<u>4,145</u>	<u>4,371</u>	<u>8,516</u>	
Total	<u>162,026</u>	<u>141,540</u>	<u>303,566</u>	
Cash received				
Buildings	2,698	3,331	6,029	
Equipment	<u>1,196</u>	<u>2,350</u>	<u>3,546</u>	
Total	<u>3,894</u>	<u>5,681</u>	<u>9,575</u>	
Disposals – cash received				
Buildings	-	-	-	
Equipment	<u>-</u>	<u>(523)</u>	<u>(523)</u>	
Total	<u>-</u>	<u>(523)</u>	<u>(523)</u>	
Released to income and expenditure				
Buildings	(3,734)	(3,022)	(6,756)	
Equipment	<u>(3,027)</u>	<u>(2,585)</u>	<u>(5,612)</u>	
Total	<u>(6,761)</u>	<u>(5,607)</u>	<u>(12,368)</u>	
Disposals – accumulated grant amortisation				
Buildings	-	-	-	
Equipment	<u>-</u>	<u>512</u>	<u>512</u>	
Total	<u>-</u>	<u>512</u>	<u>512</u>	
Balance at 30 September 2013				
Buildings	156,845	137,478	294,323	
Equipment	<u>2,314</u>	<u>4,125</u>	<u>6,439</u>	
Total	<u>159,159</u>	<u>141,603</u>	<u>300,762</u>	
19 Revaluation reserve	Consolidated		University	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
At beginning and end of year	<u>134,203</u>	<u>134,203</u>	<u>134,203</u>	<u>134,203</u>
20 Reconciliation of movement of reserves	Revenue reserves	Revaluation reserve	Total	
	€'000	€'000	€'000	
Consolidated				
At 1 October 2012	13,211	134,203	147,414	
Deficit on continuing operations	<u>(4,401)</u>	<u>-</u>	<u>(4,401)</u>	
At 30 September 2013	<u>8,810</u>	<u>134,203</u>	<u>143,013</u>	

NOTES TO THE ACCOUNTS - continued

20 Reconciliation of movement of reserves - continued	Revenue reserves	Revaluation reserve	Total	
	€'000	€'000	€'000	
University				
At 1 October 2012	175	134,203	134,378	
Deficit on continuing operations	<u>(5,324)</u>	—	<u>(5,324)</u>	
At 30 September 2013	<u>(5,149)</u>	<u>134,203</u>	<u>129,054</u>	
21 Contingencies				
The University has no known material contingent liabilities at 30 th September 2013.				
22 Capital commitments	Consolidated		University	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Contracted for but not provided	10,694	4,933	10,571	4,753
Authorised but not contracted out	<u>9,467</u>	<u>14,490</u>	<u>9,467</u>	<u>14,490</u>
	<u>20,161</u>	<u>19,423</u>	<u>20,038</u>	<u>19,243</u>
23 Reconciliation of consolidated operating (deficit)/surplus to net cash inflow from operating activities				
		2013	2012	
		€'000	€'000	
(Deficit)/ surplus on continuing operations after depreciation of assets		(4,401)	854	
Depreciation		21,832	23,744	
Deferred capital grants released to income		(12,735)	(14,708)	
Increase in stocks		(13)	(41)	
Decrease in debtors		1,952	8,755	
Increase / (decrease) in creditors		18,538	(9,104)	
Non cash changes		(1,395)	(1,261)	
Interest receivable		(1,107)	(1,704)	
Interest payable and similar charges		858	1,247	
Profit on disposal of fixed assets		<u>(65)</u>	<u>(79)</u>	
Net cash inflow from operating activities		<u>23,464</u>	<u>7,703</u>	
24 Returns on investments and servicing of finance				
		2013	2012	
		€'000	€'000	
Other interest received		1,107	1,704	
Interest payable and similar charges		<u>(858)</u>	<u>(1,247)</u>	
Net cash inflow from returns on investments and servicing of finance		<u>249</u>	<u>457</u>	

NOTES TO THE ACCOUNTS - continued

25 Capital expenditure and financial investment	2013 €'000	2012 €'000
Purchase of tangible fixed assets	(10,063)	(26,219)
Proceeds from the disposal of fixed assets	81	86
Deferred capital grants received	<u>9,575</u>	<u>10,883</u>
Net cash outflow from capital expenditure and financial investment	<u>(407)</u>	<u>(15,250)</u>

26 Financing	2013 €'000	2012 €'000
Debt due within one year:		
Increase in short term borrowings	121	692
Debt due beyond one year:		
(Decrease)/ increase in long term borrowings	<u>(2,765)</u>	<u>5,019</u>
Net cash (outflow)/ inflow from financing	<u>(2,644)</u>	<u>5,711</u>

27 Analysis of changes in net debt	At 1 October 2012 €'000	Cashflows €'000	Other Non cash changes €'000	At 30 September 2013 €'000
Cash at bank & overdrafts	<u>65,332</u>	<u>20,662</u>	-	<u>85,994</u>
	65,332	20,662	-	85,994
Debt due within 1 year	(2,443)	(121)	-	(2,564)
Debt due after 1 year	(21,330)	2,765	-	(18,565)
Liability to investors under FRS5	<u>(31,246)</u>	-	<u>1,395</u>	<u>(29,851)</u>
Total	<u>10,313</u>	<u>23,306</u>	<u>1,395</u>	<u>35,014</u>

28 Related parties

Transactions with subsidiaries of the University have been eliminated on consolidation and no disclosure of these transactions has therefore been given. The University considers the following entity to be a related party that requires disclosure under FRS 8:

Cork University Foundation Limited

During the period, the University provided the Foundation with office accommodation, use of equipment and administration services.

During the same period, the University received from the Foundation a net amount of €3.8m for the furtherance of education and research.

NOTES TO THE ACCOUNTS - continued

29 Pensions

During the year the University operated two defined benefit pension schemes.

University College Cork – National University of Ireland Cork (Closed) Scheme – known as the “Closed Scheme”

The main scheme is the University College Cork (Closed) Scheme the “Closed Scheme”. The Closed Scheme applies to pensionable employees appointed prior to 31 December 2004 and is closed to new entrants. Up until 31 March 2010 the University funded the Closed Scheme which operated under Statute, the assets of which were held separately from those of the University.

The Financial Measures (Miscellaneous Provisions) Act, 2009, provided that the Oireachtas will make good any deficiency arising if the aggregate of members’ and employers’ contributions paid to or withheld by the University are insufficient to meet the University’s obligations to pay these benefits in accordance with the scheme. On 31st March 2010, in accordance with S.I. No. 124/2010, Financial Measures (Miscellaneous Provisions) Act 2009, (University College Cork – National University of Ireland, Cork) the assets of the Closed Pension Scheme were transferred to the National Pensions Reserve Fund. The members became members of a statutory unfunded scheme renamed “University College Cork (Closed) Scheme”. There was no effect on the benefits payable to the members, with the underlying basis being that the terms and conditions of entitlement of the members will continue to be no more and no less favourable than existed under the principles of the Scheme established by the UCC Governing Body. Furthermore the legislation in Section 6(2) sets out the effect the transfer order had on the assets of the Scheme where the relevant body [i.e. UCC] ceases to be liable in relation to the scheme. Following the transfer of assets to the exchequer, all decisions in relation to the Pension Scheme are no longer made by UCC. Within the overall pension liability is an amount of €52.9m related to professional service added years. This €52.9m is inclusive of professional service added years earned directly in the UCC (Closed) Scheme as well as service earned elsewhere in the public sector, but credited to the UCC (Closed) Scheme following service transfer, typically on recruitment by UCC of a staff member from elsewhere in the public sector. Of the total added years liability of €52.9m, the professional added years liability relating to the transferred in service is €10.7m. As a result of the transfer and the underpinning legislation affecting same, UCC’s legal opinion is that all liabilities including the accrued obligations of €52.9m in respect of professional service added years, no longer rest with UCC, but with those making pension decisions. UCC has therefore recognised a deferred pension asset to match the full pension liability

“University College Cork Pension Scheme 2005” – known as the “2005 Scheme”

The 2005 Scheme applies to all new staff appointed from 1st January 2005. This is an unfunded Scheme which is paid on a pay-as-you-go basis through monies provided to the University by the State for that purpose.

On the basis that the Oireachtas will make good any deficiency arising to meet the university’s obligations to pay pension benefits of the Closed Scheme and that future pension liabilities of the 2005 Scheme are funded on a pay-as-you-go basis through monies provided to the University by the State for that purpose, the pension liability has been offset by the recognition of an asset equivalent to the University’s pension liabilities, as part of the overall deferred pension funding asset.

Summary of position at year end

	2013	2012
	€’000	€’000
Consolidated and University		
Pension receivable	1,004,899	915,081
Net Pension Liability – FRS17	<u>(1,004,899)</u>	<u>(915,081)</u>

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

NOTES TO THE ACCOUNTS - continued

29 Pensions -continued

The requirements of FRS 17 are fully adopted and the following movements are reflected in the financial statements.

The valuation of liabilities used for FRS 17 disclosures has been based on an actuarial valuation carried out by an independent professionally qualified actuary at the balance sheet date. The financial assumptions used to calculate the retirement liabilities in relation to the defined benefit pension schemes under FRS 17 as at 30th September 2013, 30th September 2012 and 30th September 2011 were as follows:

	2013	2012	2011
Financial Assumptions			
Rate of increase in salaries	3.50%	3.50%	3.50%
Rate of increase in state pension	2.00%	2.00%	2.00%
Rate of increase in pensions in payment	2.50%	2.50%	2.50%
Discount rate for scheme liabilities	3.75%	4.00%	5.30%
Inflation assumption	2.00%	2.00%	2.00%

The weighted average mortality rate adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining the average retiring age of 62.

	2013 Years	2012 Years
Retiring today (member age 62)	25.5	25.3
Retiring in 25 years (member age 40)	28.2	28.1

Analysis of the amount charged to the Income and Expenditure Account:

	2013 €'000	2012 €'000
Staff costs		
Current service cost	(30,590)	(20,360)
Less Contributions	<u>17,810</u>	<u>16,965</u>
Total charge to operating expenses	<u>(12,780)</u>	<u>(3,395)</u>
Other finance charges		
Interest on pension scheme liabilities	<u>(37,645)</u>	<u>(38,263)</u>
Net finance charge	<u>(37,645)</u>	<u>(38,263)</u>
Net deferred funding for pensions in year		
Funding recoverable in respect of current year pension costs	<u>50,425</u>	<u>41,658</u>

NOTES TO THE ACCOUNTS - continued

29 Pensions-continued

	2013 €'000	2012 €'000
Analysis of the amount charged to Statement of Total Recognised Gains and Losses		
Actual return less expected return on scheme assets	(1,955)	1,403
Experience gain	9,192	19,707
Change in actuarial assumptions	<u>(46,630)</u>	<u>(187,036)</u>
Actuarial loss	<u>(39,393)</u>	<u>(165,926)</u>
Analysis of the movement in defined benefit obligation in the year:		
	2013 €'000	2012 €'000
Present value of defined benefit obligation at beginning of year		
Current service cost	(915,081)	(707,497)
Interest cost	(30,590)	(20,360)
Benefits paid	(37,645)	(38,263)
Contributions by plan participants	22,639	24,923
Actuarial loss	(6,784)	(6,555)
	<u>(37,438)</u>	<u>(167,329)</u>
Present value of defined benefit obligation at end of year	<u>(1,004,899)</u>	<u>(915,081)</u>

NOTES TO THE ACCOUNTS - continued

29 Pensions-continued

Amount recognised in the balance sheet:

	2013 €'000	2012 €'000
Deferred pension funding asset	1,004,899	915,081
Pension liability	<u>(1,004,899)</u>	<u>(915,081)</u>

History of experience gains and losses is as follows:

	2013 €'000	2012 €'000	2011 €'000
<i>Difference between the expected and actual return on scheme assets</i>			
Amount	-	-	-
Percentage of scheme assets	-	-	-
<i>Experience gains/(losses) on scheme liabilities</i>			
Amount	9,192	19,707	35,601
Percentage of scheme liabilities	0.9%	2.0%	5.0%

	2013 €'000	2012 €'000
Analysis of deferred pension funding asset		
At beginning of year	915,081	707,497
Movement included in staff costs	30,590	20,360
Movement included in finance costs	37,645	38,263
Movement included in STRGL	39,393	165,926
Other movements on defined benefit obligation and assets	<u>(17,810)</u>	<u>(16,965)</u>
At end of year	<u>1,004,899</u>	<u>915,081</u>

NOTES TO THE ACCOUNTS - continued

30 Deferred Income

	2013 €'000	2012 €'000
State grant received	48,382	57,048
State grant receivable from prior accounting year	16,285	17,972
State grant deferred to subsequent accounting year	<u>(11,034)</u>	<u>(16,285)</u>
State grant per financial statements (Note 1)	<u>53,633</u>	<u>58,735</u>

State funding is allocated on a calendar year basis. The University financial year is based on the academic year from October to September. In accordance with the University's accounting policies recurrent grants have been recognised on an accruals basis. In any accounting year, therefore an element of funding will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.

31 Prior Year Adjustment – Research Grant Income

In the 2012 financial statements, following a detailed review of the accounting policy applied to research grant income earned, the university decided to change its policy on the treatment of research grant income earned to cover overheads. Previously, a portion of research grant income was deferred to future years on the basis that this deferred income was available to fund future research project costs. From 1 October 2011, all research grant income including income related to overheads, is fully accounted for in the Income and Expenditure Account when earned. As a result of this change in accounting policy, research grant income and the net surplus for the year ended 30 September 2011 increased by €349,000 and the opening reserves at 1 October 2010 and 1 October 2011 increased by €9,545,000 and €9,894,000 respectively.

32 University College Cork Trust Fund

The University College Cork Trust Fund provides financial support for scholarships, prizes and academic achievement awards to students. In 2012/13, €832K was received from the Trust Fund for these purposes. The Trust Fund reserves at the balance sheet date are €10.59m.

33 Approval of financial statements

The financial statements were approved by the Governing Body on the 3/11/15.

**University College Cork
National University of Ireland, Cork
HEA funding statement and reconciliation**

Year ended 30 September 2013

Reconciliation with funding statement

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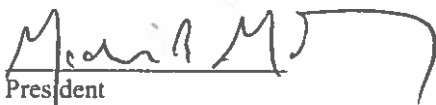
STATEMENT OF RESPONSIBILITIES

The University is required to comply with the Universities Act 1997, and to keep in such form as may be approved of by An tÚdarás um Ard-Oideachas all proper and usual accounts of money received and expended by it. In preparing those accounts, the University is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless that basis is inappropriate.

The University is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the University and which enables it to ensure that its financial statements comply with the Universities Act 1997. The University is also responsible for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the University


President

STATEMENT OF ACCOUNTING POLICIES

1. Financial Statements

The financial statements reflect the teaching, research and related service activities of the University and its subsidiaries. The financial statements of the University's Trust Fund and of financially independent ancillary activities are presented separately.

2. Accounting Convention

The financial statements are prepared under the historical cost convention. They are presented in accordance with the existing Harmonisation of Financial Statements agreement as adopted for all Irish Universities, with the exception of Fixed Assets and Depreciation, whereby University College Cork has adopted the transitional provisions of FRS 15, and accordingly, the valuations from 30th September 1994 are not being updated.

3. State Grants for Recurrent Expenditure

Recurrent grants have been recognised on an accruals basis. Recurrent grant which has been used for the purchase of fixed assets and for the financing of the capital portion of lease charges is transferred to Fixed Assets and General Reserve.

4. State Grants for Capital Expenditure

State grants approved by the HEA for capital expenditure are included in the financial statements of the year to the extent of cash received.

5. Fee Income

Fee income is accounted for on an accruals basis

6. Fixed Assets and Depreciation

Land and Buildings are valued based on a comprehensive valuation carried out on the 30th September, 1994. This valuation is based on the replacement cost of buildings and the market value of the existing use of land. These assets and all subsequent additions are depreciated as noted below.

All fixed asset additions since 1st October, 1994 are stated at cost.

Equipment, Fixtures and Fittings are valued at their depreciated cost as at the 30th September, 1994. These assets and all subsequent additions are depreciated as noted below.

The estimated useful lives of fixed assets by reference to which depreciation has been calculated on a straight-line basis is as follows:-

Buildings	50 years
Equipment	5 years
Computer and related Equipment	3 years

Depreciation is not provided on land.

The transitional provisions of FRS 15 are being followed, and accordingly, the valuations from 30th September 1994 are not being updated.

7. Heritage Assets

Heritage assets (valuable artefacts held and maintained for their contribution to knowledge and culture) valued at over €10,000 are capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage Assets are not depreciated.

The University holds a number of heritage assets acquired in past accounting periods which are not capitalised, as reliable cost information is not available and conventional valuation approaches lack sufficient reliability.

STATEMENT OF ACCOUNTING POLICIES (Cont.)

8. Stocks

The stocks held in teaching and service departments, with the exception of equipment, furniture and fittings, stationery stocks and stocks of building materials, are not included in the Balance Sheet. The items not included are expensed and not capitalised. The stocks which are included in the Balance Sheet are stated at the lower of cost and net realisable value.

9. General Reserve

The General Reserve represents the value of funding, after amortisation, applied for capital purposes together with the balance on ancillary service activities.

10. Research Grants and Projects

Contract research expenditure is shown net of contribution to indirect costs. Income from contract research grants is included in the Income and Expenditure Account to the extent that the related expenditure has been incurred. Contract research contribution to the University's indirect costs is included in Other Income. Fixed Assets financed from contract research grants are capitalised in the Balance Sheet.

11. Foreign Currency

Costs denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the Balance Sheet date. The resulting profits or losses are dealt with in the Income and Expenditure Account.

12. Leasing

Operating lease costs are charged to the Income and Expenditure Account as incurred.

13. Pensions

The University operated two defined benefit pension schemes during the year. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme. (SPSPS). This scheme is administrated by the Department of Public Expenditure and Reform. Contributions are charged to the income and expenditure account in the year in which they fall due.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

14. Taxation

No provision has been made for taxation as the University and the majority of its subsidiary companies hold tax exempt status.

15. Ancillary Services

Ancillary Services are services provided on campus, on a cost recovery basis, and are planned to breakeven in the medium term. The net outturn on such activities (excluding student residences, leisure facilities, art gallery and student facilities & services) is transferred to the General Reserve Account.

16. Restricted Reserves

Restricted reserves comprise the unused portion of funds made available to the University for specified purposes.

17. Financing Arrangements

Assets held under financing arrangements which transfer substantially all of the risks and rewards of ownership to the University are treated as if they had been purchased outright and are included in the balance sheet as tangible assets at cost. The corresponding commitments are shown as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the related Restricted Reserve.

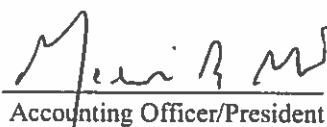
INCOME AND EXPENDITURE ACCOUNT

Year to 30th September 2013

	Notes	2012/2013 €'000	2011/2012 €'000
Income			
State Grants	1	52,814	58,700
Student Fees	2	116,745	114,200
Other Income	3	<u>29,018</u>	<u>30,399</u>
Research Grants and Projects	4	198,577 <u>70,293</u>	203,299 <u>70,539</u>
Total		<u>268,870</u>	<u>273,838</u>
Expenditure			
Academic Faculties and Departments	5	122,928	120,542
Academic and Other Services	6	17,469	17,366
Premises	7	21,561	23,221
Amount Allocated for Capital Purposes	8	6,862	7,869
Central Administration and Services	9	17,290	18,167
General Educational Expenditure	10	3,990	4,381
Student Services	11	6,459	6,730
Miscellaneous Expenditure	12	<u>4,040</u>	<u>4,599</u>
Research Grants and Projects		200,599 <u>70,293</u>	202,875 <u>70,539</u>
Total	13	<u>270,892</u>	<u>273,414</u>
(Deficit)/Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		(2,022)	424
(Deficit) on Ancillary Services	14	(3,707)	(4,373)
Depreciation of Fixed Assets	15	(21,874)	(23,771)
General and Restricted Reserve Movement	16	<u>25,497</u>	<u>28,468</u>
(Deficit)/Surplus for Year	23	<u>(2,106)</u>	<u>748</u>
Revenue Reserves at Start of Year	23	395	(353)
Revenue Reserves at End of Year	23	<u>(1,711)</u>	<u>395</u>

The Statement of Accounting Policies, Cash Flow Statement and notes from pages 43 to 51 form part of these Accounts.

Signed:


Accounting Officer/President


Honorary Treasurer

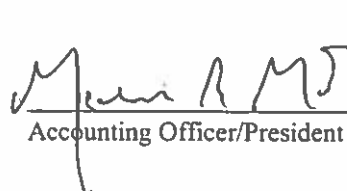
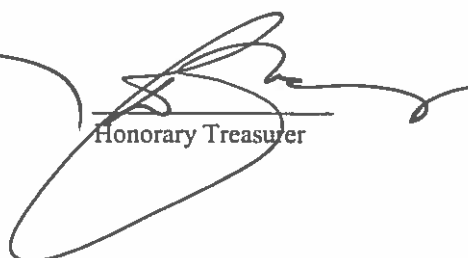
BALANCE SHEET

As at 30th September 2013

	Notes	2012/2013 €'000	2011/2012 €'000
Fixed Assets	17	565,905	577,705
Current Assets			
Bank balances and cash		85,994	65,332
Debtors and Prepayments	18	5,987	7,012
Stocks		<u>501</u>	<u>488</u>
		<u>92,482</u>	<u>72,832</u>
Current Liabilities			
Creditors and Accrued Expenditure	19	<u>(152,100)</u>	<u>(130,815)</u>
		<u>(152,100)</u>	<u>(130,815)</u>
Net Current Liabilities		(59,618)	(57,983)
Long Term Loans	20	<u>(50,981)</u>	<u>(55,020)</u>
		<u>455,306</u>	<u>464,702</u>
Represented by			
General Reserve	21	457,017	455,853
Restricted Reserves	22	-	8,454
Revenue Reserves	23	<u>(1,711)</u>	<u>395</u>
		<u>455,306</u>	<u>464,702</u>

The Statement of Accounting Policies, Cash Flow Statement and notes from pages 43 to 51 form part of these Accounts.

Signed:

 Accounting Officer/President	 Honorary Treasurer
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CASH FLOW STATEMENT

Year to 30th September 2013

	Notes	2012/2013 €'000	2011/2012 €'000
Net Cash Inflow /(Outflow) from Operating Activities	24	15,908	(3,498)
Return on Investments and Servicing of Finance			
Interest Paid		(360)	(561)
Interest Received		1,035	1,584
Capital Expenditure			
Payments to Acquire Tangible Fixed Assets		<u>(10,101)</u>	<u>(26,181)</u>
Net Cash Inflow /(Outflow) before Financing		6,482	(28,656)
Financing			
HEA Capital Grants		3,894	7,562
Non HEA Capital Grants		14,324	15,179
(Decrease)/Increase in Long Term Loans		(4,039)	4,450
Proceeds from the Disposal of Tangible Fixed Assets		1	86
Cash Inflow from Financing		<u>14,180</u>	<u>27,277</u>
Net Cash Inflow /(Outflow) after Financing		<u>20,662</u>	<u>(1,379)</u>
Increase/(Decrease) in Cash	25	<u>20,662</u>	<u>(1,379)</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	2012/2013 €'000	2011/2012 €'000
1. State Grants		
Recurrent Grant	41,554	44,845
Nursing Grant	2,680	3,018
Targeted Funding for Special Initiatives	4,394	4,844
Minor Works	154	160
Strategic Innovation Fund	81	474
Reforms in Medical Education	1,028	1,589
Postgraduate Skills Programme	2,423	2,352
Dental School Funding	500	500
Devolved Grant	—	918
Total	<u>52,814</u>	<u>58,700</u>
2. Student Fees		
Academic	<u>116,745</u>	<u>114,200</u>
Total	<u>116,745</u>	<u>114,200</u>
3. Other Income		
Interest Income	1,035	1,584
Funded Posts & Donations	1,545	1,406
Rent, Concessions and Other Charges	1,822	1,805
Research Grant and Projects Contributions	8,130	9,236
Miscellaneous Income	<u>16,486</u>	<u>16,368</u>
Total	<u>29,018</u>	<u>30,399</u>
4. Research Grants and Projects		
Research Grants	<u>70,293</u>	<u>70,539</u>
Total	<u>70,293</u>	<u>70,539</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	Staff Costs €'000	Non Pay €'000	2012/2013 €'000	2011/2012 €'000
5. Academic Faculties and Departments				
Academic	77,713	-	77,713	76,350
Technical	11,764	-	11,764	11,573
Administrative Support	15,814	-	15,814	15,767
Departmental Grants	-	17,371	17,371	16,628
Miscellaneous Expenses	<u>-</u>	<u>266</u>	<u>266</u>	<u>224</u>
Total	<u>105,291</u>	<u>17,637</u>	<u>122,928</u>	<u>120,542</u>
6. Academic and Other Services				
Library Costs	4,414	2,158	6,572	6,501
Computer/Information Technology	3,009	1,997	5,006	5,079
Language Centre	760	226	986	921
Cork University Press	145	710	855	744
Audio Visual Centre	646	222	868	983
Teaching Development Unit	179	34	213	160
Spoken/Oral Irish	578	54	632	791
Biological Services Unit	411	190	601	603
NAIRTL	216	33	249	300
Research Support/Technology Transfer Office	<u>1,049</u>	<u>438</u>	<u>1,487</u>	<u>1,284</u>
Total	<u>11,407</u>	<u>6,062</u>	<u>17,469</u>	<u>17,366</u>
7. Premises				
Premises Maintenance	3,742	4,827	8,569	9,952
General Services	3,091	3,479	6,570	6,997
Radiation Protection Office	88	14	102	107
Rent and Rates	-	616	616	750
Insurance	-	1,176	1,176	1,179
Energy Costs	<u>-</u>	<u>4,528</u>	<u>4,528</u>	<u>4,236</u>
Total	<u>6,921</u>	<u>14,640</u>	<u>21,561</u>	<u>23,221</u>
8. Allocated for Capital Purposes				
Capital Projects			6,570	5,657
Equipment			<u>292</u>	<u>2,212</u>
Total			<u>6,862</u>	<u>7,869</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	Staff Costs €'000	Non Pay €'000	2012/2013 €'000	2011/2012 €'000
9. Central Administration and Services				
Administration Expenses	13,045	-	13,045	12,805
Professional Charges	-	1,030	1,030	1,150
Miscellaneous	-	<u>1,197</u>	<u>1,197</u>	<u>1,687</u>
Total	<u>13,045</u>	<u>4,245</u>	<u>17,290</u>	<u>18,167</u>
10. General Educational Expenditure				
Examination Expenses	1,044	330	1,374	1,350
Scholarships & Prizes	-	1,374	1,374	1,702
N.U.I. Capitation	-	424	424	415
Miscellaneous Expenses	<u>449</u>	<u>369</u>	<u>818</u>	<u>914</u>
Total	<u>1,493</u>	<u>2,497</u>	<u>3,990</u>	<u>4,381</u>
11. Student Services				
Capitation and Other Grants	-	1,052	1,052	1,084
Student Services	617	365	982	935
Careers Office	691	63	754	734
Sports and Recreation	812	105	917	1,122
Health and Counselling	<u>2,225</u>	<u>529</u>	<u>2,754</u>	<u>2,855</u>
Total	<u>4,345</u>	<u>2,114</u>	<u>6,459</u>	<u>6,730</u>
12. Miscellaneous Expenditure				
Pensions	3,417	-	3,417	3,751
Miscellaneous Expenses	-	263	263	287
Bank Interest Payable	-	<u>360</u>	<u>360</u>	<u>561</u>
Total	<u>3,417</u>	<u>623</u>	<u>4,040</u>	<u>4,599</u>
13. Composition of Total Expenditure				
Academic and Related Services	145,919	54,680	200,599	202,875
Research Grants and Projects	<u>48,485</u>	<u>21,808</u>	<u>70,293</u>	<u>70,539</u>
Total Expenditure	<u>194,404</u>	<u>76,488</u>	<u>270,892</u>	<u>273,414</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	Income €'000	Expenditure €'000	Surplus/(Deficit) 2012/2013 €'000	Surplus/(Deficit) 2011/2012 €'000
14. Ancillary Services - Summary				
Art Gallery	238	461	(223)	(220)
Leisure Facilities	2,484	3,958	(1,474)	(1,327)
Student Residences	4,947	2,760	2,187	2,473
Student Facilities & Services (UCC) Ltd	2,811	3,385	(574)	(602)
Medical/Dental and Other Facilities				
Development Account	<u>62</u>	<u>3,685</u>	<u>(3,623)</u>	<u>(4,697)</u>
Deficit - Ancillary Services	<u>10,542</u>	<u>14,249</u>	<u>(3,707)</u>	<u>(4,373)</u>
15. Depreciation of Fixed Assets				
Buildings			13,274	13,019
Equipment			<u>8,600</u>	<u>10,752</u>
			<u>21,874</u>	<u>23,771</u>
16. General and Restricted Reserves Movement				
Amortisation of General Reserve in line with Depreciation			21,874	23,536
Amortisation of Restricted Reserve in line with Depreciation			-	235
Income and Expenditure to General Reserve Account			<u>3,623</u>	<u>4,697</u>
			<u>25,497</u>	<u>28,468</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

17. Fixed Assets	Land and Buildings (including heritage assets) €'000	Equipment €'000	2012/2013 €'000	2011/2012 €'000
Cost/Valuation at 1st October				
Valuation	125,984	8,219	134,203	134,203
Cost	<u>562,127</u>	<u>180,093</u>	<u>742,220</u>	<u>716,666</u>
Total	<u>688,111</u>	<u>188,312</u>	<u>876,423</u>	<u>850,869</u>
Additions at Cost	5,121	4,980	10,101	26,181
Disposals	-	(595)	(595)	(627)
Cost/Valuation at 30th September				
Valuation	125,984	8,219	134,203	134,203
Cost	<u>567,248</u>	<u>184,478</u>	<u>751,726</u>	<u>742,220</u>
Total	<u>693,232</u>	<u>192,697</u>	<u>885,929</u>	<u>876,423</u>
Depreciation at 1st October	127,736	170,982	298,718	275,567
Less accumulated depreciation on disposals	-	(568)	(568)	(620)
Depreciation for Year	<u>13,274</u>	<u>8,600</u>	<u>21,874</u>	<u>23,771</u>
Depreciation at 30th September	<u>141,010</u>	<u>179,014</u>	<u>320,024</u>	<u>298,718</u>
Net book value at beginning of year	<u>560,375</u>	<u>17,330</u>	<u>577,705</u>	<u>575,302</u>
Net book value at end of year	<u>552,222</u>	<u>13,683</u>	<u>565,905</u>	<u>577,705</u>

In accordance with FRS 5 fixed assets, other assets and related liabilities are included in the University's balance sheet even though legal title to these assets is in the name of companies not controlled by UCC. The principal economic benefits and risks associated with these assets rest with UCC and ultimate legal title will rest with UCC.

Included in the above are assets deemed to be held for heritage purposes. The assets primarily relate to buildings but also include some manuscripts. The University also owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the balance sheet because, even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them. The University did not acquire any heritage assets in the current financial year.

NOTES TO ACCOUNTS

Year to 30th September 2013

	2012/2013 €'000	2011/2012 €'000
18. Debtors and Prepayments		
Other Debtors and Prepayments	<u>5,987</u>	<u>7,012</u>
	<u>5,987</u>	<u>7,012</u>
19. Creditors and Accrued Expenditure		
Contract Research Grants and Projects unexpended	71,035	45,761
State Grants for Recurrent Expenditure received in advance	9,433	13,864
Academic Fees received in advance	26,087	24,509
Other Creditors and Accruals	<u>45,545</u>	<u>46,681</u>
	<u>152,100</u>	<u>130,815</u>

20. Long Term Loans

A portion of the long term loans arise from the treatment of liabilities arising under FRS 5. See note 17.

	Opening Balance €'000	Current Year Movement €'000	Closing Balance €'000	Prior Year Movement €'000
21. General Reserve				
Valuation - Fixed Assets	134,203	-	134,203	-
State Capital Grants	317,333	5,919	323,252	8,561
Recurrent Funding Transfer	59,252	6,862	66,114	7,869
Capital Donations	139,296	2,442	141,738	2,563
Other	<u>103,453</u>	<u>(691)</u>	<u>102,762</u>	<u>(1,137)</u>
	753,537	14,532	768,069	17,856
Transfer from Restricted Reserves	-	10,160	10,160	10,574
Disposals	-	(579)	(579)	-
Amortisation				
Amortisation at Start of Year	(297,684)			
Transfer from Restrictive Reserves		(1,643)		(1,539)
Less Amortisation on Disposals		568		-
Amortisation to I & E Account for Year		(21,874)		(23,536)
Amortisation at End of Year	<u> </u>	<u> </u>	<u>(320,633)</u>	<u> </u>
	<u>455,853</u>	<u>1,164</u>	<u>457,017</u>	<u>3,355</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	2012/2013 €'000	2011/2012 €'000
22. Restricted Reserves		
At beginning of year	10,097	20,483
Additions during the year	63	188
Transfer to General Reserves	<u>(10,160)</u>	<u>(10,574)</u>
At end of year	<u>-----</u>	<u>10,097</u>
Amortisation		
At beginning of year	(1,643)	(2,947)
Transfer to General Reserve	1,643	1,539
Amortisation to I & E Account for year	<u>-----</u>	<u>(235)</u>
Amortisation at end of year	<u>-----</u>	<u>(1,643)</u>
 Net Value at 30 September	 <u>-----</u>	 <u>8,454</u>
 The majority of the reserves balance relates to capital projects which are subject to separate financing arrangements.		
23. Revenue Reserves		
Opening Balance	395	(353)
(Deficit)\Surplus for the year	<u>(2,106)</u>	<u>748</u>
 Closing Balance	 <u>(1,711)</u>	 <u>395</u>
24. Cashflow		
Reconciliation of Income and Expenditure Account (Deficit)\Surplus to Net Cash Inflow /(Outflow) from Operating Activities		
(Deficit)\Surplus for the Year	(2,106)	748
Interest Received	(1,035)	(1,584)
Interest Paid	<u>360</u>	<u>561</u>
	(2,781)	(275)
 Loss/(Profit) on the disposal of Fixed Assets	 15	 (79)
Depreciation of Fixed Assets	21,874	23,771
Amortisation of General Reserve	(21,874)	(23,536)
Amortisation of Restricted Reserve	-	(235)
Decrease in Debtors and Prepayments	1,025	6,775
Increase in Stocks	(13)	(41)
Increase/ (Decrease) in Creditors and Accruals	21,285	(5,181)
Movement in Ancillary Services	<u>(3,623)</u>	<u>(4,697)</u>
 Net Cash Inflow/(Outflow) from Operating Activities	 <u>15,908</u>	 <u>(3,498)</u>

NOTES TO ACCOUNTS

Year to 30th September 2013

	2012/2013 €'000	2011/2012 €'000
25. Analysis of Change in Cash and Cash Equivalents		
Balance at 1st October	65,332	66,711
Net Cash Inflow /(Outflow)	<u>20,662</u>	<u>(1,379)</u>
Balance at 30th September	<u>85,994</u>	<u>65,332</u>
26. Capital Commitments		
Commitments contracted at 30th September	10,694	4,933
Authorised but not contracted at 30th September	<u>9,467</u>	<u>14,490</u>
	<u>20,161</u>	<u>19,423</u>

27. Commitment and Contingency

The University, from time to time, is party to various legal proceedings. Provision has been made in the financial statements where it is possible at this time to make a reliable estimate of the financial effects (if any) of these cases.

28. Financial Asset – Trust Fund

The Trust Fund is not included in the Balance Sheet because it is a fund with a separate constitution from the general assets and liabilities of the University.

29. Pensions

The University operated two defined benefit pension schemes during the year. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employees' services.

New entrants to the Public Service on or after 1 January 2013 are members of a new pension scheme, the Single Public Service Pension Scheme. (SPSPS). This scheme is administered by the Department of Public Expenditure and Reform. Contributions are charged to the income and expenditure account in the year in which they fall due.

Pension benefits for certain other employees of certain subsidiary undertakings are met by payments to a defined contribution pension scheme. Contributions are charged to the income and expenditure account in the year in which they fall due.

The most recent actuarial valuation was undertaken as at 28th October, 2014 by consulting actuaries.

NOTES TO ACCOUNTS

Year to 30th September 2013

	2012/2013 Closed Scheme €'000	2012/2013 Model Scheme €'000	2012/2013 Model Scheme* €'000
30. Pension Control Account			
Opening balance	(15,427)	15,776	1,109
<i>Income</i>			
Employer contributions received	9,048	3,611	1,733
Employee contributions received	3,561	2,475	391
Pension transfers in (cash received)	78	26	-
Supplementation income	3,418	-	-
Income in respect of purchase of added years	<u>305</u>	<u>50</u>	<u>2</u>
Total Income	16,410	6,162	2,126
<i>Expenditure</i>			
Pensions in payment (including supplementation)	20,028	60	-
Lump sum payments on retirement	2,326	41	-
Death in service payments	29	90	-
Pension transfers out (cash payments)	2	-	-
Refunds of contributions	2	165	-
HEA Pension Adjustment Fixed Term Workers	438	-	-
Administration and other costs	<u>268</u>	<u>177</u>	<u>-</u>
Total Expenditure	<u>23,093</u>	<u>533</u>	<u>-</u>
(Deficit)/Surplus	<u>(22,110)</u>	<u>21,405</u>	<u>3,235</u>
Grant receivable/(payable) from/to the HEA	<u>22,110</u>	<u>(21,405)</u>	<u>(3,235)</u>

The net grant payable to the HEA of €2.53 m is included in Other Creditors & Accruals (Note 19).

*New ECF Rate 20%

31. Related Party Transactions

The activities of the following 100% owned subsidiaries have been consolidated with the University College Cork Income and Expenditure Account and Balance Sheet:

Property Management (UCC) Limited
 Campus Accommodation (UCC) Limited
 Student Facilities & Services (UCC) Limited
 GMC Holdings Limited
 Biosciences (UCC) Limited
 Mardyke Leisure (UCC) Limited
 ArtGallery (UCC) Limited
 Tenton Limited
 UCC Academy Limited

32. Approval of Financial Statements

The financial statements were approved by the Governing Body on 3/11/15

RECONCILIATION OF HEA FUNDING STATEMENT WITH CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2013

	Consolidated financial statements €'000	Subsidiary companies €'000	Unincorporated ancillary activities €'000	GAAP adjustments €'000	HEA funding statement €'000
INCOME					
State grants	53,633	-	-	(819)	52,814
Student fees	116,321	-	-	424	116,745
Research grants and contracts	78,440	-	-	(8,147)	70,293
Amortisation of deferred capital grants	12,735	-	-	9,139	21,874
Other operating income	28,362	-	-	10,014	38,376
Interest income	1,107	-	-	-	1,107
Net Deferred funding for pensions	<u>50,425</u>	=	=	<u>(50,425)</u>	<u>-</u>
Total income	<u>341,023</u>	=	=	<u>(39,814)</u>	<u>301,209</u>
Total expenditure	<u>345,424</u>	=	=	<u>(42,109)</u>	<u>303,315</u>
Deficit for year	<u>(4,401)</u>	=	=	<u>2,295</u>	<u>(2,106)</u>

Elements of both Capital and Recurrent expenditure reported in these Consolidated Financial Statements have been funded under one or more of the following programmes administered by the HEA:



Ireland's EU Structural Funds
Programmes 2007 - 2013

Co-funded by the Irish Government
and the European Union



**EUROPEAN REGIONAL
DEVELOPMENT FUND**

HEA

Higher Education Authority
An tÚdarás um Ard-Oideachas



An Roinn Fiontar, Trádála agus Nuálaíochta
Department of Enterprise, Trade and Innovation

Investing in Your Future

**Programme for Research in Third Level Institutions
(PRTL)**

The Programme for Research in Third Level Institutions is Co-funded by the Irish Government and the European Union under Ireland's EU Structural Funds Programme 2007– 2013.