



GMIT

INSTITIÚID TEICNEOLAÍOCHTA NA GAILLIMHE-MAIGH EO
GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONSOLIDATED FINANCIAL

STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2016

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

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GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INSTITUTE RESPONSIBILITIES

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards;
- prepare the financial statements on the going concern basis, unless that basis is inappropriate;

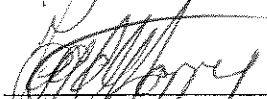
The Institute is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Institute and which enables it to ensure that the Consolidated Financial Statements comply with the Institutes of Technology Acts 1992 to 2006.

The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Chairman:


Cormac MacDonncha

President:


Dr. Fergal Barry

Date:

01/09/2017

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INTERNAL CONTROL

Governing Body Responsibility for the System of Internal Control

The Governing Body acknowledges its overall responsibility for the Institute's system of internal control.

A sound system of internal control supports the achievement of the Institute's policies, aims and objectives, whilst safeguarding the public funds and assets for which we are responsible.

The system of internal control consists of those processes used to identify, evaluate and manage the significant risks faced by Galway-Mayo Institute of Technology in the management of its affairs.

Reasonable assurance against material error

The system is designed to manage rather than eliminate risk, recognising that only reasonable and not absolute assurance can be provided that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected on a timely basis.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Code of Governance of Irish Institutes of Technology

The Code of Governance of Irish Institutes of Technology as amended to reflect the 2009 Code of Governance for State Bodies was adopted by the Governing Body in January 2012.

Key Control Procedures put in place designed to provide effective Internal Control – appropriate control environment

The Governing Body has taken steps to ensure an appropriate control environment, including:

- Adopting an Internal Control Framework as developed by a sectoral working group from various Institutes of Technology to assist in the review of the system of Internal Control. The framework outlines the expected controls necessary to meet compliance based requirements in the following risk areas:
 - Institutional
 - Operational
 - Financial
 - Compliance
 - General compliance

The Framework was adopted and tailored by the Institute and ownership of the areas was assigned to various members of the executive team.

The framework forms an integral part of the review of Internal Control within the Institute.

- Defined management roles and responsibilities which have been communicated across academic departments and supporting functional units.

Key Control Procedures put in place designed to provide effective Internal Control – Business Risks

GMIT has developed processes to identify, evaluate and manage business risk. This is achieved in a number of ways including:

- Adoption of a Risk Management Policy which was reviewed, updated and approved by the Governing Body in December 2015.
- Maintaining a Strategic Risk Register which identifies key Strategic risks, the risk owners, controls to mitigate these risks and any action plans to further mitigate these risks.
- The Risk Register was reviewed and updated by the Executive Board and presented to the Audit Committee on the 29th of November 2016 who recommended it for approval by the Governing Body. The Governing Body approved the Risk Register on the 8th December 2016.
- Cascading the Strategic Risk register to the School/Functional areas
- Key risks are regular agenda items at Executive Board, Audit Committee and Governing Body meetings.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INTERNAL CONTROL

Key Control Procedures put in place designed to provide effective Internal Control – Information Systems

- Comprehensive budgeting system with an annual budget which is reviewed and approved by Governing Body.
- Development of targets to measure financial and other performance.
- Regular review by the Governing Body of periodic and annual financial reports, which include financial performance against forecasts.

Key Control Procedures put in place designed to provide effective Internal Control – Financial Implications of major business risks

GMIT employs a range of actions to reduce the potential for fraudulent activity including written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregation of duties including the following key control procedures:

- Financial procedures and regulations are currently documented, implemented and up to date.
- Clearly defined capital investment control guidelines.
- Formal management controls and checks including segregation of duties, and sample checking of Invoices and payments.
- Procurement procedures which have been communicated to all staff.
- Disposal of asset procedures which have been communicated to all staff.
- Processes to facilitate compliance with Guidelines on Achieving value for Money in Public Expenditure.
- Procedures and systems to facilitate compliance with all relevant taxation laws.

Key Control Procedures put in place designed to provide effective Internal Control –Monitoring the effectiveness of the Internal Control system

- An Audit Committee, with clear terms of reference, which deals with significant control issues and receives the reports of the internal and external auditors.
- An Outsourced Internal Audit function which operates in accordance with the framework Code of Best Practice set out in the Code of Governance for Institutes of Technology. The Internal audit plan is approved by the Audit Committee annually . The plan takes account of areas of potential risk identified in a risk assessment exercise carried out with management at the start of the current planning cycle. Reports are provided to the Audit Committee on assignments carried out . The Audit committee receives regular reports on the status of issues raised.

Key Items in progress at year end 2016

- Strategic Plan for 2016-2022.
- The Institutes Corporate Procurement plan will be completed in 2017.
- The Institute (and IOT sector) is not in compliance with two ICT circulars. Sectoral discussions have centred on whether or not the circulars are appropriate for the IOT sector. In 2016 a new ICT circular was adopted for the sector. GMIT is in compliance with this circular.
- Ongoing review and enhancement of the risk management framework together with ongoing review of the Code of Governance of Irish Institutes of Technology to further improve and build the risk management and governance framework within GMIT.
- The sectoral level IT documentation was approved by the Governing Body in May 2015 and is in the process of being implemented. These policies are:
 - GMIT Acceptable Usage Policy

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INTERNAL CONTROL

- Data Governance Policy
- Email Retention Policy
- Information Security Policy
- Documentation Framework.

Review of the effectiveness of the system of internal control

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

- The work of Internal Audit, which includes annual audits on a rotating selection of the auditable activities identified in the Audit Universe. The Internal Audit Plan considers risk when identifying areas of review.
- The Audit Committee which oversees the work of Internal Audit. The Audit Committee meets the Internal Auditors on a regular basis to review the work of Internal Audit.
- Senior officers within Galway-Mayo Institute of Technology who have responsibility for the development and maintenance of the Internal Control Framework.
- The Risk Management process.
- The comments made by the Comptroller and Auditor General in the management letter or other reports.

The Governing Body has processes established for reviewing the effectiveness of the system of internal control and reviews were undertaken during the year, including a review of internal operational controls.

The role of the Audit Committee is to provide assurance to the Governing Body that an adequate system of internal control is implemented and operating effectively and this was done for 2015/2016. The Governing Body performed its review of the effectiveness of the system of Internal Control and Risk Management for the year ended 31 August 2016 on the 8th of December 2016.

Weaknesses in Internal Control

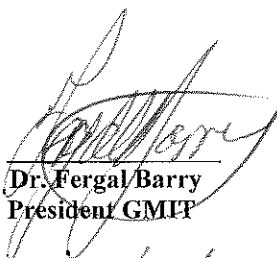
No weaknesses in internal control have been identified that would have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the Auditors report on the financial statements.

On behalf of the Governing Body:



Cormac MacDonncha
Chairman of the Governing Body

Date: 1st Dec 2017



Dr. Fergal Barry
President GMIF

Date: 9/09/2017



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Galway-Mayo Institute of Technology

I have audited the consolidated financial statements of Galway-Mayo Institute of Technology for the year ended 31 August 2016 under the Institutes of Technology Acts 1992 to 2006. The financial statements comprise the consolidated statement of income and expenditure, the consolidated statement of changes in reserves and capital account, the consolidated and Institute statement of financial position, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the Institutes of Technology Acts 1992 to 2006 and generally accepted accounting practice.

Responsibilities of the Institute

The Institute is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

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

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

Scope of audit of the financial statements

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

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

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

Opinion on the financial statements

In my opinion, the financial statements

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

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

Emphasis of matter – Going concern

Without qualifying my opinion on the financial statements, I draw attention to Note 1c Going Concern. The Institute has incurred deficits in each of the last five years and had an accumulated deficit of €3.3 million at 31 August 2016. The note outlines the basis upon which the members of the Governing Body are satisfied that the Institute remains a going concern.

Emphasis of matter – Future pension arrangements

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

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

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

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

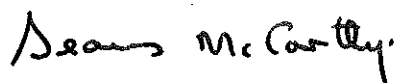
The Department of Education and Skills is seeking legal advice in relation to where the responsibility lies for pension liabilities under the 2015 Scheme.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal control does not reflect the Institute's compliance with the Code of Governance of Irish Institutes of Technology, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Seamus McCarthy
Comptroller and Auditor General

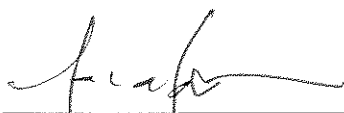
12 September 2017

Galway-Mayo Institute of Technology

Consolidated Statement of Income and Expenditure Year ended 31 August 2016

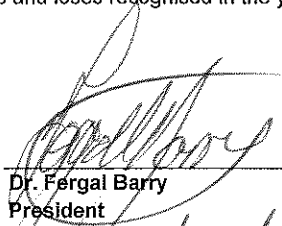
	Note	Consolidated 31/08/16 €000's	Institute 31/08/16 €000's	Restated Consolidated 31/08/15 €000's	Restated Institute 31/08/15 €000's
Income					
State Grants	3	23,849	23,849	23,358	23,358
Tuition Fees	4	20,077	20,077	19,428	19,428
Research Grants & Contracts	5	2,654	2,654	2,098	2,098
Student Support Funding	7	923	923	863	863
Other Income	8	4,017	4,017	3,592	3,592
Amortisation of Deferred Capital Grants	22	2,595	2,595	2,608	2,608
Interest Income		38	38	133	133
Catering		1,587	-	1,481	-
Total Income		55,740	54,153	53,561	52,080
Expenditure					
Staff costs	9	42,989	42,173	41,675	40,909
Other Operating Expenses	10	11,765	11,055	11,881	11,206
Depreciation	13-16	2,601	2,595	2,613	2,607
Total Expenditure		57,355	55,823	56,169	54,722
Deficit before other gains / (losses)		(1,615)	(1,670)	(2,608)	(2,642)
Deficit before Tax		(1,615)	(1,670)	(2,608)	(2,642)
Taxation	11	(6)	-	(4)	-
Deficit for the year before appropriations		(1,621)	(1,670)	(2,612)	(2,642)
Transfer (to) / from Capital Development Reserve		(180)	(180)	419	419
Deficit for the year after appropriations	12	(1,801)	(1,850)	(2,193)	(2,223)

The Consolidated Statement of Income and Expenditure includes all gains and losses recognised in the year.
Notes 1 to 31 form part of these Financial Statements.



Cormac MacDorncha
Chairman

Date 1st SEPT 2017



Dr. Fergal Barry
President

Date 01/09/2017

Galway-Mayo Institute of Technology

**Statement of Changes in Reserves and Capital Account
For the year ended 31 August 2016**

	Restated Deferred Capital Grants €000's	Capital Development Reserve €000's	Restated Revenue Reserves €000's	Total €000's
Institute				
Opening Balance at 1 September 2014	66,263	8,734	580	75,577
Deficit for the year before appropriations			(2,642)	(2,642)
Amortisation of Deferred Capital Grants	(2,608)			(2,608)
State Grant Allocated to Capital	1,171			1,171
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	42	(42)		-
Transfer from Capital Development Reserve to Revenue Reserves		(419)	419	-
Movement for the Period	(1,395)	(461)	(2,223)	(4,079)
Balance at 31 August 2015	64,868	8,273	(1,643)	71,498
Deficit for the year before appropriations			(1,670)	(1,670)
Amortisation of Deferred Capital Grants	(2,595)			(2,595)
State Grant Allocated to Capital	955			955
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	3	(3)		-
Transfer to Capital Development Reserve from Revenue Reserves		180	(180)	-
Movement for the Period	(1,637)	177	(1,850)	(3,310)
Balance at 31 August 2016	63,231	8,450	(3,493)	68,188

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

	Restated Deferred Capital Grants €000's	Capital Development Reserve €000's	Restated Revenue Reserves €000's	Total €000's
Consolidated				
Opening Balance at 1 September 2014	66,263	8,734	695	75,692
Deficit for the year before appropriations			(2,612)	(2,612)
Amortisation of Deferred Capital Grants	(2,608)			(2,608)
State Grant Allocated to Capital	1,171			1,171
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	42	(42)		-
Transfer from Capital Development Reserve to Revenue Reserves		(419)	419	-
Movement for the Period	(1,395)	(461)	(2,193)	(4,049)
Balance at 31 August 2015	64,868	8,273	(1,498)	71,643
Deficit for the year before appropriations			(1,621)	(1,621)
Amortisation of Deferred Capital Grants	(2,595)			(2,595)
State Grant Allocated to Capital	955			955
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	3	(3)		-
Transfer to Capital Development Reserve from Revenue Reserves		180	(180)	-
Movement for the Period	(1,637)	177	(1,801)	(3,261)
Balance at 31 August 2016	63,231	8,450	(3,299)	68,382

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:

Cormac MacDonncha
Chairman

Date

1st Sept 2017

Dr. Fergal Barry
President

Date

09/09/2017

Galway-Mayo Institute of Technology

Consolidated and Institute Statement of Financial Position Year ended 31 August 2016

	Note	Consolidated 31/08/16 €000's	Institute 31/08/16 €000's	Restated Consolidated 31/08/15 €000's	Restated Institute 31/08/15 €000's
Fixed Assets					
Property, Plant & equipment	13-16	63,267	63,231	64,883	64,868
		<u>63,267</u>	<u>63,231</u>	<u>64,883</u>	<u>64,868</u>
Current Assets					
Inventory		10	-	6	-
Receivables	18	1,241	1,202	1,046	1,040
Cash and Cash Equivalents	19	9,672	9,476	10,935	10,747
		<u>10,923</u>	<u>10,678</u>	<u>11,987</u>	<u>11,787</u>
Less Payables ; Amounts due within 1 year	20	5,808	5,721	5,227	5,157
Net Current Assets		<u>5,115</u>	<u>4,957</u>	<u>6,760</u>	<u>6,630</u>
Total Assets less Current Liabilities		<u>68,382</u>	<u>68,188</u>	<u>71,643</u>	<u>71,498</u>
Total Net Assets		<u>68,382</u>	<u>68,188</u>	<u>71,643</u>	<u>71,498</u>
Deferred Capital Grants	22	63,231	63,231	64,868	64,868
Capital Development Reserve	23	8,450	8,450	8,273	8,273
		8,450	8,450	8,273	8,273
Unrestricted Reserves					
Income & Expenditure Reserve		(3,299)	(3,493)	(1,498)	(1,643)
		(3,299)	(3,493)	(1,498)	(1,643)
Total		<u>68,382</u>	<u>68,188</u>	<u>71,643</u>	<u>71,498</u>

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Cormac MacDonncha
Chairman

Date 15 Sept 2017



Dr. Fergal Barry
President

Date 09/09/2017

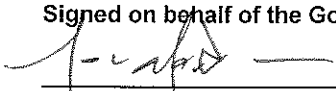
Galway-Mayo Institute of Technology

Consolidated Statement of Cash Flows For the year ended 31 August 2016

	Year Ended 31/08/16 €000's	Year Ended 31/08/15 €000's
Net Cash flow from operating activities		
Excess Expenditure over income	(1,621)	(2,612)
Depreciation of fixed assets	2,601	2,612
Amortisation of deferred capital grants	(2,595)	(2,608)
Decrease in inventories	4	1
(Increase) / Decrease in receivables	(200)	172
Decrease in payables	691	268
Interest Income	(38)	(133)
Net Cash Outflow from Operating Activities	<u>(1,158)</u>	<u>(2,300)</u>
Cash Flows from Investing Activities		
Payments to acquire property, plant and equipment	(1,092)	(1,129)
Proceeds from Disposal of Property, plant & equipment	-	1
Net Cash Flows from Investing Activities	<u>(1,092)</u>	<u>(1,128)</u>
Cash Flows from Financing Activities		
Interest Received	39	178
State Funds allocated to capital	955	1,171
Taxation	(7)	(3)
Net Cash Flows from Financing Activities	<u>987</u>	<u>1,346</u>
Net decrease in cash equivalents in the year	(1,263)	(2,082)
Cash & Cash Equivalents at 1 September	10,935	13,017
Cash & Cash Equivalents at 31 August	<u>9,672</u>	<u>10,935</u>

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body


Cormac MacDonncha
Chairman

Date 1st SEPT 2017


Dr. Fergal Barry
President

Date 1st SEPT 2017

Galway-Mayo Institute of Technology

Notes to the financial statements

For the year ended 31 August 2016

1. Significant accounting policies

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

a. General information and statement of compliance

The primary objectives of the institute is to provide vocational and technical education and training for the economic, technological, scientific, commercial, industrial, social and cultural development of the state with particular reference to the region served by the College.

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

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 30.

The functional currency of Galway-Mayo Institute of Technology is considered to be Euro because that is the currency of the primary economic environment in which the Institute operates. The consolidated financial statements are also presented in Euro. Foreign operations are included in accordance with the policies set out below.

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

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Institute and its subsidiary undertakings made up to 31 August 2016.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Going concern

GMIT incurred operating deficits in each of the years from the year ended 31 August 2012 to 31 August 2016.

The Institute is aware that further deficits of similar magnitude will result in depletion of reserves that could call into question the going concern status of the Institute in the medium term.

The main factors contributing to these deficits include the following:

1. Decreases in State Grant for funding of recurrent activities.
2. Suspension of State Grants for funding of capital investments, such as equipment, computer equipment and fixtures and fittings.
The need to allocate recurrent funding for capital purposes decreases income available to fund recurrent activities.

The Institute is engaged in ongoing discussions with the Higher Education Authority regarding the financial position of the Institute and plans have been developed to address the deficits.

The going concern basis has been adopted in preparing the financial statements, as the Governing Body are of the view that the Institute has sufficient resources to meet projected expenditure for at least twelve months from the signing of the financial statements.

Galway-Mayo Institute of Technology

Notes to the financial statements –(continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

d. Property, plant & equipment

(i) Land and buildings

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

Freehold buildings	50 years
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

(ii) Equipment

From 1 September 2008, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition. Where individual items of equipment purchased are below the capitalisation limit (€3,000) and the total purchase invoice is in excess of the limit, these items are individually capitalised in the normal way. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

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

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

e. Inventory

Inventory comprise canteen stock, and is valued at the lower of cost and net realisable value. Expenditure on books and consumable stock is charged to the income and expenditure account as incurred.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in income and expenditure as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Galway-Mayo Institute of Technology

Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

f. Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

(i) Corporation tax

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

(ii) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in period's difference from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

h. Recognition of income

State Grants

Recurrent state grants from the Higher Education Authority and other bodies are recognised in the period in which they are receivable. Non Recurrent Grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of Property, plant and equipment are treated as deferred Capital Grants and amortised in line with the depreciation over the life of the assets.

Fee Income

Fee income is accounted for on an accruals basis.

Research grants and contracts

Income from research grants and contracts is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred. The most common classes of such transactions are:

(i) Donations with no restrictions

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

(ii) Donations with restrictions

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

Galway-Mayo Institute of Technology

Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

i. Recognition of income (continued)

(iii) Research grants from non-government sources

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

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

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

Minor Capital Works

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

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

Income from short-term deposits

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

j. Employee benefits

(i) Retirement Benefits

All employees recruited by the Institute from 1 January 2013 are members of the single public sector pension scheme and all other pension entitlements of staff are conferred under the Education Sector Superannuation Scheme 2015 and pension obligations are met by the Exchequer as they arise. Subsidiary employees have the option to join their relevant scheme by 1 May 2017.

The superannuation scheme is operated on a Pay As You Go basis and therefore superannuation deductions made from employees are retained by the Institute, as an agreed part of its funding. The Institute does not make contributions towards the scheme and has no obligations in respect of entitlements.

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

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The Institute had 67 members of the Single Scheme at 31 August 2016. Future benefits accruing to Scheme members have not been provided for in these financial statements. It is the Institute's opinion (in accordance with Section 44 of the 2012 Act) that any liability in respect of the Single Scheme would be offset by an equivalent asset in respect of future State funding.

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

Galway-Mayo Institute of Technology

Notes to the financial statements – (continued)

For the year ended 31 August 2016

1. Significant accounting policies (continued)

j. Employee benefits (continued)

(ii) Short-Term Benefits

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

k. Foreign currency

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

l. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

m. Deferred Capital Grants

Deferred capital grants represent unamortised value of accumulated funds allocated for Property, plant and equipment.

n. Capital Development Reserve

The capital development reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arose from Student Registration Fees, non-state capital donations, banking facility fees and transfers from Revenue Reserves, in the latter case, which have had the prior approval of the Higher Education Authority, together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserve Account provided the defined projects to which they are committed are in line with the Institute's Capital Development plan, have been approved by the Governing Body and are time phased and with estimates of costs.

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Institute's accounting policies

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

Going Concern

The going concern basis has been adopted in preparing the financial statements, as the Governing Body are of the view that the Institute has sufficient resources to meet projected expenditure for at least twelve months from the signing of the accounts. See note 1c. above.

Holiday Pay Accrual

The holiday pay accrual is calculated by reference to the days holidays outstanding at the year end. Academic staff do not require an accrual at year end due to the nature of their contract. There is a transition adjustment in respect of holiday pay of €940,229 at 1st September 2014.

3. State Grants

	Allocated for Recurrent Expenditure €000's	Allocated for Capital Expenditure €000's	2016 Total €000's	2015 Total €000's
Recurrent Expenditure - HEA	22,526	765	23,291	23,546
Other State Capital Grants	600	-	600	-
Devolved Grant	723	27	750	750
Total 2016 (note 6)	23,849	792	24,641	24,296
Total 2015	23,358	938	24,296	

All grant income was received from the Higher Education Authority.

4. Tuition fees and student contribution

	WTE	State Funded 2016 €'000	Non State Funded 2016 €'000	Total 2016 €'000	WTE	State Funded 2015 €'000	Non State Funded 2015 €'000	Total 2015 €'000
Fees paid by State	4,660	3,261	-	3,261	4,518	3,405	-	3,405
Fees paid by other State agencies	96	138	-	138	274	185	-	185
Non EU Fees	77	6	409	415	101	-	624	624
Fees paid by students or on behalf of Students	361	-	254	254	339	-	301	301
Life Long Learning and other fees	167	-	511	511	130	-	453	453
Student Contribution inc repeat exam fees		9,727	5,783	15,510		9,272	5,184	14,456
Transfer to Capital Account		(12)		(12)		4		4
	5,361	13,120	6,957	20,077	5,362	12,866	6,562	19,428
Net fee income/student numbers (note 6)	5,361	13,120	6,957	20,077	5,362	12,866	6,562	19,428

The Higher Education Authority paid Tuition Fees in the year of €2,113,027 (14/15 €2,270,688) for full time Degree courses, €576,981 (14/15 € 500,432) for higher certificate and ordinary degree courses and €570,734 (14/15 €633,798) for full time nursing degree courses, the total costs of which are partly funded by the ESF.

Faillte Ireland paid tuition fees totalling €28,909 (2014: €58,203) during the year for a number of hospitality courses. Student numbers are stated as whole time equivalents based on enrolled credits.

5. Research Grants & Contracts

	2016 Total €000's	2015 Total €000's
Income		
State and semi-state	1,704	1,229
European Union	310	212
Industry	338	341
Other	302	316
Total Income (note 6)	2,654	2,098
Expenditure		
Pay Costs	1,494	1,152
Non Pay Costs	1,875	1,615
Total Costs	3,369	2,767
Net Outcome	(715)	(669)

Galway-Mayo Institute of Technology

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

6. Analysis of State Derived Income.

Name of Grantor	Note	Opening deferral 01/09/15	Grant received	Closing deferral 31/08/16	I&E 2016
Note 3 - State Grant					
HEA		37	24,371	559	23,849
State Grant	3	37	24,371	559	23,849
Note 3 - Tuition					
HEA		14	3,265	(19)	3,298
Faillte Ireland		1	510	-	511
Dept. of Education & Science		-	38	-	38
SUSI		1	9,140	25	9,116
Other State		(3)	160	-	157
Tuition fees and student contribution	4	13	13,113	6	13,120
Note 4 - Research & Contracts					
Dept. of Communications, Climate Action & Environment		109	355	52	412
Enterprise Ireland		278	438	101	615
Environmental Protection Agency		7	148	14	141
Irish Research Council		12	99	15	96
Bord Iascaigh Mhara		33	50	19	64
Marine Institute		(40)	130	9	81
THEA		4	12	-	16
UCD		-	12	-	12
Department of Agriculture & Food		3	6	1	8
Intertrade Ireland		1	14	7	8
National Parks and Wildlife Service		-	22	15	7
HEA		14	108	37	85
Athlone Institute of Technology		-	10	-	10
Faillte Ireland		8	11	-	19
NUIG		-	20	-	20
Science Foundation Ireland		3	-	2	1
Udaras na Gaeltachta		1	89	1	89
University of Cork		-	20	-	20
Research Grants & Contracts	5	433	1,544	273	1,704
Note 7 - Student Support Funding					
HEA		(2)	1,089	164	923
Student Support Funding		(2)	1,089	164	923

Galway-Mayo Institute of Technology

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

7. Student Support Funding

	2016 Disabilities €000's	2016 Assistance €000's	2016 Total €000's	2015 Total €000's
Balance at 1 September	-	(2)	(2)	95
Receipts;				
Higher Education Authority	777	339	1,116	872
Less Transfer to Capital Account	(27)	-	(27)	(106)
	750	337	1,087	861
Balance at 31 August to defer Income	(164)	-	(164)	2
	586	337	923	863
Amounts Applied;				
Pay Costs	525	-	525	650
Non Pay Costs	63	340	403	302
Total Expenditure	588	340	928	952
Charge to statement of income and expenditure	2	3	5	89

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

8. Other Income

	2016 Total €000's	2015 Total €000's
Superannuation deductions retained	2,254	2,244
Rental of Facilities	294	280
Sundry Income	1,469	1,068
Net Outcome	4,017	3,592

Galway-Mayo Institute of Technology

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

9. Staff Costs

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

	2016 No. of employees	Restated 2015 No. of employees
Teaching and research	381	358
Technical	64	64
Central administration and services	254	254
	<u>699</u>	<u>676</u>
	2016 €'000	2015 €'000
Salaries and wages	38,874	37,814
Employer welfare costs	3,299	3,095
Catering Company	816	766
	<u>42,989</u>	<u>41,675</u>

Key management compensation

The total remuneration for key management personnel for the year 2016 totalled €172,498 (2015: €166,508).

Key management personnel in the institute consist of the President and members of the Governing Board.

Higher paid staff

Salary Bands	Year Ended 31 August 2016	Year Ended 31 August 2015
60,000 - 70,000	89	77
70,001 - 80,000	142	121
80,001 - 90,000	46	65
90,001 - 100,000	12	13
100,001 - 110,000	-	1
110,001 - 120,000	1	-
120,001 - 130,000	-	1
130,001 - 140,000	1	-
Over 140,000		
Grand Total	291	278

Galway-Mayo Institute of Technology

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

10. Other Operating Expenses

	2016	2016	2016	2015
	Pay Costs	Other Operating	Total	Total
	€000's	Expenses	€000's	€000's
	€000's	€000's	€000's	€000's
Academic Departments	31,041	1,743	32,784	32,174
Academic Services	1,847	582	2,429	2,496
Facilities	1,681	2,894	4,575	4,594
Central Admin	3,717	1,819	5,536	5,707
General Education	577	389	966	921
Student Services	1,291	1,350	2,641	2,501
Student Support Funding	525	403	928	952
Research Grants & Contracts	1,494	1,875	3,369	2,770
Catering	816	710	1,526	1,441
Depreciation			2,601	2,613
Total Expenditure	42,989	11,765	57,355	56,169
Total 2015	41,675	11,881	56,169	

Analysis of Other Operating Expenditure

Services to students	1,299	1,206
Professional Fees	1,015	964
General Education	978	905
Materials & Other Consumables	966	888
Maintenance Costs	955	1,035
Energy Costs	855	925
Catering	710	675
Travel & Subsistence	625	647
Other Premises Costs	525	527
Equipment	519	555
Computer costs	478	525
Miscellaneous	421	574
Rent and Rates	393	408
General Advertising & Publicity	340	235
Personnel Costs	303	341
Library Materials	278	301
Stationery & office materials	249	232
Postgraduate Student Grants	223	256
Insurance	189	161
Communications	179	202
Bad Debts Provision	107	172
Other Research Costs	98	76
Finance costs	30	42
Auditors Remuneration	28	28
Governing body expenses	2	1
Total Other Operating Expenses	11,765	11,881

Galway-Mayo Institute of Technology

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

	2016 €'000	2015
Other Operating Expenses include,		
Auditors Remuneration;		
- External audit of Institute Group	28	28
- Taxation and secretarial		
- Other services not provided by Statutory Auditor	36	66

Auditors Remuneration disclosed above excludes VAT.

11. Taxation

The Galway-Mayo Institute of Technology is exempt from Corporation Tax under a charitable status order. The GMT Catering Company Ltd, a wholly owned subsidiary, is not included in this exemption.

	2016 €'000	2015 €'000
Current tax on profit on ordinary activities		
Irish corporation tax on profits of subsidiaries of the year	6	4
Deferred tax	-	-
Total tax on profit on ordinary activities	<u>6</u>	<u>4</u>

The difference between total tax charge shown above and the amount calculated by applying the standard rate of Irish corporation tax to the profit before tax is as follows:

	2016 €'000	2015 €'000
Reconciliation of tax charge to profit for the year for subsidiary		
Surplus for the year before Taxation @ Standard Rate of corporation tax rate of 12.5%	7	4
Effects of:		
Capital allowance for period in excess of depreciation	(1)	-
	<u>6</u>	<u>4</u>

12. Deficit for the year

The deficit for the year on continuing operations is made up as follows:

	2016 €'000	2015 €'000
Institute deficit for the year	(1,850)	(2,223)
Surplus generated by subsidiaries and other undertakings	49	30
	<u>(1,801)</u>	<u>(2,193)</u>

Galway-Mayo Institute of Technology

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

13. Property, Plant & Equipment Consolidated

	Land & Buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Subsidiary €'000	Total €'000
Cost										
At 1 September 2015	89,507	813	1,764	4,085	697	9,209	95	250	52	106,472
Additions in year	0	138	8	333	0	476	-	3	27	985
course of construction	316	(316)	-	-	-	175	-	(175)	-	0
Disposals in year	-	-	-	(529)	-	(48)	-	-	-	(577)
At 31 August 2016	89,823	635	1,772	3,889	697	9,812	95	78	79	106,880
Depreciation										
At 1 September 2015	27,590	-	1,591	3,259	617	8,403	92	-	37	41,589
Charge for year	1,632	-	36	474	26	427	-	-	6	2,601
Eliminated on disposals	-	-	-	(529)	0	(48)	-	-	-	(577)
At 31 August 2016	29,222	-	1,627	3,204	643	8,782	92	-	43	43,613
Net book value										
At 31 August 2016	60,601	635	145	685	54	1,030	3	78	36	63,267
At 1 September 2015	61,917	813	173	826	80	806	3	250	15	64,883

14. Property, Plant & Equipment Institute Only

	Land & Buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Total €'000
Cost									
At 1 September 2015	89,507	813	1,764	4,085	697	9,209	95	250	106,420
Additions in year	-	138	8	333	-	476	-	3	958
course of construction	316	(316)	-	-	-	175	-	(175)	-
Disposals in year	-	-	-	(529)	-	(48)	-	-	(577)
At 31 August 2016	89,823	635	1,772	3,889	697	9,812	95	78	106,801
Depreciation									
At 1 September 2015	27,590	-	1,591	3,259	617	8,403	92	-	41,552
Charge for year	1,632	-	36	474	26	427	-	-	2,595
Eliminated on disposals	-	-	-	(529)	0	(48)	-	-	(577)
At 31 August 2016	29,222	-	1,627	3,204	643	8,782	92	-	43,570
Net book value									
At 31 August 2016	60,601	635	145	685	54	1,030	3	78	63,231
At 1 September 2015	61,917	813	173	826	80	806	3	250	64,868

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)
For the year ended 31 August 201515. Property, plant & equipment - in respect of prior year
Consolidated

	Land and buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Subsidiary €'000	Total €'000
Cost										
At 1 September 2014	89,378	795	1,700	3,403	697	8,968	94	225	38	105,298
Additions in year	-	147	40	691	-	282	4	49	14	1,227
Transfers from assets in course of construction	129	(129)	24	-	-	-	-	(24)	-	0
Disposals in year	-	-	-	(9)	-	(41)	(3)	-	-	(53)
At 31 August 2015	89,507	813	1,764	4,085	697	9,209	95	250	52	106,472
Depreciation										
At 1 September 2014	25,958	-	1,560	2,865	570	7,951	93	-	31	39,028
Charge for year	1,632	-	31	403	47	493	1	-	6	2,613
Eliminated on disposals	-	-	-	(9)	-	(41)	(2)	-	-	(52)
At 31 August 2015	27,590	-	1,591	3,259	617	8,403	92	-	37	41,589
Net book value										
At 31 August 2015	61,917	813	173	826	80	806	3	250	15	64,883
At 1 September 2014	63,420	795	140	538	127	1,017	1	225	7	66,270

16. Property, plant & equipment - in respect of prior year
Institute Only

	Land and buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Total €'000
Cost									
At 1 September 2014	89,378	795	1,700	3,403	697	8,968	94	225	105,260
Additions in year	-	147	40	691	-	282	4	49	1,213
Transfers from assets in course of construction	129	(129)	24	-	-	-	-	(24)	-
Disposals in year	-	-	-	(9)	-	(41)	(3)	-	(53)
At 31 August 2015	89,507	813	1,764	4,085	697	9,209	95	250	106,420
Depreciation									
At 1 September 2014	25,958	-	1,560	2,865	570	7,951	93	-	38,997
Charge for year	1,632	-	31	403	47	493	1	-	2,607
Eliminated on disposals	-	-	-	(9)	-	(41)	(2)	-	(52)
At 31 August 2015	27,590	-	1,591	3,259	617	8,403	92	-	41,552
Net book value									
At 31 August 2015	61,917	813	173	826	80	806	3	250	64,868
At 1 September 2014	63,420	795	140	538	127	1,017	1	225	66,263

Galway-Mayo Institute of Technology

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

17. Investments

The Institute holds an interest in the following subsidiary:

Subsidiary undertakings
GMIT Catering Company Ltd.

Principal Activity
Management of Canteen

Interest 100%

Retained Profit €'000
194

The above subsidiary undertaking has their registered office and place of business in GMIT, Dublin Road, Galway.

18. Receivables

	Restated		Restated	
	Consolidated		Institute	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Trade Receivables	161	208	125	205
Research grants and contracts receivable	410	204	410	204
Student Support Funding	-	2	-	2
State Grant receivable	-	37	-	37
State Capital Grant receivable	53	53	53	53
Academic fees receivable	266	151	266	151
Prepayments	275	319	272	316
Other receivables	76	72	76	72
	<u>1,241</u>	<u>1,046</u>	<u>1,202</u>	<u>1,040</u>

19. Cash & cash equivalents

	Consolidated		Institute	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Cash at bank including balances held on short term deposit	9,672	10,935	9,476	10,747
	<u>9,672</u>	<u>10,935</u>	<u>9,476</u>	<u>10,747</u>

Galway-Mayo Institute of Technology

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

20. Payables: amounts falling due within one year	Consolidated		Institute	
	2016	2015	2016	2015
	€000's	€000's	€000's	€000's
Trade payables	210	189	208	181
Research grants and contracts in advance	788	835	788	835
Tuition fees received in advance	547	721	547	721
State grants received in advance	559	-	559	-
Accruals	2,399	2,373	2,335	2,340
Student Support Funding	164	-	164	-
Other tax and social security	1,141	1,109	1,120	1,080
	<u>5,808</u>	<u>5,227</u>	<u>5,721</u>	<u>5,157</u>

21. Lease Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land & Buildings 2016 €000's	Land & Buildings 2015 €000's
Operating Leases		
Expiring :		
Within 1 Year	257	257
Between 2 & 5 Years	-	-
Greater than 5 years	115	120
Total Commitments	<u>372</u>	<u>377</u>

22. Deferred Capital Grants

	Consolidated		Institute	
	2016	2015	2016	2015
	€000's	€000's	€000's	€000's
At 1 September				
Opening Balance	64,868	66,263	64,868	66,263
Cash received in year				
Allocated from State recurrent grant	765	449	765	449
Other State Grants	190	722	190	722
Funded from Capital Development Reserve	3	42	3	42
Total	<u>958</u>	<u>1213</u>	<u>958</u>	<u>1213</u>
Amortised to Income and expenditure in year				
Amortised in line with depreciation	2,595	2,607	2,595	2,607
Release to Income re NBV on Disposals	-	1	-	1
Total	<u>2,595</u>	<u>2,608</u>	<u>2,595</u>	<u>2,608</u>
At 31 August				
Closing Balance	<u>63,231</u>	<u>64,868</u>	<u>63,231</u>	<u>64,868</u>

Galway-Mayo Institute of Technology

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

23. Capital Development Reserve

	Consolidated		Institute	
	2016 €000's	2015 €000's	2016 €000's	2015 €000's
Opening Balance	8,273	8,734	8,273	8,734
Transfer (to) from Income & Expenditure Account	180	(419)	180	(419)
Capital Projects	(3)	(42)	(3)	(42)
Closing Balance	<u>8,450</u>	<u>8,273</u>	<u>8,450</u>	<u>8,273</u>

24. Capital Commitments

	Consolidated		Institute	
	2016 €000's	2015 €000's	2016 €000's	2015 €000's
Contracted for but not provided	99	102	99	102
Authorised but not contracted	-	-	-	-
	<u>99</u>	<u>102</u>	<u>99</u>	<u>102</u>

25. Technological University: Connacht-Ulster Alliance

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

26. Related Parties

In the normal course of business the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the Code of Governance of Irish Institute's of Technology in relation to the disclosure of interests by members of the Board and the Institute has complied with these procedures during the year.

27. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2016.

28. Post Balance Sheet Events

There were no significant events since the balance sheet date which could have implications for these financial statements.

29. Comparative Figures

Where necessary, the comparative figures have been recognised and restated on the same basis as the current year figures.

Galway-Mayo Institute of Technology

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

30. Explanation of Transition to FRS 102

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

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

Under Irish GAAP, short term employee benefits accumulated such as holiday pay were not recognised at year end. Under FRS102 all employee benefits accumulated including related holiday pay should be recognised and presented as a current liability.

- 1 Recognition of short term employee benefits accumulated resulted in a charge to reserves of €940,229 at 1st September 2014.

Reconciliation of Reserves	Consolidated		Institute	
	At 1 September 2014 €000's	At 31 August 2015 €000's	At 1 September 2014 €000's	At 31 August 2015 €000's
Reserves reported under previous Irish GAAP	76,632	72,498	76,517	72,353
Adjustments to reserves on transition to FRS 102				
1. Recognition in reserves of holiday pay accrual	(940)	(855)	(940)	(855)
Reserves reported under FRS 102	<u>75,692</u>	<u>71,643</u>	<u>75,577</u>	<u>71,498</u>

Reconciliation of deficit for the year ended 31 August 2015

	€000's
Deficit for the financial year under previous Irish GAAP	2,697
Movement in holiday pay accrual	(85)
Deficit for the financial year under FRS 102	2,612

31. Approval of Financial Statements

The financial statements were approved by the Governing Body on 31st August 2017.