

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 proper books of account which disclose with reasonable accuracy at any time the financial position of the Institute and which enable it to ensure that the financial statements comply with the Institutes of Technology Acts 1992 to 2006. The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

President:  _____

Chairman:  _____

Date: 25TH AUGUST 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INTERNAL CONTROL

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.

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.

Key Control Procedures

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

- Financial procedures and regulations are currently documented, implemented and up to date.
- Regular reviews by the Governing Body of periodic and annual financial reports, which include financial performance against forecasts.
- Clearly defined capital investment control guidelines.
- An Audit Committee, with a defined audit charter is in place, with clear terms of reference, which deals with significant control issues and receives the reports of the internal and external auditors.
- An 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.

Risk Management

We continue to develop our risk management strategy within GMIT.

The following actions were undertaken in 2009/10

- A Risk Management Committee was established.
- Risk Management was incorporated as an agenda item on a regular basis for meetings of relevant committees.
- A self assessment on the control environment was completed
- Confirmation of compliance to policies and procedures was received.

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In addition to the actions mentioned above in 2010/11 the Institute has undertaken the following:

- Adopted the risk management policy.
- Formalised a risk management strategy.

During the course of 2010/2011 the Institute also plans to:

Update the Risk Register
Arrange for reports from budget holders/managers on internal control.

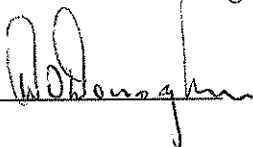
Annual review of internal controls

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

- the work of Internal Audit, which includes the annual evaluation of internal financial controls. 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, and
- the comments made by the Comptroller and Auditor General in his management letter or other reports.

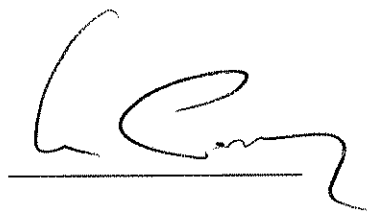
The Governing Body has commenced processes for reviewing the effectiveness of the system of internal control and reviews were undertaken during the year, including a review of internal financial controls. We are continuing to carry out the process of implementing procedures that are necessary to provide a full statement on the effectiveness of the system of internal control by 2011/12. This takes account of the time needed to fully embed the process which the Governing Body and management have agreed should be established to improve the robustness of the system of internal control.

On behalf of the Governing Body



Chairman of the Governing Body

Date: 25th August 2011



President GMIT

Date: 25th August 2011



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

Galway-Mayo Institute of Technology

I have audited the financial statements of Galway-Mayo Institute of Technology for the year ended 31 August 2010 under the Institutes of Technology Acts 1992 to 2006. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and Institute balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Institute

The Institute is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Group's and Institute's affairs and of the Group's income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with 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, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Group's and Institute's affairs at 31 August 2010 and of the Group's income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Institute. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Control does not reflect the Institute's compliance with the Code of Governance of Irish Institutes of Technology, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters.

John Buckley
Comptroller and Auditor General

30 November 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by Galway Mayo Institute of Technology are as follows:

1. BASIS OF PREPARATION

The financial statements are prepared in accordance with generally accepted accounting principles in Ireland and the United Kingdom under the historical cost convention (except for certain assets which are included at valuation) and with the requirements of the Higher Education Authority.

Under the Institutes of Technology Act 2006 which came into operation on 1 February 2007 certain functions and funding which were previously exercised and provided by the Minister for Education and Science were transferred to the Higher Education Authority.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Institute and GMT Catering Company Limited for the year.

3. RECOGNITION OF INCOME

State Grants:

Recurrent grants from the Higher Education Authority, the Health Service Executive and other bodies are recognised in the period in which they are receivable.

Non-recurrent grants from the Higher Education Authority, the Health Service Executive or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Devolved Grants:

The Minister for Education and Science introduced a scheme to devolve responsibility to the Institute for Summer and other Capital Works. Where devolved grant monies, in respect of this scheme, have not been expended they are treated as deferred income, provided the projects to which they are committed have been approved by the Governing Body, are fully defined, time phased and with estimates of costs.

In all other cases devolved grant funding is recognised by the amount appropriate to the relevant academic year determined on a time apportionment 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. All research income and expenditure is shown under the headings 'Research Grants and Contracts'. Full provision is made for foreseeable losses.

Fee Income:

Fee Income is accounted for on an accruals basis. All fee income is included under this heading including Life Long Learning and Other Fees.

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Interest Income:

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

4. STOCKS

Stocks comprise canteen stock. Stocks are valued at the lower of cost and net realisable value. Expenditure on books and consumable stocks is charged to the Income and Expenditure Account as incurred.

5. FIXED ASSETS AND DEPRECIATION

Fixed assets, with the exception of land, are stated at historical cost or valuation less accumulated depreciation. Land is stated at historical cost or valuation.

(a) COST OR VALUATION

Fixed assets in existence on 1 January 1993 (date of commencement order) are stated at valuation. The basis of valuation of land and buildings is set out at note 14. Subsequent additions are stated at cost.

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

(b) EQUIPMENT

From 1 September 2008, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition.

(c) DEPRECIATION

All assets purchased before 1 September 2008 and capitalised will continue to be treated as fixed assets and depreciated to the end of their useful life. Depreciation is provided on fixed assets, excluding land, on a straight line basis so as to write off their historical costs or valuations over their estimated useful lives as follows:

| | Years |
|---|-------|
| Buildings | 50 |
| Fixtures and Fittings including Prefabs | 10 |
| Computer equipment | 3 |
| Plant and Machinery | 10 |
| Equipment | 5 |
| Motor Vehicles | 5 |

Computer equipment purchased before 1 September 2009 will continue to be depreciated on the basis of a four year straight line depreciation policy.

Computer equipment purchased after that date will be depreciated on a three year straight line basis.

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

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6. FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into Euro and recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date.

7. PENSIONS

All pension entitlements of staff are conferred under a defined benefit scheme established under the Local Government (Superannuation) Act, 1980, and pension obligations are met by the Exchequer as they arise.

The superannuation scheme is operated on a Pay As You Go basis and therefore superannuation deductions made from employees are retained by the Institute, as an agreed part of its funding.

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

8. DEFERRED CAPITAL GRANTS

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

9. CAPITAL DEVELOPMENT RESERVE

The Capital Development Reserve represents funds set aside by the Institute for specified capital development purposes. Such funds arise from Student Registration Fees, non-State capital donations, banking facility fees and transfers from Revenue Reserves, in the latter case which have had the prior approval of the Higher Education Authority, together with bank interest earned on these monies. Such funds shall be retained in the Capital Development Reserves 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, are time phased and with estimates of costs.

10. LEASED ASSETS

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

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2010

| | NOTE | 2010 € '000 | 2009 € '000 |
|---|------|----------------|----------------|
| INCOME | | | |
| State Grants | 1 | 31,125 | 38,397 |
| Amortisation of Deferred Capital Account | 17 | 3,414 | 3,594 |
| Tuition Fees | 2 | 11,657 | 11,287 |
| Student Registration Fees | 3 | 8,145 | 4,572 |
| Research Grants and Contracts | 4 | 2,465 | 3,237 |
| Interest Income | | 526 | 717 |
| Student Support Funding Income Recognised | 5 | 467 | 440 |
| Catering | 25 | 1,588 | 1,659 |
| Other Income | 6 | 4,203 | 4,596 |
| | | <u>63,590</u> | <u>68,499</u> |
| EXPENDITURE | | | |
| Academic Departments | 7 | 36,158 | 38,154 |
| Academic Services | 8 | 2,547 | 2,707 |
| Facilities Costs | 9 | 6,486 | 6,563 |
| Central Administration & Services | 10 | 6,094 | 6,185 |
| General Educational Expenses | 11 | 830 | 874 |
| Student Registration Fees | 3 | 1,977 | 1,868 |
| Research Grants and Contracts | 4 | 2,559 | 3,153 |
| Student Support Funding Applied | 5 | 467 | 440 |
| Write down of Assets in Course of Construction | 14 | 0 | 401 |
| Depreciation | 14 | 3,416 | 3,190 |
| Catering Costs | 25 | 1,553 | 1,644 |
| | 12 | <u>62,087</u> | <u>65,179</u> |
| Surplus for the year before transfer to Capital Development Reserve | | 1,503 | 3,320 |
| Transfer to Capital Development Reserve | 22 | <u>(1,445)</u> | <u>(1,171)</u> |
| Surplus for the year from continuing operations | | 58 | 2,149 |
| State Recurrent Grant Write Off | 15 | <u>(1,820)</u> | <u>0</u> |
| (Deficit)/Surplus for the year | | <u>(1,762)</u> | <u>2,149</u> |
| Accumulated Surplus at 1 September | | <u>7,542</u> | <u>5,393</u> |
| Accumulated Surplus at 31 August | | <u>5,780</u> | <u>7,542</u> |

The Institute has no gains or losses in the financial year or the preceding financial year other than those dealt with in the Income & Expenditure Account.

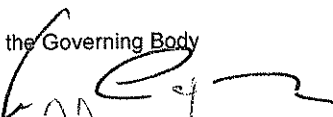
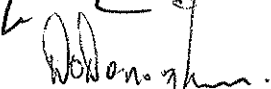
The statement of accounting policies, cash flow statement and Notes 1 to 26 form part of the Financial Statements.

Signed of behalf of the Governing Body

PRESIDENT :

CHAIRMAN :

DATE:

25th August 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2010

| | NOTE | 2010 € '000 | 2009 € '000 |
|--|------|----------------------|----------------------|
| Fixed Assets | | | |
| Tangible Assets | 14 | 74,614 | 75,124 |
| Current Assets | | | |
| Debtors and Prepayments | 15 | 4,542 | 6,154 |
| Cash at Bank and in Hand | | 15,545 | 14,236 |
| Stock | | 5 | 5 |
| | | <u>20,092</u> | <u>20,395</u> |
| Current Liabilities | | | |
| Creditors and accrued expenses : Amounts falling due within 1 year | 16 | 5,906 | 5,891 |
| Net Current Assets | | <u>14,186</u> | <u>14,504</u> |
| Net Assets | | <u><u>88,800</u></u> | <u><u>89,628</u></u> |
| Represented By | | | |
| Deferred Capital Grants | 17 | 74,594 | 75,105 |
| Income & Expenditure Account | | 5,780 | 7,542 |
| Capital Development Reserve | 22 | 8,426 | 6,981 |
| | | <u><u>88,800</u></u> | <u><u>89,628</u></u> |

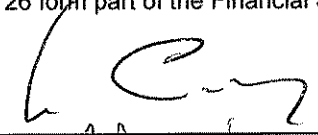
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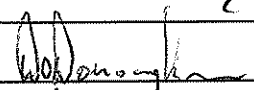
Signed of behalf of the Governing Body

PRESIDENT :

CHAIRMAN :

DATE :





 25th August 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

INSTITUTE BALANCE SHEET AS AT 31 AUGUST 2010

| | 2010 € '000 | 2009 € '000 |
|--|----------------------|----------------------|
| Fixed Assets | | |
| Tangible Assets | 74,594 | 75,105 |
| Current Assets | | |
| Debtors and Prepayments | 4,573 | 6,128 |
| Cash at Bank and in Hand | 15,345 | 14,133 |
| | <u>19,918</u> | <u>20,261</u> |
| Current Liabilities | | |
| Creditors and accrued expenses : Amounts falling due within 1 year | 5,825 | 5,821 |
| Net Current Assets | <u>14,093</u> | <u>14,440</u> |
| Net Assets | <u><u>88,687</u></u> | <u><u>89,545</u></u> |
| Represented By | | |
| Deferred Capital Grants | 74,594 | 75,105 |
| Income & Expenditure Account | 5,667 | 7,459 |
| Capital Development Reserve | 8,426 | 6,981 |
| | <u><u>88,687</u></u> | <u><u>89,545</u></u> |


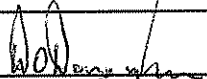
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Signed of behalf of the Governing Body

PRESIDENT :

CHAIRMAN :

DATE :



25th August 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2010

| | 2010 | 2009 |
|---|--------------|--------------|
| | €'000 | €'000 |
| Reconciliation of operating profit to net cash (outflow)/ inflow from operating activities | | |
| Operating (deficit)/surplus | (317) | 3,320 |
| Interest Income | (526) | (717) |
| Depreciation | 3,416 | 3,190 |
| Amortisation in line with asset Depreciation | (3,412) | (3,187) |
| Increase in Stock | 2 | 0 |
| Decrease/(Increase) in Debtors | 66 | (35) |
| Increase/(Decrease) in Creditors | 88 | (7) |
| Net Cash (Outflow)/Inflow from Operating Activities | (683) | 2,564 |

CASH FLOW STATEMENT

| | | |
|--|----------------|----------------|
| Net Cash (Outflow)/Inflow from Operating Activities | (683) | 2,564 |
| Returns on Investment & Servicing of Finance | | |
| Interest Received | 546 | 737 |
| Taxation Paid | (1) | (7) |
| Capital Expenditure | | |
| Payments to acquire Fixed Assets | (2,926) | (5,431) |
| Proceeds from Disposal of Fixed Assets | | 0 |
| Net Cash Outflow for Capital Expenditure | (2,926) | (5,431) |
| Financing | | |
| State Capital Grants spent on Fixed Assets | 3,101 | 2,050 |
| State Recurrent Grant spent on Fixed Assets | 1,091 | 468 |
| Other Funds Spent on Fixed Assets | 180 | 1,192 |
| Net Cash inflow from Financing | 4,372 | 3,710 |
| Increase in Cash | 1,308 | 1,573 |

Reconciliation of net cash flow to movement in net funds

| | | |
|-------------------------|---------------|---------------|
| Increase in cash | | |
| Opening net funds | 14,236 | 12,663 |
| Net funds at 31 August | 15,544 | 14,236 |
| | 1,308 | 1,573 |

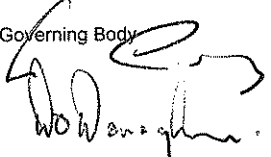
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Signed on behalf of the Governing Body

PRESIDENT:

CHAIRMAN:

DATE:


25TH August 2011

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| | Allocated for Recurrent Expenditure €'000 | Allocated for Capital Expenditure €'000 | Total 2010 €'000 | Total 2009 €'000 |
|--|--|--|------------------------|------------------------|
| 1. STATE GRANTS | | | | |
| The following is a summary of State Grants recognised in the year: | | | | |
| State Grant for Recurrent Expenditure - Higher Education Authority | 28,715 | 1,082 | 29,797 | 36,250 |
| State Grant for Recurrent Expenditure - Health Services Executive | 749 | 9 | 758 | 896 |
| State Grant for Capital Expenditure - Higher Education Authority | 22 | 1,452 | 1,474 | 3,557 |
| State Grant for Capital Expenditure - Health Services Executive | 51 | 0 | 51 | 288 |
| State Grant for Minor Capital Works - Higher Education Authority | 1,588 | 180 | 1,768 | 1,540 |
| Total 2010 | 31,125 | 2,723 | 33,848 | |
| Total 2009 | 38,397 | 4,134 | | 42,531 |

The total cost of certain Higher Certificate and Ordinary Degree courses is subvented by the European Social Fund (ESF) at a national level. State grants for recurrent expenditure are partly funded from this EU assistance.

With effect from 1 February 2007, the Higher Education Authority took over the responsibility from the Department of Education and Skills for the funding of non nursing recurrent expenditure.

| | 2010 € '000 | Student Nos (WTE) | 2009 € '000 | Student Nos (WTE) |
|--|----------------|----------------------|----------------|----------------------|
| 2. TUITION FEES | | | | |
| Fees paid by State | 8,605 | 4,597 | 8,305 | 4,284 |
| Non EU Fees | 454 | 80 | 338 | 54 |
| Fees paid by students or on behalf of students | 1,312 | 817 | 1,161 | 822 |
| Lifelong Learning Fees | 1,286 | 234 | 1,483 | 269 |
| | 11,657 | 5,728 | 11,287 | 5,429 |

The Higher Education Authority paid Tuition Fees in the year of €4,493,593 full time Degree courses and €3,093,590 for higher certificate and ordinary degree courses, the total costs of which are partly funded by the ESF. The Health Service Executive paid €1,017,489 in respect of the tuition fee element for full time nursing degree courses

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

3. STUDENT REGISTRATION FEES

a) Annual Registration Fees are payable by students, the full time rate being set at €1,500 for the 2009/10 (€900 - 2008/09) academic year. By direction of the Higher Education Authority, €995 of each full time fee is applied to meet recurrent expenditure. This amounted to €4,990,938 in the year of account. After a transfer of €1,446,211 to Capital Development Reserve, the balance of €1,977,425 was used to provide facilities and services for students.

| | | |
|--|--------------|--------------|
| b) Student Registration Fees | 8,145 | 4,572 |
| Interest on Student Services Deposits recorded under interest | 190 | 237 |
| Student Services Other Income recorded under Other Income | 79 | 57 |
| Pay costs recouped in respect of seconded staff | 0 | 0 |
| Total Attributable Student Services Income | 8,414 | 4,866 |
| Application of Registration Charge | | |
| Staff | 542 | 645 |
| Student Health Service | 93 | 110 |
| Student Disadvantage Fund | 167 | 117 |
| Student Insurance | 20 | 19 |
| Subventions to Students Union | 782 | 560 |
| Student Services Other | 374 | 417 |
| | 1,978 | 1,868 |
| Transfer to Capital Development Reserve | 1,445 | 1,171 |
| Student Service Charge retained for Recurrent Expenditure | 4,991 | 1,827 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| 4. RESEARCH GRANTS & CONTRACTS | 2010 | 2009 |
|---|--------------|--------------|
| Income | €'000 | €'000 |
| Research Grants and Contracts | 2,638 | 4,297 |
| Transfer to Capital Account | (173) | (1,060) |
| | <u>2,465</u> | <u>3,237</u> |
| | | |
| Expenditure | | |
| Staff Costs | 1,288 | 1,374 |
| Professional Fees | 86 | 189 |
| Travel and subsistence | 322 | 338 |
| Equipment purchases and maintenance | 59 | 152 |
| Other Expenses | 804 | 1,100 |
| | <u>2,559</u> | <u>3,153</u> |
| Surplus/(Deficit) | <u>(94)</u> | <u>84</u> |

| 5. STUDENT SUPPORT FUNDING | Student Assistance Fund | Fund for Students with Disabilities | 2010 | 2009 |
|-----------------------------------|--------------------------------|--|---------------|---------------|
| | € '000 | € '000 | € '000 | € '000 |
| Balance at 1 September | 4 | 143 | 147 | 215 |
| Receipts | 172 | 341 | 513 | 373 |
| Less Transfer to Capital Account | - | - | 0 | - |
| <u>Amounts Applied</u> | | | | |
| Staff | - | 201 | 201 | 220 |
| Other | 164 | 102 | 266 | 220 |
| | <u>164</u> | <u>303</u> | <u>467</u> | <u>440</u> |
| | | | | |
| Balance at 31 August | <u>12</u> | <u>181</u> | <u>193</u> | <u>148</u> |

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

| 6. OTHER INCOME | 2010 | 2009 |
|---|---------------|---------------|
| | € '000 | € '000 |
| Superannuation Deductions Retained | 2,425 | 2,781 |
| Rental of Facilities | 297 | 310 |
| Proceeds on Disposal of Fixed Assets | 0 | 0 |
| Pay costs recouped in respect of seconded staff | 132 | 118 |
| Other Income attributable to Student Services | 79 | 56 |
| Sale of Class Materials | 151 | 191 |
| Photocopying Services | 53 | 64 |
| Other Income | 1,072 | 1,206 |
| Transfer to Capital Account | (6) | (130) |
| | <u>4,203</u> | <u>4,596</u> |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| | 2010 € '000 | 2009 € '000 |
|--|----------------------|----------------------|
| 7. ACADEMIC DEPARTMENTS | | |
| Staff: | | |
| Teaching | 28,020 | 30,479 |
| Technical | 3,393 | 3,793 |
| Administrative, Executive & Secretarial | 1,309 | 1,339 |
| | <u>32,722</u> | <u>35,611</u> |
| Non Pay Costs: | | |
| Equipment | 1,465 | 671 |
| Materials & Other Consumable | 790 | 787 |
| Computer Costs | 282 | 240 |
| Other Expenses | 899 | 845 |
| Total | <u><u>36,158</u></u> | <u><u>38,154</u></u> |
| 8. ACADEMIC SERVICES | | |
| Staff : Library & Computer Services | 1,718 | 2,022 |
| Non Pay Costs: | | |
| Library Materials | 335 | 302 |
| Equipment | 258 | 174 |
| Computer Costs | 195 | 155 |
| Other Expenses | 41 | 54 |
| Total | <u><u>2,547</u></u> | <u><u>2,707</u></u> |
| 9. FACILITIES | | |
| Staff: | | |
| Maintenance Staff | 1,418 | 1,599 |
| Other Staff | 539 | 672 |
| | <u>1,957</u> | <u>2,271</u> |
| Non Pay Costs: | | |
| Maintenance Costs | 2,047 | 1,751 |
| Rent & Rates | 466 | 548 |
| Energy | 798 | 869 |
| Equipment | 531 | 333 |
| Other Expenses | 687 | 791 |
| Total | <u><u>6,486</u></u> | <u><u>6,563</u></u> |
| 10. CENTRAL ADMINISTRATION AND SERVICES | | |
| Staff | 3,898 | 4,226 |
| Non Pay Costs: | | |
| Professional Fees | 805 | 451 |
| Communications | 227 | 291 |
| Staff Development | 260 | 220 |
| Other Expenses | 904 | 997 |
| Total | <u><u>6,094</u></u> | <u><u>6,185</u></u> |
| 11. GENERAL EDUCATION EXPENSES | | |
| EXAMINATIONS: | | |
| Staff | 626 | 645 |
| Non Pay Costs: | | |
| Fees to Examining Bodies | 6 | 72 |
| Outplacement Costs | 109 | 89 |
| Other Expenses | 89 | 68 |
| Total | <u><u>830</u></u> | <u><u>874</u></u> |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| | Staff Costs € '000 | Other Operating Expenses € '000 | Depreciation € '000 | Total 2010 € '000 | Total 2009 € '000 |
|--|--------------------------|--|------------------------|-------------------------|-------------------------|
| 12. ANALYSIS OF EXPENDITURE | | | | | |
| Research Grants & Contracts | 1,288 | 1,271 | 527 | 3,086 | 3,602 |
| Academic Departments | 32,722 | 3,436 | 772 | 36,930 | 38,922 |
| Academic Services | 1,718 | 829 | 143 | 2,690 | 2,827 |
| Facilities Costs | 1,957 | 4,529 | 1,901 | 8,387 | 8,332 |
| Central Administration & Services | 3,898 | 2,196 | 51 | 6,145 | 6,242 |
| General Education Expenses | 626 | 204 | - | 830 | 874 |
| Student Services & Amenities | 743 | 1,701 | 18 | 2,462 | 2,332 |
| Write down of Assets in Course of Construction | - | - | - | - | 401 |
| Catering | 801 | 752 | 4 | 1,557 | 1,647 |
| 2010 Total | 43,753 | 14,918 | 3,416 | 62,087 | |
| 2009 Total | 47,881 | 14,108 | 3,190 | | 65,179 |
| Analysis of Other Operating Expenditure | | | | | |
| Library Materials | | | | 336 | 302 |
| Computer Costs | | | | 612 | 561 |
| General Education | | | | 652 | 675 |
| Service to Students | | | | 1,158 | 995 |
| Personnel Costs | | | | 361 | 335 |
| Communications | | | | 237 | 298 |
| Stationery & office materials | | | | 358 | 416 |
| Insurance | | | | 187 | 175 |
| Governing body expenses | | | | 0 | 5 |
| Finance Costs | | | | 17 | 15 |
| Energy Costs | | | | 807 | 879 |
| Rent and Rates | | | | 471 | 549 |
| Maintenance Costs | | | | 2,058 | 1,759 |
| Other Premises Costs | | | | 553 | 609 |
| Materials & Other Consumables | | | | 895 | 970 |
| Equipment | | | | 2,402 | 1,417 |
| Professional Fees | | | | 1,147 | 787 |
| Travel & Subsistence | | | | 716 | 767 |
| General Advertising & Publicity | | | | 215 | 273 |
| Postgraduate Student Grants | | | | 340 | 451 |
| Other Research Costs | | | | 72 | 220 |
| Miscellaneous | | | | 543 | 442 |
| Auditors Fee | | | | 29 | 29 |
| Write down of Assets in Course of Construction | | | | 0 | 401 |
| Catering | | | | 752 | 778 |
| | | | | 14,918 | 14,108 |

13. TAXATION

The activities of the Institute are exempt from Corporation Taxation, under a Charitable Status Order.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

14. TANGIBLE FIXED ASSETS

| | TOTAL BUILDINGS €'000 | LAND & BUILDINGS CONSTRUCTION €'000 | BUILDINGS IN COURSE OF CONSTRUCTION €'000 | FIXTURES & FITTINGS INCL PREFABS €'000 | COMPUTER EQUIPMENT €'000 | PLANT & MACHINERY €'000 | MOTOR VEHICLES €'000 | FURNITURE & EQUIPMENT €'000 | OTHER ASSETS IN COURSE OF CONSTRUCTION €'000 |
|---|--------------------------|--|--|---|--------------------------------|-------------------------------|----------------------------|-----------------------------------|---|
| COST OR VALUATION | | | | | | | | | |
| AT 1 SEPTEMBER 2009 | 99,096 | 83,584 | 4,200 | 1,508 | 2,215 | 608 | 91 | 6,520 | 370 |
| ADDITIONS | 2,910 | 1,599 | 10 | 78 | 245 | 52 | 0 | 873 | 53 |
| TRANSFERS FROM IN COURSE OF CONSTRUCTION | 0 | 3,882 | (3,844) | 92 | | | | 38 | (168) |
| DISPOSALS | (76) | | | | (71) | | | (5) | |
| AT 31 AUGUST 2010 | 101,930 | 89,065 | 366 | 1,678 | 2,389 | 660 | 91 | 7,426 | 255 |
| DEPRECIATION | | | | | | | | | |
| AT 1 SEPTEMBER 2009 | 23,972 | 17,841 | 0 | 1,064 | 1,597 | 296 | 28 | 3,146 | 0 |
| CHARGE FOR YEAR | 3,418 | 1,614 | 0 | 151 | 365 | 63 | 18 | 1,207 | 0 |
| DISPOSALS | (74) | | | | (71) | | | (3) | |
| AT 31 AUGUST 2010 | 27,316 | 19,455 | 0 | 1,215 | 1,891 | 359 | 46 | 4,350 | 0 |
| NET BOOK VALUE | | | | | | | | | |
| AT 31 AUGUST 2010 | 74,614 | 69,610 | 366 | 463 | 498 | 301 | 45 | 3,076 | 255 |
| AT 1 SEPTEMBER 2009 | 75,124 | 65,743 | 4,200 | 444 | 618 | 312 | 63 | 3,374 | 370 |

Institute land on 1st January, 1993 (date of commencement order) was valued at nil and buildings existing on the same date were valued on a depreciated replacement cost basis.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| | NOTE | 2010 € '000 | 2009 € '000 |
|------------------------------------|------|----------------|----------------|
| 15. DEBTORS AND PREPAYMENTS | | | |
| State Recurrent Grant | | 1,196 | 3,381 |
| Tuition Fees | | 428 | 256 |
| Student Maintenance Grants | 20 | 32 | 10 |
| Other Debtors | | 912 | 382 |
| Prepayments & Accrued Income | | 310 | 301 |
| State & Other Capital Grant | | 1,466 | 1,640 |
| Research Grants & Contracts | | 198 | 184 |
| | | <u>4,542</u> | <u>6,154</u> |

16. CREDITORS AND ACCRUED EXPENSES

Payments received in advance:

| | | | |
|--------------------------------|--|--------------|--------------|
| - Student Registration Charges | | 1,699 | 1,032 |
| - Research Grants & Contracts | | 651 | 1,209 |
| - Tuition Fees | | 83 | 75 |
| - Student Support Funding | | 193 | 148 |
| | | <u>2,626</u> | <u>2,464</u> |

Trade Creditors and Accruals:

| | | | |
|---------------------|--|--------------|--------------|
| PAYE | | 507 | 617 |
| PRSI | | 361 | 398 |
| Income Tax Withheld | | 18 | 5 |
| Trade Creditors | | 568 | 286 |
| Accruals | | 1,823 | 2,123 |
| Corporation Tax | | 3 | (2) |
| | | <u>5,906</u> | <u>5,891</u> |

17. DEFERRED CAPITAL GRANTS

| | | | |
|------------------------|--|---------------|---------------|
| Balance at 1 September | | <u>75,105</u> | <u>73,348</u> |
|------------------------|--|---------------|---------------|

Capital Grants Receivable :

| | | | |
|---|--|--------------|--------------|
| State Capital Grants - Higher Education Authority | | 1,632 | 3,496 |
| Allocated from State Recurrent Grant - Higher Education Authority | | 1,082 | 431 |
| State Capital Grants - Health Service Executive | | 0 | 170 |
| Allocated from State Recurrent Grant - Health Service Executive | | 9 | 37 |
| Other Capital Funding | | 180 | 1,217 |
| | | <u>2,903</u> | <u>5,351</u> |

Release to Income:

| | | | |
|--|--|--------------|--------------|
| Amortisation in line with depreciation | | 3,412 | 3,187 |
| Release to Income re NBV on Disposals | | 2 | 6 |
| Release to income re Write down assets in course of construction | | 0 | 401 |
| | | <u>3,414</u> | <u>3,594</u> |

| | | | |
|----------------------|--|---------------|---------------|
| Balance at 31 August | | <u>74,594</u> | <u>75,105</u> |
|----------------------|--|---------------|---------------|

18. CONTINGENCIES

There were no Contingent Liabilities

19. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

Estimated capital commitments of € 270,000 existed at the end of the period.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

| 20. STUDENT MAINTENANCE GRANTS | 2010 | 2009 |
|--|---------------|---------------|
| | € '000 | € '000 |
| Balance at 1 September | (10) | (8) |
| Receipts from HEA (Colleges Section) | 5,549 | 4,443 |
| Receipts from HEA (Student Support Unit) | 1,902 | 1,413 |
| Payments to Students | (5,566) | (4,451) |
| Payments to Students (Top ups) | (1,907) | (1,407) |
| Balance at 31 August | <u>(32)</u> | <u>(10)</u> |

The Institute processes payments to students in respect of maintenance grants which are notified by the relevant VEC or Local Authority. Funding for these payments is provided by the Department of Education and Science with co funding provided by the European Social Fund (ESF). These transactions are not included separately in the Income and Expenditure Account.

21. NUMBER OF WHOLETIME EQUIVALENT EMPLOYEES EMPLOYED

| | 2010 | 2009 |
|-----------|-------------|-------------|
| Full-time | 501 | 492 |
| Part-time | 182 | 215 |
| Total | <u>683</u> | <u>707</u> |

22. CAPITAL DEVELOPMENT RESERVE

| | 2010 | 2009 |
|--|---------------|---------------|
| | € '000 | € '000 |
| Opening balance at 1 September | 6,981 | 5,834 |
| Transfer from Income & Expenditure Account | 1,445 | 1,171 |
| | <u>8,426</u> | <u>7,005</u> |
| Transfer to Capital Account | 0 | (24) |
| Amount of fund at 31 August | <u>8,426</u> | <u>6,981</u> |

The Capital Development Reserve represents amounts set aside from Student Registration fees paid by Students which have been allocated for future Student Facilities.

23. COMPARATIVE FIGURES

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

24. DISCLOSURE OF TRANSACTIONS - GOVERNING BODY MEMBERS

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

25. SUBSIDIARY AND RELATED UNDERTAKINGS

The catering facilities in the Institute are provided by GMIT Catering Company Limited, a separate company having no share capital and limited by guarantee. The Institute is responsible for the running of the company. The results of the company have been consolidated in these Financial Statements. The Consolidated Income & Expenditure Account, Balance Sheet and Cashflow Statement on pages 9 to 12 include information relating to the GMIT Catering Company Limited. Set out below are the financial results of the company for the year ended 31 August 2010:

| | 2010 | 2009 |
|--|---------------|---------------|
| | € '000 | € '000 |
| Sales | <u>1588</u> | <u>1659</u> |
| Staff Costs | 801 | 866 |
| Consumables & Other Expenses | <u>752</u> | <u>778</u> |
| Total Expenditure excluding Depreciation | 1553 | 1644 |
| Depreciation | <u>4</u> | <u>3</u> |
| | <u>1557</u> | <u>1647</u> |
| Net Profit after Depreciation | 31 | 12 |
| Opening Profit | <u>83</u> | <u>71</u> |
| Accumulated Profit | <u>114</u> | <u>83</u> |

26. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Governing Body on 25th August, 2011.