



Consolidated Financial Statements

Year Ended 31 August 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Financial Statements Contents

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GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Governing Body

The Governing Body was established under the Regional Technical Colleges Act, 1992 to 2001 and additional functions were assigned under the Institutes of Technology Act 2006. The Governing Body is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance. Governing Body is collectively responsible for leading and directing the Institutes' activities and fulfils key functions, including: reviewing and guiding strategic direction and major plans of action, risk management policies and procedures, annual budgets and business plans, setting performance objectives, monitoring implementation and Institute performance, and overseeing major capital expenditure and investment decisions. The Governing Body acts on a fully informed and ethical basis, in good faith, with due diligence and care, and in the best interest of the Institute, having due regard to its legal responsibilities and the objectives set by Government. The Governing Body seeks to comply with best practice public principles in its own activities and its use of committees.

Strategic Plan, Annual Programmes and Budget

The Institute's Governing Body has formally undertaken an evaluation of actual performance, by reference to the Institute's Strategic Plan and Budget and has subsequently approved an Annual Programme and Budget for the Institute.

Governing Body Operation, Reserved Functions and Decisions Delegated to Management

The Institute's Governing Body are collectively responsible for leading and directing the Institute's activities in compliance with the THEA Code of Governance. All function and decisions that are not specifically listed within the Code of Governance (Appendix B, Reserved Functions, Statutory Functions and Regulatory Requirements), are functions and decisions of management.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Compliance with Public Spending Code

The Chairperson of the Institute's Governing Body confirms that GMIT adheres to the relevant aspects of the Public Spending Code and that the Governing Body has ensured robust and effective systems and procedures are in place to ensure compliance with the relevant principles, requirements, and guidelines of the Public Spending Code. GMIT can confirm that the Guidelines for the Appraisal and Management of Capital Proposals are being adhered to where appropriate. The Institute updated its Capital Project procedures in October 2021.

Governing Body Meetings

During the period from 1st September 2020 to 31st August 2021 the Governing Body met on 12 separate occasions on the following dates:

24th September 2020

29th October 2020

26th November 2020

10th December 2020

28th January 2021

25th February 2021

25th March 2021

29th April 2021

21st May 2021

27th May 2021

24th June 2021

26th August 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Figure 1.1 Meetings Attended during year ended 31 August 2021				
	Governing Body	Total Fees & Expenses	Fees 2021 €	Expenses 2021 €
Number of meetings	12			
Cormac MacDonncha	10/12			
Orla Flynn	12/12	1,539		1,539
Joe Cunningham	11/12			
Michael Maher	11/12	16,067	11,685	4,382
Tom Grady	10/12			
Gareth Roe	12/12			
Colm Keaveney	11/12	5,125	4,560	565
Eleanor Rainsford	10/12			
Michael Geoghegan	12/12			
Mary McGinley	11/12	1,283	1,283	
Paul Murphy	12/12			
Maureen Walsh	12/12			
Proinsias Ni Ghrainne	11/12			
Terry O'Flaherty	9/12	855	855	
Maria Ruddy	11/12	285	285	
Siobhain Kennedy	11/12			
David Leahy	7/12			
Victor O'Loughlin	10/11			
Saidhbh McIntyre	6/11			
Colin Kearney	1/1			
Ricardo Bolle	1/1			

GMIT can confirm that fees and/or expenses paid to members of the Governing Body are in accordance with guidelines from the Department of Finance.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Risk Management

The Governing Body approves the Institutes risk management framework and monitors its effectiveness, approval, and oversight of GMIT's Risk Management Policy including structured and periodic reviews and updates to the Institute Corporate Risk Register by the Executive Management Team. This review includes an assessment of the principal risks, risk rating and associated mitigations for each of the risks set out in the Institute Corporate Risk Register.

Audit and Risk Committee

The Terms of Reference for the Audit and Risk Committee are set by the Governing Body of the Institute and include provision regarding:

- Membership
- Reporting Requirements
- Authority to investigate
- Meetings – timing, conduct and frequency
- Information requirements
- Value for money
- Governance and responsibilities regarding:
 - Risk Management
 - Internal Control
 - Internal Audit
 - External Audit
 - Review of its own effectiveness

The Chairperson of Governing Body is satisfied that the Audit and Risk Committee has discharged its role effectively and efficiently and has met the requirements with regard to frequency of meetings in this academic year. See figure 1.2 below for details of meetings held during the year.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Other Committee Meetings

See figure 1.2 below for details of meetings held during the year.

Meetings Attended during year ended 31 August 2021

	Mayo Campus Sub-cttee	Finance Sub- cttee	EDI (Equality, Diversity & Inclusion) Sub-cttee	Audit and Risk Committee	Capital Projects Sub-cttee
Number of Meetings	1	6	4	5	2
Cormac MacDonncha	1/1				1/2
Orla Flynn	1/1	6/6	4/4		2/2
Michael Maher	1/1	6/6			2/2
Catherine Donoghue	1/1				
Peter Duggan	1/1				
Maureen Walsh	1/1				
Tom Grady	0/1				
Michael Geoghegan	0/1	3/6			
Paul Shelly		5/6			
Hannah Kiely		6/6			
Michael Lally		1/6			
Maria Ruddy		5/6			
Colm Keaveney			3/4		
Jacqueline McCormack			3/4		
Terry O'Flaherty			3/4		1/2
Paul Murphy			3/4		
Anne Scott			2/4		
Victor O'Loughlin			2/4		1/1
Mary McGinley				5/5	
Cliona Pierse				5/5	
Jerry O'Leary				4/5	
David Leahy				5/5	
Siobhan Kennedy				5/5	2/2
Eleanor Rainsford					2/2
Joe Cunningham					1/2
Colin Kearney					1/1

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Performance Evaluation of the Governing Body and its Committees

The Governing Body is committed to performing annual reviews of its effectiveness. An external review was completed by Mazars in April 2019. A New Governing Body commenced in April 2020 and a self-assessment by this new Governing Body and its sub committees took place in Q2 2021 and was considered at Governing Body meeting in June 2021.

General Governance and Accountability Issues

GMIT can confirm that there are no governance and accountability issues that the Institute wish to bring to the attention of the Minister for Education & Skills and the HEA.

Asset Disposals

GMIT can confirm that there were no disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process during the financial year.

Commercially Significant Developments affecting the Institute

GMIT in collaboration with its CUA partners, Institute of Technology Sligo and Letterkenny Institute of Technology made an application on the 21st of May 2021 for designation as a Technological University under section 29 of the Technological Universities Act 2018. In October 2021 the Minister advised the three Institutes that the application was granted and on 10th February 2022 the Minister made an order under section 36 of the 2018 Act to establish a Technological University. The new TU will be called Atlantic TU and will be designated on 1 April 2022. (Note 25)

Summary of all Off-Balance Sheet Transactions of the Institute

There were no off-Balance Sheet financial transactions during the year ended 31 August 2021.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Code of Conduct for Members and Employees

GMIT can confirm that a Code of Conduct for both Members and Employees has been implemented. In September 2020 the Governing Body approved the GMIT Conflict of Interest Policy and Procedure, these include clear conflict of interest and ethics in public office policies.

Compliance with Government Policy on Pay of the President and Institute Employees

GMIT can confirm that the Institute has complied with its obligations under the Government policy on the pay of the President and all other Institute employees.

Please also refer to financial statements, disclosure note 9.

Statement of Compliance

The Chairperson of GMIT confirms that Government Pay Guidelines are being complied with in respect of such appointees who serve on the Governing Body and any subsidiaries of the Institute.

Confidential Disclosure Reporting - Protected Disclosures Act 2014

The Governing Body confirm that procedures for Confidential Disclosure Reporting have been implemented in GMIT. These procedures allow employees, in confidence, to raise concerns about possible irregularities in financial reporting or any other matters, as well as ensuring that meaningful follow-up of matters raised this way takes place. The Confidential Disclosure Reporting in place at GMIT is in line with the Protected Disclosures Act 2014.

The Governing Body also confirm that the annual report, as required under section 22(1) of the Act has been published.

There were no protected disclosures received from employees of GMIT during the year.

Tax Laws

GMIT can confirm that the Institute has complied with its obligations under tax law. Please also refer to financial statements, disclosure note 11.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Legal Disputes

A breakdown of the legal costs/settlements is included on page 9. GMIT has no legal disputes involving other State Bodies.

Institute Subsidiaries

GMIT has one subsidiary which ceased to trade on the 31st August 2020. The business has been transferred to GMIT. All employees of the company have become employees of GMIT.

The THEA Code of Governance applies to the subsidiary. Annual financial statements are provided to the Governing Body.

Gender balance, diversity, and inclusion

GMIT recognises the importance of diversity and inclusion for all staff and students of the Institute. To that regard the Institute has implemented a number of initiatives aimed at further promoting an inclusive environment, including:

- GMIT Awarded Athena SWAN Bronze Award in March 2021.
- Implementation of Consent Framework (ongoing since 2019). GMIT developed a four-year Action Plan on Preventing and Responding to Sexual Misconduct and Harassment which was submitted to the HEA in March 2021.
- Establishment of LBGT+ & Allies Staff Network – launched in June 2021 (work ongoing since Q3 2020)
- Series of events and guest speakers to promote inclusion ongoing, including programmes of events to celebrate International Women's Day, International Men's Day, International Day for People with Disabilities, Intersex Awareness etc.

With respect to the membership of the Governing Body, while the Institute can, and has, engaged in the appointments process, the appointment decisions are made by the Minister. As at 31st August 2021 the Governing Body had 9 (47%) female and 10 (53 %) male members. The Governing Body therefore meets the Government target of a minimum of 40% representation of each gender in the membership of boards of state bodies.

Please refer to page 3 for the listing of Governing Body members and their attendance at meetings.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY Corporate Governance Statement

Travel and Subsistence

	2021	2020
	€	€
Domestic Travel	101,047	330,331
International Travel	26,985	294,721
Total	<u>128,032</u>	<u>625,052</u>

Hospitality Expenditure

	2021	2020
	€	€
Staff Events	2,775	28,741
Student Events (excluding costs associated with conferring)	817	46,636
Other External	3,454	8,824
Total	<u>7,046</u>	<u>84,201</u>

Legal Costs/Settlements

	2021	2020
	€	€
Professional Fees	46,419	6,989
Settlements	-	-
Total	<u>46,419</u>	<u>6,989</u>

Consultancy fees

	2021	2020
	€	€
Professional Fees: Legal	46,419	6,989
Professional Fees: Tax and financial advisory	240,823	57,331
Professional Fees: Public relations/marketing	309,075	159,581
Professional Fees: Pensions and human resources	47,730	27,963
Professional Fees: Other	391,304	319,469
Total	<u>1,035,351</u>	<u>571,333</u>

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Corporate Governance Statement

Annual Report and Financial Statements

The Governing Body has reviewed and approved the Annual Report and Financial Statements and considers the Financial Statements to be a true and fair view of the Institute's financial performance and its financial position at the end of the year.

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

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

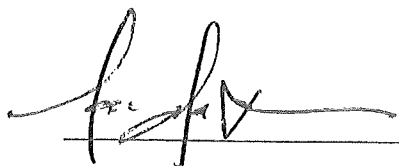
The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

GMIT confirms it has adapted the Code of Practice for the Governance of State Bodies, 2016 as encapsulated by the THEA Code of Governance for Institutes of Technology for Institutes of Technology and has put procedures in place to ensure compliance with this Code. GMIT is fully compliant with the THEA Code of Governance for year ended 31st August 2021 except for the Anti-corruption policy which was approved by the Governing Body in October 2021.


GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Chairperson:



Mr. Cormac MacDonncha

President:



Dr. Orla Flynn

Date:

28 March 2022

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Scope of Responsibility

On behalf of the Governing Body of GMIT we acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated in the Institute and for putting in place processes and procedures for the purpose of ensuring that the system is effective. This responsibility reflects the requirements of the Code of Practice for the Governance of State Bodies (2016) as encapsulated by the THEA Code of Governance for Institutes of Technology.

Purpose of the System of Internal Controls

The system of internal controls is designed to manage risk to an acceptable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal controls, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in GMIT for the year ended 31 August 2021 and up until the date of approval of the financial statements

Annual Review of the Effectiveness of Internal Control

The Governing Body conducted an annual review of the effectiveness of the system of internal control for the year ended 31 August 2021 on the 9th December 2021.

Disclosure of Breaches in Internal Control, Weakness in Internal Control and Material Losses or Frauds.

Weaknesses in internal control:

Weaknesses in internal control that have been identified during the period have been addressed, with control actions put in place or in progress at the year end. No material losses or misstatements were identified during the course of independent testing carried out by the internal auditors. Internal control weaknesses are outlined in the table.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Statement on System of Internal Control

Internal control weaknesses are outlined in the table below.

Area of non-compliance or weaknesses in internal control	Actions to be taken to attain compliance or correct weaknesses	Due date or date implemented
Potential weaknesses in IT Security were identified.	<p>Review of pre 2020 configuration of IT Devices.</p> <p>Procedure for documenting IT Security incidents.</p> <p>Establish dedicated IT Security team.</p>	<p>Commence Q4 2021 & Complete Q1 2022</p> <p>Commence Q4 2021 Complete Q1 2022</p> <p>Q4 2021 – Q1 2022</p>
THEA Code of Governance for Institutes of Technology	Implementation of plan to ensure compliance.	Completed October 2021.
Non-compliant procurement during the year ended 31/08/21 amounted to €476,247	Implement improvement in system for monitoring framework threshold limits.	Q4 2021
<p>Fixed Asset tagging and cycle counts not preformed since March 2020</p> <p>Significant data breach arose from a recording of student assessments</p>	<p>Fixed Asset tagging and cycle counts to resume when COVID-19 restrictions permit</p> <p>Incident was the subject of a report by an Independent Investigator</p>	<p>Q2 2022</p> <p>Completed Q3 2021</p>
Significant weaknesses identified in the academic timetabling practices in one academic department.	Weaknesses and improvements implemented	Q3 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Review of Statement of Internal Control

We confirm that the Statement on system of Internal Control is reviewed by the Audit and Risk Committee and the Governing Body to ensure it accurately reflects the control system in operation during the reporting period.

Appropriate Control Environment

The Governing Body has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities
- Developing procedures and regulations which are reviewed regularly and are documented, implemented and up to date.
- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation.
- Developing a strong culture of accountability across all levels of the organisation.
- Establishing procedures for reporting significant control failures and ensuring corrective action is taken
- Adopting and adhering to the Code of Practice for the Governance of State Bodies as encapsulated by the THEA Code of Governance for Institutes of Technology
- Ensuring the control environment includes an active Audit and Risk Committee, internal audit function and regular reporting to the Governing Body on financial results.

Business Risks

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

- Developing an Essential Activities & Process Model to facilitate management and the Governing Body in identifying the key activities and the processes in place to manage its operations effectively.
- Adoption of a Risk Management Policy.
- Identifying key risks, risk owners and the controls to mitigate these risks.
- Developing annual and longer-term targets and reporting on results achieved.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Business Risks (continued)

- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body.
- Regular reviews by the Governing Body and its committees of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performances.
- Clearly defined capital investment control guidelines.

Information Systems

GMIT has implemented a number of Management Information Systems to provide a means of comparing actual results to targets and forecasts. These systems include:

- Financial Management – Agresso
- Human Resources and Payroll Management – CoreHR
- Travel and Expenses – CoreHR
- Student Administration – Banner
- Timetabling – Syllabus
- Library – Koha

Financial Implications of Major Business Risks

GMIT employs a range of actions to reduce the potential for fraudulent activity. GMIT's internal control policy framework includes written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregations of duties.

Compliance with Procurement Rules and Guidelines

We confirm that the Institute has a Corporate Procurement Plan and procedures in place that are being implemented to ensure compliance with Public Procurement Guidelines and relevant guidance that may be issued by the Office of Government Procurement (OGP), the Education Procurement Service (EPS) and the Department of Public Expenditure and Reform. There were no breaches of these guidelines identified during the year, with the exception of non-compliant expenditure of €476,247.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Review of the Effectiveness of the Internal Control System

We confirm that GMIT has procedures to monitor the effectiveness of its risk management and control procedures. The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Institute Executive and Management who have responsibility for the development and maintenance of the internal control framework, the Audit and Risk Committee, the Internal Auditors and comments made by the Comptroller and Auditor General in his management letter.

As a result of the impact of Covid-19 pandemic several operational procedures were modified by Galway-Mayo Institute of Technology in order to support business continuity requirements. These procedures have enabled effective continuation of all services while at the same time maintaining an effective control environment. The Galway-Mayo Institute of Technology is satisfied that effective controls have been maintained through all relevant transaction cycles. In relation to academic provision the deployment of agreed emergency remote teaching structures and processes has ensured that a blended education delivery model has been maintained to the required and approved academic standards.

GMIT has an outsourced internal audit function, which is in accordance with the Internal Audit Terms of Reference approved by the Governing Body and the THEA Code of Governance for Institutes of Technology.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Statement on System of Internal Control

Signed on behalf of the Governing Body of GMIT

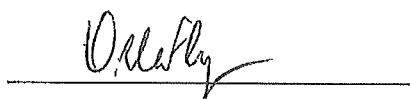


Mr. Cormac MacDonncha

Chairperson

28TH MAR 2022

Date



Dr. Orla Flynn

President

28 March 2022

Date



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Galway-Mayo Institute of Technology

Opinion on the financial statements

I have audited the financial statements of Galway-Mayo Institute of Technology for the year ended 31 August 2021 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

- the consolidated and Institute statement of comprehensive income
- the consolidated and Institute 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, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and the Institute at 31 August 2021 and of the income and expenditure of the Group and the Institute for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Institute and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Institute has presented certain other information together with the financial statements. This comprises the corporate governance statement and the statement on the system of internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

31 March 2022

Appendix to the report

Responsibilities of Governing Body members

The members are responsible for

- the preparation of annual financial statements in the form prescribed under the Institutes of Technology Acts 1992 to 2006
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Institutes of Technology Acts 1992 to 2006 to audit the financial statements of the Institute and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

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. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Comprehensive Income
Year ended 31 August 2021

		Consolidated 2021 €'000	Institute 2021 €'000	Consolidated 2020 €'000	Institute 2020 €'000
Income	Note				
State grants	3	39,991	39,991	35,382	35,382
Tuition fees and student contribution	4	25,280	25,280	23,155	23,155
Research grants and contracts	5	4,198	4,198	4,660	4,660
Student support funding	7	1,126	1,126	888	888
Other income	8	3,663	3,663	3,695	3,726
Amortisation of deferred capital grants	22	4,225	4,225	3,505	3,505
Interest income		-	-	1	1
Catering		-	-	712	-
Deferred pension funding	27	17,845	17,845	16,751	16,650
Total income		96,328	96,328	88,749	87,967
Expenditure					
Staff costs	9	56,369	56,369	51,871	51,290
Retirement benefit costs	27	17,845	17,845	16,751	16,650
Other operating costs	10	14,929	15,094	12,830	12,480
Depreciation	13-16	4,225	4,225	3,507	3,505
Total expenditure		93,368	93,533	84,959	83,925
Surplus before tax		2,960	2,795	3,790	4,042
Taxation		-	-	-	-
Surplus before other gains and losses		2,960	2,795	3,790	4,042
Reduction in pension liabilities arising from retirements	27	10,472	10,472	4,527	4,527
Experience gains / (losses) on plan liabilities	27	(8,584)	(8,584)	(1,248)	(1,277)
Changes in assumptions underlying the present value of retirement benefit obligations	27	(6,778)	(6,778)	4,085	4,066
Total actuarial gains / (losses) in the year		(4,890)	(4,890)	7,364	7,316
Adjustment to deferred retirement benefits funding	27	4,890	4,890	(7,364)	(7,316)
Total comprehensive income for the year	12	2,960	2,795	3,790	4,042

The Consolidated Statement of Comprehensive include includes all gains and losses recognised in the year.

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:

Mr. Cormac MacDonncha
 Chairman GMIT Governing Body

Date:

28th MAR 2022

Dr. Orla Flynn
 President GMIT

Date:

28 March 2022

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Changes in Reserves and Capital Account
Year ended 31 August 2021

	Note 22 Consolidated Deferred Capital Grants €000s	Note 22 Institute Deferred Capital Grants €000s	Note 23 Consolidated Capital Development Reserve €000s	Note 23 Institute Capital Development Reserve €000s	I & E Consolidated Revenue Reserves €000s	I & E Institute Revenue Reserves €000s	Consolidated Total €000s	Institute Total €000s
Opening Balance at 1 September 2019	56,854	56,854	8,274	8,274	(38)	(125)	65,100	65,013
Surplus for the Year before Appropriations	-	-	-	-	3,790	4,042	3,790	4,042
Amortisation of Deferred Capital Grants	(3,505)	(3,505)	-	-	-	-	(3,505)	(3,505)
State Grant Allocated to Capital	6,196	6,196	-	-	-	-	6,196	6,196
Transfer from capital development reserve	626	626	(751)	(751)	125	125	-	-
Movement for the Period	3,317	3,317	(751)	(751)	3,915	4,157	6,481	6,733
Balance at 31 August 2020	60,181	60,181	7,523	7,523	3,877	4,042	71,581	71,746

	Note 22 Consolidated Deferred Capital Grants €000s	Note 22 Institute Deferred Capital Grants €000s	Note 23 Consolidated Capital Development Reserve €000s	Note 23 Institute Capital Development Reserve €000s	I & E Consolidated Revenue Reserves €000s	I & E Institute Revenue Reserves €000s	Consolidated Total €000s	Institute Total €000s
Opening Balance at 1 September 2020	60,181	60,181	7,523	7,523	3,877	4,042	71,581	71,746
Surplus for the Year before Appropriations	-	-	-	-	2,960	2,795	2,960	2,795
Amortisation of Deferred Capital Grants	(4,225)	(4,225)	-	-	-	-	(4,225)	(4,225)
State Grant Allocated to Capital	4,384	4,384	-	-	-	-	4,384	4,384
Transfer from Capital Development Reserve	465	465	(685)	(685)	220	220	-	-
Movement for the Period	624	624	(685)	(685)	3,180	3,015	3,119	2,954
Balance at 31 August 2021	60,805	60,805	6,838	6,838	7,057	7,057	74,700	74,700

Notes 1-31 form part of these Financial Statements

Signed on behalf of the Governing Body



Chairperson, Mr Cormac MacDonncha

Date 28th MAR 2022



President, Dr. Orla Flynn

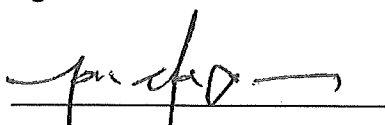
Date 28 March 2022

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Financial Position
Year ended 31 August 2021

		Consolidated 2021 €'000	Institute 2021 €'000	Consolidated 2020 €'000	Institute 2020 €'000
Fixed assets					
Property, Plant & Equipment	13-16	60,805	60,805	60,183	60,181
		60,805	60,805	60,183	60,181
Current assets					
Inventory		-	-	4	-
Receivables	18	5,166	5,166	6,881	6,904
Cash and cash equivalents	19	21,684	21,684	16,453	16,444
		26,850	26,850	23,338	23,348
Less payables: amounts due within one year	20	(12,955)	(12,955)	(11,940)	(11,783)
Net current assets		13,895	13,895	11,398	11,565
Total assets less current liabilities		74,700	74,700	71,581	71,746
Provision for Amount & Charges:					
Retirement benefits					
Retirement benefit obligations	27	342,620	342,620	316,931	315,294
Deferred retirement benefit funding asset	27	(342,620)	(342,620)	(316,931)	(315,294)
Total net assets		74,700	74,700	71,581	71,746
Deferred state capital grants	22	60,805	60,805	60,181	60,181
		60,805	60,805	60,181	60,181
Unrestricted reserves					
Income and expenditure reserve		7,057	7,057	3,877	4,042
Capital development reserve	23	6,838	6,838	7,523	7,523
Total		74,700	74,700	71,581	71,746

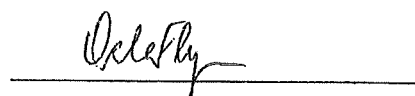
Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Mr. Cormac MacDonncha
 Chairman GMIT Governing Body

Date: 28th MAR 2022



Dr. Orla Flynn
 President GMIT

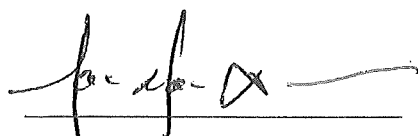
Date: 28 March 2022

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cashflows
Year ended 31 August 2021

	2021 €'000	2020 €'000
Cash flow from operating activities		
Excess income over expenditure	2,960	3,790
Depreciation of fixed assets	4,225	3,507
Write down of fixed assets	-	-
Amortisation of deferred capital grants	(4,225)	(3,505)
Decrease in inventories	4	-
Decrease in receivables	1,103	(2,233)
Increase in payables	1,209	3,533
Interest income	-	(1)
Capital Grants Received	4,997	5,944
Net cash inflow from operating activities	10,273	11,035
Cash flows from investing activities		
Payments to acquire property, plant & equipment	(5,042)	(6,856)
Net cash flows from investing activities	(5,042)	(6,856)
Cash flows from financing activities		
Interest received	-	1
Net cash flows from financing activities	-	1
Net increase in cash equivalents in the year	5,231	4,180
Cash and cash equivalents at 1 September	16,453	12,273
Cash and cash equivalents at 31 August	21,684	16,453


Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Mr. Cormac MacDonncha
 Chairman GMIT Governing Body

Date: 28th MAR 2022



Dr. Orla Flynn
 President GMIT

Date: 28 March 2022

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

1. Significant accounting policies

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

a. General information and statement of compliance

The primary objective of the Institute is to provide 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 Institute.

b. Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with generally accepted accounting principles and comply with applicable Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and with the requirements of the HEA.

The functional currency under FRS 102 for 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.

c. Basis of consolidation

The group financial statements consolidate the financial statements of the Institute and its subsidiary undertakings made up to 31 August 2021.

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.

d. Going concern

The Governing Body is satisfied that the Institute has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

GMIT has taken a number of actions to improve its financial performance in accordance with the five-year financial plans approved by the Governing Body on a rolling annual basis. These measures

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

include initiatives linked to GMIT's strategic plan (2019-2023) such as continued development of lifelong learning, programme development and supports for the multi-campus structure.

e. Property, plant & equipment

(i) Land and buildings

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Buildings which were transferred from Galway VEC on the establishment of GMIT were valued on a depreciated replacement cost on 1st January 1993 (date of commencement order) and were depreciated on the basis of their remaining useful life of 29 years from that date. Depreciation is provided on all remaining 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
--------------------	----------

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

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
Furniture & 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

f. Inventory

Inventory comprise canteen stock. Inventory 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.

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.

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 (VAT), 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

(ii) Deferred taxation

In subsidiary companies, who do not hold a charitable status and are therefore liable to corporation tax, 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 different 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

(i) State Grants

Recurrent state grants from the HEA and other bodies are recognised in the period in which they are receivable. Capital grants from the HEA or other state bodies received in respect of the acquisition or construction of fixed assets are treated as deferred State Capital Grants and amortised in line with the depreciation over the life of the assets. State capital Grants for land are accounted for in accordance with the performance model.

(ii) Fee Income

Fee income is accounted for on an accruals basis.

(iii) Research grants and contracts

Income from research grants and contracts is matched to expenditure and included in the income of the year in which the related expenditure has been incurred unless the grant has performance related conditions or restrictions associated with it. The most common classes of such transactions are:

- *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 Comprehensive Income on entitlement to the income.

- *Donations with restrictions*

Donations with restrictions are recorded within the Statement of Comprehensive Income on entitlement to the income. The restricted income received is held in the temporarily

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

restricted reserve until such time that the expenditure is incurred in accordance with the restrictions.

- *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 is in use but no performance related condition exists, the income is recorded in the Statement of Comprehensive Income 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 Comprehensive Income.

Grants with restrictions are recorded within the Statement of Comprehensive Income 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.

(iv) 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.

(v) 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.

i. Employee benefits

(i) Retirement Benefits

Pension entitlements of staff recruited prior to 1 January 2013 are conferred under a defined benefit pension scheme established under the Education Sector Superannuation Scheme 2015 (ESSS 2015). The scheme is operated on a "pay-as-you-go" basis, with superannuation deductions made from employees being retained by the Institute as an agreed part of its funding.

The Institute also operates the Single Public Service Pension Scheme ("Single Scheme"), which is the defined benefit 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. Single

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

Scheme members' contributions are paid over by the Institute to the Department of Public Expenditure and Reform (DPER).

Pension costs charged to expenditure in the year reflect the benefits earned by current employees during the year and are shown net of staff pension contributions which, in respect of (i) the ESSS 2015, are retained by the Institute and (ii) the Single Scheme, are remitted to DPER. An amount corresponding to the pension cost is recognised as income.

Pension liabilities represent the present value of future pension payments earned to date. The retirement benefit funding asset reflects the expectation that the DFHERIS will continue to pay pensions and retirement lump sums as they fall due.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the retirement benefit funding asset.

The financial statements reflect, at fair value, the assets and liabilities arising from the Institute's pension obligations in respect of its current staff only and any related funding. The costs of providing pension benefits are recognised in the accounting periods in which they are earned by employees. Pension liabilities in respect of former employees who are in receipt of pensions are excluded because payments are charged to the appropriation account of the Department of Further and Higher Education, Research Innovation and Science (DFHERIS). The reduction in liability arising from members who retire during the year is reflected as an experience gain. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

Subsidiary staff (staff of GMIT Catering Company CLG) had the option to join the public sector pension scheme up to the 31st August 2020.

(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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

Retirement Benefit Obligation

The assumptions underlying the actuarial valuation for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds.
- (ii) future compensation levels, future labour market conditions.

j. Foreign currency

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

k. 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.

l. Deferred State Capital Grants

Deferred state capital grants represent the unamortised value of accumulated funds used for the acquisition or construction of fixed assets. Capital Grants from the HEA or other State bodies received in respect of acquisition or construction of fixed assets are treated as deferred State capital grants and amortised in line with depreciation charged over the life of the assets.

m. Reserves

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, 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

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.

a. Going Concern

Operational and Financial Impact of Covid-19

The COVID-19 crisis has created major business challenges for all third level institutions. The Institute continues to assess the ongoing and projected financial and operational impacts. The Governing Body has conducted a review of the expected financial impact of COVID-19 and was satisfied that there is sufficient funding for the Institute to meet its liabilities as they fall due and to continue as a going concern. The Governing Body further considered this matter on the approval of the financial statements. On this basis the Institute considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Institute was unable to continue as a going concern.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

b. Establishing lives for depreciation purposes of property, plant & equipment

Long lived assets, consisting primarily of property, plant and equipment comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Institute regularly reviews these assets lives and changes them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Change in asset lives can have a significant impact on depreciation charge for the period.

Detail of the useful lives are included in the accounting policies.

c. Provision for doubtful debts

The Institute makes an estimate of the recoverable value of trade debtors and other debtors. The Institute uses estimates based on historical experience in determining the level of debts, which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision is reviewed on an on-going basis.

d. Holiday Pay Accrual

The holiday pay accrual is calculated by reference to the number of days holidays outstanding at the year end. Academic staff do not require an accrual at year end due to the nature of their contract.

e. Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) The discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) Future compensation levels, future labour market conditions

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

3. State Grants

	Allocated for Recurrent Expenditure €'000	Allocated for Capital Expenditure €'000	2021 Total €'000	2020 Total €'000
Recurrent Expenditure - HEA	32,698	2,474	35,172	33,241
Other state capital grants - HEA	354	208	562	1,719
Devolved grant - HEA	1,725	-	1,725	750
Other state Grants- HEA	5,214	10	5,224	3,450
Total 2021 (Note 6)	39,991	2,692	42,683	39,160
Total 2020	35,382	3,778	39,160	

Included in the recurrent grant allocation from the HEA in 2021, an amount of €1,621,332 (19/20: €1,621,688) relates to funding specifically associated with meeting the extra costs incurred in response to COVID-19.

- The HEA paid other state grants in the year of:
 - €1,411,934 (19/20: € 1,403,150) for Springboard courses
 - €1,434,088 (19/20: €1,377,672) for ICT/ITIF Skills courses
 - € 209,338 (19/20: € -) for July Stimulus
 - € 341,640 (19/20: € -) for Human Capital Initiative (HC1)
 - € 51,000 (19/20: € -) for Human Capital Initiative (HC2)
 - € 968,535 (19/20: € -) for TU Transformation Fund
 - € 355,911 (19/20: € 380,980) for iNote HEA Innovation Teaching & Learning Project
 - € 118,591 (19/20: € 52,795) for National Forum for Teaching & Learning Enhance Fund 2020
 - € 103,390 (19/20: € -) for HCIP3 Digital Academy for a Sustainable Built environment
 - € 100,000 (19/20: € 80,000) for 1916 Bursaries PATH 11
 - € 33,994 (19/20: € 68,354) for Access Transition and succeed PATH III Project
 - € 30,000 (19/20: € 30,000) for HEA - Literacy & Numeracy
 - € 56,156 (19/20: € 56,696) for Other HEA funded initiatives

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

4. Tuition Fees and Student Contribution

	2021			2020			Total €'000
	Student Numbers WTE	State funded €'000	Non-state funded €'000	Student Numbers WTE	State funded €'000	Non-state funded €'000	
Fees paid by state	5,427	5,032	-	4,989	4,539	-	4,539
Fees paid by other state agencies	144	289	-	123	196	-	196
Non-EU fees	108	-	561	106	-	555	555
Fees paid by students or on behalf of students	513	-	420	517	-	383	383
Lifelong learning and other fees	253	-	828	143	-	550	550
Student contribution including repeat exam fees	-	9,762	8,388	-	8,562	8,370	16,932
Net fee income / Student numbers (Note 6)	6,445	15,083	10,197	5,878	13,297	9,858	23,155

- The HEA paid tuition fees in the year of:
- €4,007,876 (19/20: €3,568,863) for full time degree courses,
- €285,808 (19/20: €288,251) for higher certificate and ordinary degree courses, and
- €737,846 (19/20: €681,596) for full time nursing degree course, the total costs of which are partly funded by the ESF.
- SUSI paid tuition and student contribution fees totalling €8,986,014 (19/20: €8,479,214).
- Springboard student numbers not included in the above: 413, where the income is recorded in State Grant Note 3.

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

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

5. Research Grants and Contracts

	2021	2020
	Total	Total
	€000	€000
Income		
State and semi-state	3,326	3,591
European Union	350	732
Industry	333	267
Other	189	70
	<u>4,198</u>	<u>4,660</u>
Expenditure		
Pay costs	3,692	2,767
Non-pay costs	1,960	1,961
	<u>5,652</u>	<u>4,728</u>
 Net Outcome	 (1,454)	 (68)

6. Analysis of state derived income

Name of Grantor	Opening deferral	Grant received	Closing deferral	I&E 2021
	1 September 2020		31 August 2021	
	€'000	€'000	€'000	€'000
Note 3 - State grant				
HEA	(1,332)	41,665	(342)	39,991
Total State Income	<u>(1,332)</u>	<u>41,665</u>	<u>(342)</u>	<u>39,991</u>

Note 4 - Tuition fees and student contribution

HEA	(28)	5,050	10	5,032
SUSI	12	8,984	(10)	8,986
Other state	6	1,060	(1)	1,065
Total State Income	<u>(10)</u>	<u>15,094</u>	<u>(1)</u>	<u>15,083</u>

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

6. Analysis of state derived income (continued)

Name of Grantor	Opening deferral 1 September 2020 €'000	Grant received €'000	Closing deferral 31 August 2021 €'000	I&E 2021 €'000
Note 5 - Research grant and contracts				
Enterprise Ireland	179	944	177	1,300
Education & Training Board	9	-	(7)	2
Environmental Protection Agency	296	59	(140)	215
Irish Research Council	47	13	(20)	40
Bórd Iascaigh Mhara	(83)	226	103	246
Marine Institute	(241)	727	144	630
Dept. of Agriculture & Food	(166)	47	268	149
National Parks and Wildlife Service	(7)	55	42	90
Dept. of Housing, Planning, Community & Local Govt.	(3)	10	(4)	3
Higher Education Authority	184	498	(227)	455
Fáilte Ireland	3	-	(3)	-
NUIG	7	20	(7)	20
NUI Maynooth	-	-	-	-
Údarás na Gaeltachta	-	66	47	113
University College Dublin	-	-	-	-
SEAI	-	5	(5)	-
University College Cork	7	20	(7)	20
Dept. of Foreign Affairs	3	6	(5)	4
Mayo County Council	4	7	(3)	8
Science Foundation Ireland	6	9	(15)	-
Teagasc	5	29	(3)	31
Total State Income	250	2,741	335	3,326

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2021

6. Analysis of state derived income (continued)

Note 7 – Student support funding	Opening deferral	Grant received	Closing deferral	I&E 2021
	1 September 2020		31 August 2021	
	€'000	€'000	€'000	€'000
HEA	773	864	(511)	1,126
Total State Income	773	864	(511)	1,126

7. Student Support Funding

	2021	2021	2021	2020
	Disabilities	Student Assistance	Total	Total
	€'000	€'000	€'000	€'000
Balance at 1 September	415	358	773	514
Receipts:				
HEA	592	618	1,210	1,423
Less transfer to capital account	(21)	(325)	(346)	(276)
	986	651	1,637	1,661
Balance at 31 August to defer	(476)	(35)	(511)	(773)
Income	510	616	1,126	888
Amounts applied:				
Pay costs	417	-	417	407
Non-pay costs	93	616	709	481
Total expenditure	510	616	1,126	888
Charge to statement of income and expenditure	-	-	-	-

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

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8. Other Income

	2021	2020
	€'000	€'000
Superannuation deductions retained	2,543	2,310
Rental of facilities	153	162
Sundry income	967	1,223
Net outcome	3,663	3,695

9. Staff Costs

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

	2021	2020
	No. of	No. of
	employees	employees
Teaching and research	463	465
Technical	74	64
Central administration and services	269	232
	806	761

	2021	2020
	€'000	€'000
Salaries and wages	51,028	46,555
Allowances and overtime	464	387
Employer's welfare Costs	4,877	4,317
Catering company salaries and wages		612
	56,369	51,871

Termination payments to all staff

	2021	2020
	€'000	€'000
Total termination payments with an aggregate value in excess of €10k paid to each employee	21	11

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Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Institute, directly or indirectly, including any Governing Body members (whether executive or otherwise) of the Institute who report directly to the President.

The total remuneration for key management personnel for the year is as follows:

	WTE	Fees	Salary Payments	Total
		€	€	€
Governing Body Members	-	18,668	-	18,668
President	1.0		165,555	165,555
Executive Board	9.8		1,080,914	1,080,914
		18,668	1,246,469	1,265,137

The President and the Executive Board are members of the Institute scheme. The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector regulations.

Employee Benefits

The table below provides details of employees earning €60,000 or more in salary bands of €10,000.

Salary bands	31 August 2021	31 August 2020
€	No. of employees	No. of employees
60,000 - 70,000	85	73
70,001 - 80,000	52	71
80,001 - 90,000	157	159
90,001 - 100,000	60	26
100,001 - 110,000	14	19
110,001 - 120,000	6	2
120,001 - 130,000	2	-
130,001 - 140,000	-	-
140,001 - 150,000	-	1
150,001 - 160,000	-	-
160,001 - 170,000	1	-
170,001 -	-	-
Grand Total	377	351

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10. Other Operating Expenses

	2021	2021	2021	2020
	Pay costs	Other	Total	Total
	€'000	operating	€'000	€'000
		expenses		
		€'000		
Academic departments	40,230	2,139	42,369	39,357
Academic services	2,383	987	3,370	2,743
Facilities	2,104	4,376	6,480	5,567
Central administration	5,625	3,154	8,779	7,158
General education	365	474	839	798
Student services	1,553	1,130	2,683	2,500
Student support funding	417	709	1,126	888
Research grants and contracts	3,692	1,960	5,652	4,728
Catering			-	962
Depreciation			4,225	3,507
Retirement benefit costs			17,845	16,751
Total expenditure	56,369	14,929	93,368	84,959
Total 2020	51,871	12,830	84,959	

Analysis of other operating expenditure	2021	2020
	€'000	€'000
Services to students	1,620	1,262
Professional fees	1,583	1,174
General education	961	847
Materials and other consumables	1,478	843
Maintenance costs	2,012	1,715
Energy costs	773	732
Catering	-	350
Travel and subsistence	129	625
Other premises costs	795	556
Equipment	654	430
Computer costs	1,019	800
Miscellaneous	560	416
Rent and rates	369	396
General advertising and publicity	417	312

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Analysis of other operating expenditure (continued)

	2021	2020
	€'000	€'000
Personnel costs	616	343
Library materials	383	258
Stationery and office materials	147	201
Postgraduate student grants	527	453
Insurance	349	301
Communications	137	120
Bad debts provision	53	238
Other research costs	155	318
Finance costs	148	103
Auditors remuneration	43	36
Governing body expenses	1	1
Write down of assets in course of construction	-	-
Total other operating expenses	14,929	12,830

Other operating expenses include:

Auditors remuneration:

- Audit of Institute by the C&AG	43	36
- External audit of subsidiary		5
- Internal audit services provided by a third party	41	57

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 GMIT Catering Company Limited, a wholly owned subsidiary, is not included in this exemption.

GMIT Catering Company Limited	2021	2020
	€'000	€'000
Current tax on profit on ordinary activities		
Irish corporation tax on profits of subsidiaries for the year	-	-
Deferred tax	-	-
Total tax on profit on ordinary activities	-	-

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12. Financial result for the year

The surplus/(deficit) for the year on continuing operations is made up as follows:

	2021	2020
	€'000	€'000
Institute surplus for the year	2,795	4,042
subsidiaries and other undertakings	165	(252)
	<u>2,960</u>	<u>3,790</u>

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13. Property, plant & equipment
Consolidated

	Land & buildings	Buildings in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Furniture & equipment	Motor vehicles	Other assets in course of construction	Subsidiary	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost										
At 1 September 2020	90,152	5,500	1,305	6,708	710	11,581	120	200	41	116,276
Additions in year	1,440	1,440	26	1,200	147	2,086	14	(64)	-	4,849
Transfer from assets in course of construction	5,776	(5,776)	-	-	-	-	-	-	-	-
Disposals in year	-	-	-	(55)	-	(202)	-	-	(2)	(257)
At 31 August 2021	95,928	1,164	1,331	7,853	857	13,465	134	136	39	120,868
Depreciation										
At 1 September 2020	40,335	-	1,237	4,642	549	9,227	105	-	39	56,095
Charge for year	1,979	-	13	1,186	47	994	6	-	-	4,225
Eliminated on disposals	-	-	-	(55)	-	(202)	-	-	-	(257)
At 31 August 2021	42,314	-	1,250	5,773	596	10,019	111	-	-	60,063
Net book value:										
At 31 August 2021	53,614	1,164	81	2,080	261	3,446	23	136	-	60,805
At 1 September 2020	49,817	5,500	68	2,066	161	2,354	15	200	2	60,183

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14. Property, plant & equipment									
Institute only									
	Land & buildings	Buildings in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Furniture & equipment	Motor vehicles	Other assets in course of construction	Total
Cost	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 September 2020	90,152	5,500	1,305	6,708	710	11,581	120	200	116,276
Additions in year	-	1,440	26	1,200	147	2,086	14	(64)	4,849
Transfers from assets in course of construction	5,776	(5,776)	-	-	-	-	-	-	-
Disposals in year	-	-	-	(55)	-	(202)	-	-	(257)
At 31 August 2021	95,928	1,164	1,331	7,853	857	13,465	134	136	120,868
Depreciation									
At 1 September 2020	40,335	-	1,237	4,642	549	9,227	105	-	56,095
Charge for year	1,979	-	13	1,186	47	994	6	-	4,225
Eliminated on disposals	-	-	-	(55)	-	(202)	-	-	(257)
At 31 August 2021	42,314	-	1,250	5,773	596	10,019	111	-	60,063
Net book value:									
At 31 August 2021	53,614	1,164	81	2,080	261	3,446	23	136	60,805
At 1 September 2020	49,817	5,500	68	2,066	161	2,354	15	200	60,181

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15. Property, plant & equipment – in respect of the prior year

Consolidated

	Land & buildings	Buildings in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Furniture & equipment	Motor vehicles	Other assets in course of construction	Subsidiary	Total
Cost	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 September 2019	90,152	1,843	1,299	4,967	679	10,373	120	113	41	109,587
Additions in year	-	3,657	13	1,744	31	1,290	-	87	-	6,822
Transfer from assets in course of construction	-	-	-	-	-	-	-	-	-	-
Disposals in year	-	-	(7)	(3)	-	(82)	-	-	-	(92)
At 31 August 2020	90,152	5,500	1,305	6,708	710	11,581	120	200	41	116,317
Depreciation										
At 1 September 2019	38,440	-	1,227	3,848	522	8,546	99	-	37	52,719
Charge for year	1,895	-	17	797	27	763	6	-	2	3,507
Eliminated on disposals	-	-	(7)	(3)	-	(82)	-	-	-	(92)
At 31 August 2020	40,335	-	1,237	4,642	549	9,227	105	-	39	56,134
Net book value:										
At 31 August 2020	49,817	5,500	68	2,066	161	2,354	15	200	2	60,183
At 1 September 2019	51,712	1,843	72	1,119	157	1,827	21	113	4	56,868

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16. Property, plant & equipment – in respect of the prior year

Institute only	Land & buildings	Buildings in course of construction	Fixtures & fittings	Computer equipment	Plant & machinery	Furniture & equipment	Motor vehicles	Other assets in course of construction	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost									
At 1 September 2019	90,152	1,843	1,299	4,967	679	10,373	120	113	109,546
Additions in year	-	3,657	13	1,744	31	1,290	-	87	6,822
Transfers from assets in course of construction	-	-	-	-	-	-	-	-	-
Disposals in year	-	-	(7)	(3)	-	(82)	-	-	(92)
At 31 August 2020	90,152	5,500	1,305	6,708	710	11,581	120	200	116,276
Depreciation									
At 1 September 2019	38,440	-	1,227	3,848	522	8,546	99	-	52,682
Charge for year	1,895	-	17	797	27	763	6	-	3,505
Eliminated on disposals	-	-	(7)	(3)	-	(82)	-	-	(92)
At 31 August 2020	40,335	-	1,237	4,642	549	9,227	105	-	56,095
Net book value									
At 31 August 2020	49,817	5,500	68	2,066	161	2,354	15	200	60,181
At 1 September 2019	51,712	1,843	72	1,119	157	1,827	21	113	56,864

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17. Subsidiary Undertakings and Investments

The Institute holds an interest in the following subsidiary:

Subsidiary undertakings

GMIT Catering Company Ltd.

Principal activity

Management of canteen

Interest 100%

	2021	2020
	€'000	€'000
Retained (deficit)/surplus at 1 st September	(166)	86
Surplus/(deficit) for the year	165	(252)
Retained (deficit) at 31 st August	<u>(1)</u>	<u>(166)</u>

The subsidiary undertaking has their registered office and place of business in GMIT, Dublin Road, Galway. The GMIT Catering Company ceased to trade on 31st August 2020. The business of GMIT Catering Company transferred to GMIT on 1st September 2020, all employees transferred to GMIT and became employees of GMIT retaining their existing term and conditions of employment. The company is being wound down through voluntary strike off with no material cost and all assets and liabilities of the company have been transferred to GMIT. We are awaiting a letter of no objection from the revenue commissioners to proceed with the voluntary strike off.

18. Receivables

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Trade receivables	206	237	206	237
Research grants and contracts receivable	2,514	2,624	2,514	2,624
State grants receivable	1,300	2,122	1,300	2,122
State capital grant receivable	131	625	131	625
Academic fees receivable	681	728	681	728
Provision for bad debts	(530)	(548)	(530)	(545)
Prepayments	327	360	327	357
Other receivables	537	733	537	756
	<u>5,166</u>	<u>6,881</u>	<u>5,166</u>	<u>6,904</u>

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19. Cash and Cash Equivalents

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Cash at bank including balances held on short term deposit	21,684	16,453	21,684	16,444

20. Payables: amounts falling due within one year

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Trade payables	221	440	221	438
Research grants and contracts in advance	2,197	2,477	2,197	2,477
Fees received in advance	985	528	985	528
State grants received in advance	691	1,677	691	1,677
State capital grant received in advance	12	294	12	294
Accruals	4,527	3,146	4,527	3,103
Other amounts received in advance	2,217	1,098	2,217	1,098
Student support funding	511	773	511	773
Other tax and social security	1,594	1,507	1,594	1,395
	12,955	11,940	12,955	11,783

21. Lease Commitments/Licence Agreements

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

	Land & buildings	Land & buildings
	2021	2020
	€'000	€'000
Operating leases		
<i>Expiring:</i>		
within 1 year	315	315

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21. Lease Commitments/Licence Agreements (continued)

	Land & buildings 2021 €'000	Land & buildings 2020 €'000
between 2 and 5 years	84	101
greater than 5 years	18	36
Total commitments	417	452

GMIT entered into a licence agreement in October 2019 with Liam Mellows GAA club for a period of thirty years to use their property for the purpose of facilitating the GAA activities of GMIT on Liam Mellows playing pitches and training grounds. GMIT will pay an annual licence fee of €24,000, a capital contribution of €410,000 and an amount of €17,410 for design, tendering and planning fees. In the academic year 2020/2021 GMIT paid a capital contribution of €210,000 (19/20: €100,000).

22. Deferred Capital Grants

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
At 1 September opening balance	60,181	56,864	60,181	56,864
<i>Cash received in year:</i>				
Allocated from state recurrent grant	2,475	1,974	2,475	1,974
Higher Education Authority	839	855	839	855
Research Grants & Contracts	1,311	2,288	1,311	2,288
Higher Education Authority-capital	224	1,705	224	1,705
Total	4,849	6,822	4,849	6,822
Amortised to income and expenditure in year				
Amortised in line with depreciation	(4,225)	(3,505)	(4,225)	(3,505)
Write down of assets in course of construction	-	-	-	-
Release to income NBV on disposals	-	-	-	-
Total	(4,225)	(3,505)	(4,225)	(3,505)
At 31 August closing balance	60,805	60,181	60,805	60,181

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23. Capital Development Reserve

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
At 1 September opening balance	7,523	8,274	7,523	8,274
Transfer to income and expenditure Account	(220)	(125)	(220)	(125)
Transfer to deferred state capital grants	(465)	(626)	(465)	(626)
At 31 August closing balance	6,838	7,523	6,838	7,523

24. Capital Commitments

	Consolidated		Institute	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Contracted for but not provided	318	1,520	318	1,520
Authorised but not contracted	-	-	-	-
	318	1,520	318	1,520

25. Technological University: Connacht-Ulster Alliance (CUA)

The CUA (strategic alliance between Galway-Mayo Institute of Technology, Letterkenny Institute of Technology and Institute of Technology Sligo) submitted an application for TU designation in May 2021, which was subsequently evaluated by an International Panel held in July 2021. On October 28th, the Minister for FHERIS confirmed designation to function as a Technological University (TU) for the West and North-West. The new TU will be called Atlantic TU and will be designated on 1 April 2022. Atlantic TU will deliver education and research to meet the economic, social and cultural needs of the West/North-West region and will contribute significantly to the achievement of the outcomes outlined in the National Development Plan and Ireland 2040.

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25. Technological University: Connacht-Ulster Alliance (CUA)

During the period in question, the project specific objectives were as follows:

- (i)* Meet the TU criteria as detailed in the TU Act 2018.
- (ii)* Complete negotiations on an agreed MOU with the TUI.
- (iii)* Preparation and submission of an application documentation to be designated as a TU.
- (iv)* Preparing for and engagement with the International Panel.

During the period in question, the CUA also established a Joint Governing Body and Joint Executive Committee.

Following the Ministers announcement confirming TU designation, the key focus of the CUA has now shifted to planning for the transition phase of establishing the new university and functioning as a single entity.

This project has been funded directly by TUTF funded mechanism. The estimated total project cost to the end of August 2023 will be €34.95m. Between September 2020 and August 2021 the CUA spent a total of €11.4m to TU activities, of which €5.7m has been funded directly by the HEA, via TUTF. €8.1m of this funding was spent during the year. All funding was expended in pursuance of the project objectives and has been aligned to 8 work packages which support the key pillars.

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26. Related Parties

In the normal course of business, the Institute may enter 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 THEA Code of Governance for Institutes of Technology 2018 in relation to the disclosure of interests by members of the Governing Body and the Institute has complied with these procedures during the year.

The Institute entered into a Licence Agreement arranged with TruCorp Ltd on 25th September 2018. This arrangement provided the Licensee (TruCorp Ltd) with rights to use Intellectual Property owned by the Institute (relating to Training Phantoms for Ultrasound Guided Regional Anaesthesia) and to develop and commercialise licensed products. GMIT has no shareholding arrangement with TruCorp Ltd. Revenues from the licence to TruCorp Ltd accrue only through initial milestone payments (€50,000 in such payments were received in 2018/2019) and through ongoing royalties (€6,027 received at year end August 2021, (€2,463 2019/2020).

27. Retirement Benefit Costs

(i) Staffing

Retirement benefit obligations were accounted for the first time in the 2016/2017 financial statements. The opening position at 1 September 2016 has been estimated by the actuary, based on market conditions at that time. Examinations of records may identify changes to members' records in the future and these are reflected as past service costs. *(see (iii) below)*

(ii) Description of Schemes

Institute Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The scheme provides a pension (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial

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27. Retirement Benefit Costs (continued)

reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. Deductions from staff are retained by the Institute.

Single Scheme

New entrant staff employed by the Institute after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Sector Pensions (Single Scheme and Other Provisions) Acts 2012. Deductions from staff salaries under the Single Scheme are transferred to DEPR on a monthly basis in accordance with the Act.

The Single Scheme is the occupational pension scheme for new-entrant public servants hired since 1 January 2013. It is a defined benefit scheme, with retirement benefits based on career-average pay. The scheme generates pension credits and retirement lump sum credits for each scheme member. These money credits, known as “referable amounts”, accrue as percentages of pay on an ongoing basis. The referable amounts accrued each year are revalued annually until retirement in line with inflation increases (Consumer Price Index). The annual pension awarded on retirement is the cumulative total of a scheme member’s pension referable amounts, and the retirement lump sum awarded is, similarly, the total of the scheme member’s lump sum referable amounts.

Valuation

The valuation used for FRS 102 disclosures has been based on a full actuarial valuation by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 August 2021. On retirement, members’ pensions are paid by the National Shared Services Office on behalf of the DFHERIS and those payments are charged to that Department’s appropriation account. Therefore, former employees of the Institute who are in receipt of a pension have been excluded from the valuation. The reduction in liability arising from members who retire during the year is reflected as an experience gain and is separately identified in the liability reconciliation.

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27. Retirement Benefit Costs (continued)

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2021 were as follows:

	2021	2020
Discount rate	1.40%	1.05%
Inflation rate	1.85%	1.40%
Salary increases	3.10%	2.65%
Pension increases - Superann Scheme	2.60%	2.15%
Pension increases - Single Scheme	1.85%	1.40%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The number of members in the Scheme and the number of deaths are too small to analyse and produce any meaningful Scheme-specific estimates of future levels of mortality. Average future life expectancy according to the mortality tables used to determine the pension liabilities are:

	2021	2020
	Years	Years
Male aged 65	21.8 years	21.7 years
Female aged 65	24.1 years	24.1 years

(iii) Analysis of total retirement benefit costs charged to the Statement of Comprehensive Income

	Consolidated	Consolidated	Institute	Institute
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Current service cost	17,380	16,637	17,380	16,529
Interest on retirement benefit scheme liabilities	3,419	2,818	3,419	2,804
Employee contributions / (benefits paid)	(2,954)	(2,704)	(2,954)	(2,683)
	<u>17,845</u>	<u>16,751</u>	<u>17,845</u>	<u>16,650</u>

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27. Retirement Benefit Costs (continued)

(iv) Movement in net retirement benefit obligations during the financial year

	Consolidated 2021 €'000	Consolidated 2020 €'000	Institute 2021 €'000	Institute 2020 €'000
Net retirement benefit obligation at 1 September	316,931	304,840	316,931	303,277
Current service costs	14,426	13,933	14,426	13,846
Employee contributions	2,954	2,704	2,954	2,683
Interest costs	3,419	2,818	3,419	2,804
Benefits paid in period	-	-	-	-
Experience losses /(gains) on liabilities	8,584	1,248	8,584	1,277
Changes in actuarial assumptions	6,778	(4,085)	6,778	(4,066)
Past service losses / (gains)	-	-	-	-
Reduction in pension liabilities arising from retirements	(10,472)	(4,527)	(10,472)	(4,527)
Net retirement benefit obligations at 31 August	<u>342,620</u>	<u>316,931</u>	<u>342,620</u>	<u>315,294</u>
Split between:				
SPSPS	8,022	5,342	8,022	5,282
ESS	334,598	311,589	334,598	310,012

(v) Deferred funding asset for retirement benefits

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. 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 Institute recognises amounts owing from the State for the unfunded deferred liability for retirement benefits relating to the Education Sector Superannuation Scheme 2015 on the basis of the set of assumptions described above and a number of past events. These events include the

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27. Retirement Benefit Costs (continued)

statutory basis for the establishment of the retirement benefit scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Institute has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The net deferred funding for retirement benefits recognised in the Statement of Comprehensive Income was as follows:

	Consolidated 2021 €'000	Consolidated 2020 €'000	Institute 2021 €'000	Institute 2020 €'000
Funding recoverable in respect of retirement benefit costs	17,845	16,751	17,845	16,650
	<u>17,845</u>	<u>16,751</u>	<u>17,845</u>	<u>16,650</u>

The deferred funding liabilities for retirement benefit as at 31 August 2021 amounted to €342,620,046, (2019/2020: €316,931,092).

(vi) History of defined benefits obligations

	Consolidated 2021 €'000	Consolidated 2020 €'000	Institute 2021 €'000	Institute 2020 €'000
Defined benefit obligations	342,620	316,931	342,620	315,294

28. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2021.

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29. Post Balance Sheet Events

Acquisition of Crowley Park

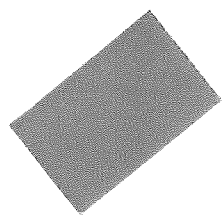
GMIT acquired the Crowley Park site owned by Galwegians Rugby Football club in December 2021 at a purchase price of €8,950,000. The HEA have provided exchequer funding of €6,450,000 with the balance of €2,500,000 funded from GMIT own resources.

30. Comparative Figures

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

31. Approval of Financial Statements

The financial statements were approved by the Governing Body on 28TH March 2022.



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