



Consolidated Financial Statements

Year Ended 31 August 2020

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 plans to update its Capital Project procedures by end of Q2 2021.

Governing Body Meetings

During the period from 1st September 2019 to 31st August 2020 the Governing Body met on 10 separate occasions on the following dates:

26th September 2019

31st October 2019

28th November 2019

12th December 2019

30th January 2020

27th February 2020

26th March 2020

28th May 2020

25th June 2020

27th August 2020

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

| Figure 1.1 Meetings Attended during year ended 31 August 2020 | | | | |
|--|----------------|-----------------------|-------------|-----------------|
| | Governing Body | Total Fees & Expenses | Fees 2020 € | Expenses 2020 € |
| Number of meetings | 10 | | | |
| Cormac MacDonncha | 9/10 | 744 | | 744 |
| Michael Hannon | 5/6 | 3,638 | | 3,638 |
| Mary Howard | 5/7 | 3,303 | 1,995 | 1,308 |
| Gareth Roe | 10/10 | | | |
| Joe Cunningham | 5/10 | | | |
| Mary Rogers | 6/7 | | | |
| Karey McHugh | 1/10 | 552 | 427 | 125 |
| Niall McNelis | 5/7 | | | |
| Michael Maher | 8/10 | | | |
| David Leahy | 8/10 | | | |
| Jayne Cooley | 7/8 | | | |
| Aaron Burke | 8/8 | | | |
| Michael Vaughan | 6/7 | 711 | 570 | 141 |
| Michael Geoghegan | 10/10 | 488 | | 488 |
| Maire Ni Chionna | 7/7 | 379 | | 379 |
| Tom Grady | 7/10 | 622 | | 622 |
| Mary McGinley | 8/10 | 94 | | 94 |
| Celestine Rowland | 1/7 | | | |
| Michael Lally | 7/7 | 1,014 | 570 | 444 |
| Saidhbh McIntyre | 2/2 | | | |
| Orla Flynn | 4/4 | 383 | | 383 |
| Maria Ruddy | 3/3 | | | |
| Siobhan Kennedy | 3/3 | | | |
| Colm Keaveney | 3/3 | | | |
| Eleanor Rainsford | 3/3 | | | |
| Paul Murphy | 3/3 | | | |
| Maureen Walsh | 3/3 | | | |
| Terry O'Flaherty | 2/3 | | | |
| Gillian Buckley | 0/1 | | | |
| Victor O'Loughlin | 2/2 | | | |
| | | | | |

In March 2020 the existing governing body's term expired, and a new governing body was formed in April 2020.

There were ten governing body meetings held within the academic year, seven with existing membership and 3 with the new governing body membership. This is reflected in the different divisors in the above table.

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.

Other Committee Meetings

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

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Figure 1.2

Meetings Attended during year ended 31 August 2020

| | Mayo Campus Subcommittee | Finance Subcommittee | EDI (Equality, Diversity & Inclusion) Subcommittee | Audit and Risk Committee |
|----------------------|--------------------------|----------------------|--|--------------------------|
| Number of Meetings | 4 | 6 | 2 | 4 |
| Joe Cunningham | | | | 3/3 |
| David Leahy | | | | 3/4 |
| Cliona Pierse | | | | 4/4 |
| Jerry O' Leary | | | | 3/3 |
| Siobhan Kennedy | | | | 1/1 |
| Michael Maher | 4/4 | 6/6 | | |
| Michael Hannon | 3 /4 | 4/4 | | |
| Orla Flynn | | 2/2 | | |
| Michael Geoghegan | 2/4 | 4/6 | | |
| Paul Shelly | | 6/6 | | |
| Hannah Kiely | | 6/6 | | |
| Mary Howard | | 4/4 | | |
| Michael Lally | 4/4 | 2/2 | | |
| Maria Ruddy | | 2/2 | | |
| Mary McGinley | | | 2/2 | 4/4 |
| Anne Scott | | | 2/2 | |
| Jacqueline McCormack | | | 2/2 | |
| Jayne Cooley | | | 2/2 | |
| Michael Vaughan | | | 2/2 | |
| Cormac MacDonncha | 4/4 | | | |
| Gary Tobin | 2/3 | | | |
| Tom Grady | 1/1 | | | |
| Neville McClenaghan | 4/4 | | | |
| Clodagh Geraghty | 4/4 | | | |
| Mark Garavan | 4/4 | | | |
| Mike Devane | 4/4 | | | |
| Lorna Elms | 2/4 | | | |
| Peter Hynes | 4/4 | | | |
| Tom Canavan | 4/4 | | | |
| Kevin Higgins | 4/4 | | | |
| Catherine Donoghue | 0/4 | | | |
| Aaron Burke | 0/4 | | | |
| Tom Grady | 2/4 | | | |

The Audit and Risk Committee and Finance Subcommittee term expired within the year. This is reflected in the different divisors in the above table.

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 will take place in Q2 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 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, Sligo and Letterkenny Institutes of Technology made an application on 21st May 2021 for designation as a Technological University in 2021 which if successful would result in a merger of the three Institutions.

Summary of all Off-Balance Sheet Transactions of the Institute

There were no off-Balance Sheet financial transactions during the year ended 31 August 2020.

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 for the year ended 31st August 2020 and it ceased to trade on that date. 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)
- Establishment of LBGT+ & Allies Staff Network - to launch in Q2 2021 (work ongoing since Q3 2020)
- Series of events and guest speakers to promote inclusion (ongoing since Q3 2019) 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 2020 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 Figure 1.1 for the listing of Governing Body members.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Travel and Subsistence

| | 2020 | 2019 |
|----------------------|----------------|----------------|
| | € | € |
| Domestic Travel | 330,331 | 411,563 |
| International Travel | 294,721 | 444,198 |
| Total | <u>625,052</u> | <u>855,761</u> |

Hospitality Expenditure

| | 2020 | 2019 |
|---|---------------|---------------|
| | € | € |
| Staff Events | 28,741 | 28,895 |
| Student Events (excluding costs associated with conferring) | 46,636 | 31,597 |
| Other External | 8,824 | 36,418 |
| Total | <u>84,201</u> | <u>96,910</u> |

Legal Costs/Settlements

| | 2020 | 2019 |
|-------------------|--------------|---------------|
| | € | € |
| Professional Fees | 6,989 | 63,066 |
| Settlements | - | - |
| Total | <u>6,989</u> | <u>63,066</u> |

Consultancy fees

| | 2020 | 2019 |
|---|----------------|----------------|
| | € | € |
| Professional Fees: Legal | 6,989 | 63,066 |
| Professional Fees: Tax and financial advisory | 57,331 | 70,444 |
| Professional Fees: Public relations/marketing | 159,581 | 82,345 |
| Professional Fees: Pensions and human resources | 27,963 | 37,949 |
| Professional Fees: Other | 319,469 | 318,807 |
| Total | <u>571,333</u> | <u>572,611</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.

Statement of Responsibility of the Institute

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

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare Financial Statements on the going concern basis, unless it is inappropriate to presume that the Institute will continue in operation.
- Disclose and explain any material departures from applicable accounting standards.

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

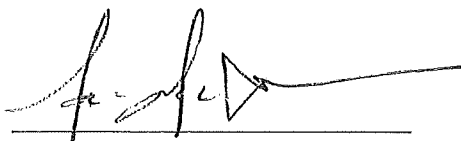
The Institute is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Compliance

GMIT confirms it has adopted the Code of Practice for the Governance of State Bodies, 2016 as encapsulated by the THEA Code of Governance for Institutes of Technology and has put procedures in place to ensure compliance with this Code. GMIT is substantially compliant with the THEA Code of Governance for year ended 31st August 2020. Full compliance is anticipated by end of Q4 2021.

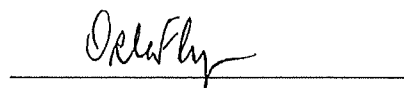
GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Corporate Governance Statement

Chairperson:



Mr. Cormac MacDonncha

President:



Dr. Orla Flynn

Date:

19TH NOV 2021

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 2020 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 2020 on the 10th December 2020.

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

| Area of non-compliance or weaknesses in internal control | Actions to be taken to attain compliance or correct weaknesses | Due date or date implemented |
|---|--|--|
| IT systems and security: weaknesses identified in IT governance. | Establish IT governance committee to oversee implementation plan. | Committee established and first meeting took place on April 30 th , 2020. |
| THEA Code of Governance for Institutes of Technology 2018 compliance. | Implementation plan in place to ensure compliance by end of Q4 2021. | Q4 2021. |
| Following a request from the Comptroller and Auditor General, the Institute performed a detailed analysis of the fixed asset depreciation charge. An issue was identified on the historic depreciation calculation of assets transferred to GMIT from Galway VEC in January 1993. | As a result of the analysis, the Institute noted that there was an under depreciation of certain fixed assets with a corresponding under amortisation of the capital grant. A prior year adjustment was disclosed in the 2017/18 financial statements. There was no impact on the income and expenditure reserves. | Completed October 2019. |
| Non-compliant procurement during the year ended 31/08/20 amounted to €9,000.00. | Purchase office monitors cumulative spend on a rolling 12-month basis, to ensure compliance with procurement thresholds. | Implemented during the year ended 31 st August 2020. |
| A 'Green Initiative' club on the GMIT Castlebar campus opened a bank account and a credit union account in the name of the Institute, without the prior knowledge or approval of GMIT management to do so. | <ul style="list-style-type: none"> • Accounts to be closed. • The Institute should review and update its existing policies and procedures for opening bank accounts in the name of the Institute | <ul style="list-style-type: none"> • March 2019. • Completed May 2020. |

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.
- Implementation of an Internal Control Framework.
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Governing Body.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Business Risks (continued)

- 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 €9,000.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Statement on System of Internal Control

Review of the Effectiveness of the Internal Control System

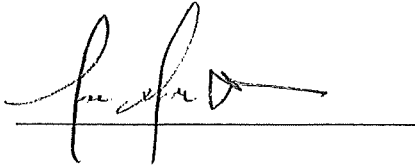
We confirm that GMIT has procedures to monitor the effectiveness of its risk management and control procedures. The Governing Body's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Institute Executive and Management who have responsibility for 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

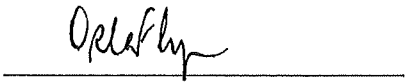


Mr. Cormac MacDonncha

Chairperson

19TH NOV 2021

Date



Dr. Orla Flynn

President

19th November 2021

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 2020 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 of the Institute at 31 August 2020 and of the income and expenditure of the group and of 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 a corporate governance statement and a statement on the system 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 regard to those matters.

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

24 November 2021

Appendix to the report

Responsibilities of Governing Body members

The statement of responsibility of the Institute sets out the Governing Body members' responsibility

- the preparation of 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.

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. I also 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.

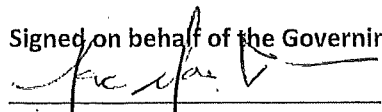
GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Comprehensive Income
Year ended 31 August 2020

| | | Consolidated 2020 €'000 | Institute 2020 €'000 | Consolidated 2019 €'000 | Institute 2019 €'000 |
|---|-------|-------------------------------|----------------------------|-------------------------------|----------------------------|
| Income | | | | | |
| State grants | 3 | 35,382 | 35,382 | 31,127 | 31,127 |
| Tuition fees and student contribution | 4 | 23,155 | 23,155 | 22,777 | 22,777 |
| Research grants and contracts | 5 | 4,660 | 4,660 | 4,665 | 4,665 |
| Student support funding | 7 | 888 | 888 | 900 | 900 |
| Other income | 8 | 3,695 | 3,726 | 4,009 | 4,042 |
| Amortisation of deferred capital grants | 22 | 3,505 | 3,505 | 3,089 | 3,089 |
| Release income on net book value of disposals | 22 | - | - | 1 | 1 |
| Interest income | | 1 | 1 | 7 | 7 |
| Catering | | 712 | - | 1,384 | - |
| Deferred pension funding | 27 | 16,751 | 16,650 | 16,378 | 16,255 |
| Total Income | | 88,749 | 87,967 | 84,337 | 82,863 |
| Expenditure | | | | | |
| Staff costs | 9 | 51,871 | 51,290 | 49,078 | 48,328 |
| Retirement benefit costs | 27 | 16,751 | 16,650 | 16,378 | 16,255 |
| Other operating costs | 10 | 12,830 | 12,480 | 13,690 | 13,002 |
| Depreciation | 13-16 | 3,507 | 3,505 | 3,099 | 3,089 |
| Total expenditure | | 84,959 | 83,925 | 82,245 | 80,674 |
| Surplus before tax | | 3,790 | 4,042 | 2,092 | 2,189 |
| Taxation | | - | - | - | - |
| Surplus before other gains and losses | | 3,790 | 4,042 | 2,092 | 2,189 |
| Reduction in pension liabilities arising from retirements | 27 | 4,527 | 4,527 | 4,683 | 4,683 |
| Experience gains / (losses) on plan liabilities | 27 | (1,248) | (1,277) | (6,798) | (6,797) |
| Changes in assumptions underlying the present value of retirement benefit obligations | 27 | 4,085 | 4,066 | (38,634) | (38,453) |
| Total actuarial gains / (losses) in the year | | 7,364 | 7,316 | (40,749) | (40,567) |
| Adjustment to deferred retirement benefits funding | 27 | (7,364) | (7,316) | 40,749 | 40,567 |
| Total comprehensive income for the year | 12 | 3,790 | 4,042 | 2,092 | 2,189 |

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

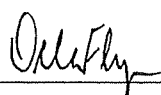
Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Mr. Cormac MacDonncha
Chairman GMIT Governing Body

Date: 19th NOV 2021



Dr. Orla Flynn
President GMIT


Date: 19th November 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Changes in Reserves and Capital Account
Year ended 31 August 2020

| | 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 2018 | 55,951 | 56,951 | 8,333 | 8,333 | (2,189) | (2,373) | 63,095 | 62,911 |
| Surplus for the Year before Appropriations | - | - | - | - | 2,092 | 2,189 | 2,092 | 2,189 |
| Amortisation of Deferred Capital Grants | (3,089) | (3,089) | - | - | - | - | (3,089) | (3,089) |
| State Grant Allocated to Capital | 3,081 | 3,081 | - | - | - | - | 3,081 | 3,081 |
| Write down assets in course of construction | (78) | (78) | - | - | - | - | (78) | (78) |
| Release income on net book of disposals | (1) | (1) | - | - | - | - | (1) | (1) |
| Transfer from capital development reserve | - | - | (59) | (59) | 59 | 59 | (1) | (1) |
| Movement for the Period | (87) | (87) | (59) | (59) | 2,151 | 2,248 | 2,005 | 2,102 |
| Balance at 31 August 2019 | 55,864 | 56,864 | 8,274 | 8,274 | (38) | (125) | 65,100 | 65,013 |
| Opening Balance at 1 September 2019 | - | - | - | - | 3,790 | 4,042 | 3,790 | 4,042 |
| Surplus for the Year before Appropriations | (3,505) | (3,505) | - | - | - | - | (3,505) | (3,505) |
| Amortisation of Deferred Capital Grants | 6,196 | 6,196 | - | - | - | - | 6,196 | 6,196 |
| State Grant Allocated to Capital | 626 | 626 | (751) | (751) | 125 | 125 | - | - |
| Transfer from Capital Development Reserve | 3,317 | 3,317 | (751) | (751) | 3,915 | 4,167 | 6,481 | 6,733 |
| Movement for the Period | 60,181 | 60,181 | 7,523 | 7,523 | 3,877 | 4,042 | 71,581 | 71,746 |
| Balance at 31 August 2020 | 60,181 | 60,181 | 7,523 | 7,523 | 3,877 | 4,042 | 71,581 | 71,746 |

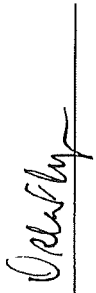
Notes 1-31 form part of these Financial Statements

Signed on behalf of the Governing Body



Chairperson, Mr Cormac MacDonncha

Date 19th NOV 2021



President, Dr. Orla Flynn

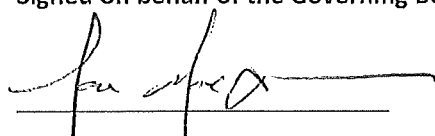
Date 19th November 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated and Institute Statement of Financial Position
Year ended 31 August 2020

| | | Consolidated 2020 €'000 | Institute 2020 €'000 | Consolidated 2019 €'000 | Institute 2019 €'000 |
|--|-------|-------------------------------|----------------------------|-------------------------------|----------------------------|
| Fixed assets | | | | | |
| Property, Plant & Equipment | 13-16 | 60,183 | 60,181 | 56,868 | 56,864 |
| | | 60,183 | 60,181 | 56,868 | 56,864 |
| Current assets | | | | | |
| Inventory | | 4 | - | 4 | - |
| Receivables | 18 | 6,881 | 6,904 | 4,395 | 4,320 |
| Cash and cash equivalents | 19 | 16,453 | 16,444 | 12,273 | 12,092 |
| | | 23,338 | 23,348 | 16,672 | 16,412 |
| Less payables: amounts due within one year | 20 | (11,940) | (11,783) | (8,440) | (8,263) |
| Net current assets | | 11,398 | 11,565 | 8,232 | 8,149 |
| Total assets less current liabilities | | 71,581 | 71,746 | 65,100 | 65,013 |
| Provision for Amount & Charges: | | | | | |
| Retirement benefits | | | | | |
| Retirement benefit obligations | 27 | 316,931 | 315,294 | 304,840 | 303,277 |
| Deferred retirement benefit funding asset | 27 | (316,931) | (315,294) | (304,840) | (303,277) |
| Total net assets | | 71,581 | 71,746 | 65,100 | 65,013 |
| Deferred state capital grants | 22 | 60,181 | 60,181 | 56,864 | 56,864 |
| Capital development reserve | 23 | 7,523 | 7,523 | 8,274 | 8,274 |
| | | 7,523 | 7,523 | 8,274 | 8,274 |
| Unrestricted reserves | | | | | |
| Income and expenditure reserve | | 3,877 | 4,042 | (38) | (125) |
| Total | | 71,581 | 71,746 | 65,100 | 65,013 |

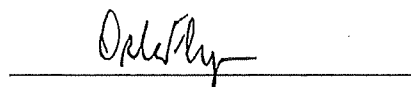
Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Mr. Cormac MacDonncha
 Chairman GMIT Governing Body

Date: 17th NOV 2021



Dr. Orla Flynn
 President GMIT

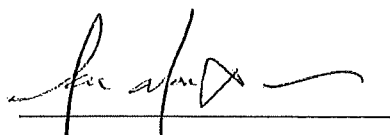
Date: 19th November 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Consolidated Statement of Cashflows
Year ended 31 August 2020

| | 2020 €'000 | 2019 €'000 |
|--|----------------|----------------|
| Net cash flow from operating activities | | |
| Excess income over expenditure | 3,790 | 2,092 |
| Depreciation of fixed assets | 3,507 | 3,099 |
| Write down of fixed assets | - | 16 |
| Amortisation of deferred capital grants | (3,505) | (3,089) |
| Decrease in inventories | - | 2 |
| (Increase) in receivables | (2,233) | (2,004) |
| Increase in payables | 3,533 | 56 |
| Interest income | (1) | (7) |
| Capital Grants Received | 5,944 | 2,745 |
| Net cash inflow from operating activities | 11,035 | 2,910 |
| Cash flows from investing activities | | |
| Payments to acquire property, plant & equipment | (6,856) | (3,007) |
| Net cash flows from investing activities | (6,856) | (3,007) |
| Cash flows from financing activities | | |
| Interest received | 1 | 7 |
| Net cash flows from financing activities | 1 | 7 |
| Net increase/(decrease) in cash equivalents in the year | 4,180 | (90) |
| Cash and cash equivalents at 1 September | 12,273 | 12,363 |
| Cash and cash equivalents at 31 August | 16,453 | 12,273 |

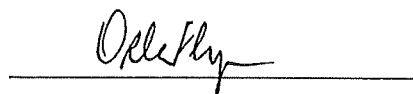
Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:



Mr. Cormac MacDonncha
 Chairman GMIT Governing Body

Date: 17th Nov 2021



Dr. Orla Flynn
 President GMIT

Date: 19th November 2021

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

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.

General information and statement of compliance

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

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.

Basis of consolidation

The group financial statements consolidate the financial statements of the Institute and its subsidiary undertakings made up to 31 August 2020.

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.

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 2020

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.

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 2020

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.

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 2020

(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.

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 Income and Expenditure on entitlement to the income.

- *Donations with restrictions*

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

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

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.

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 2020

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 Department of Education and Skills 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) have the option to join the public sector pension scheme.

(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 2020

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.

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.

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.

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.

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 2020

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Institute's accounting policies

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

Going Concern

The 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 2020

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.

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.

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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

3. State Grants

| | Allocated for Recurrent Expenditure €'000 | Allocated for Capital Expenditure €'000 | 2020 Total €'000 | 2019 Total €'000 |
|----------------------------------|--|--|------------------------|------------------------|
| Recurrent Expenditure - HEA | 31,267 | 1,974 | 33,241 | 29,289 |
| Other state capital grants - HEA | 14 | 1,705 | 1,719 | 622 |
| Devolved grant - HEA | 750 | - | 750 | 750 |
| Other state Grants- HEA | 3,351 | 99 | 3,450 | 2,341 |
| Total 2020 (Note 6) | 35,382 | 3,778 | 39,160 | 33,002 |
| | | | | |
| Total 2019 | 31,127 | 1,875 | 33,002 | |

Included in the recurrent grant allocation from the HEA in 2020, an amount of €1,621,668 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:
 - €1,403,150 (18/19: € 524,224) for Springboard courses
 - €1,377,672 (18/19: €1,590,259) for ICT/ITIF Skills courses
 - € 380,980 (18/19: € 65,188) for iNote HEA Innovation Teaching & Learning Project
 - € 80,000 (18/19: € 55,000) for 1916 Bursaries PATH 11
 - € 68,354 (18/19: € 13,986) for Access Transition and succeed PATH III Project
 - € 52,795 (18/19: € -) for National Forum for Teaching & Learning Enhance Fund 2020
 - € 30,000 (18/19: € 30,000) for HEA - Literacy & Numeracy
 - € 56,696 (18/19: € 62,198) for Other HEA funded initiatives

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

4. Tuition Fees and Student Contribution

| | 2020 | | 2019 | | Total €'000 |
|--|---------------------------|--------------------------|------------------------------|--------------------------|----------------|
| | Student Numbers WTE | State funded €'000 | Non-state funded €'000 | State funded €'000 | |
| Fees paid by state | 4,989 | 4,539 | - | 4,288 | 4,288 |
| Fees paid by other state agencies | 123 | 196 | - | 193 | 193 |
| Non-EU fees | 106 | - | 555 | - | 539 |
| Fees paid by students or on behalf of students | 517 | - | 383 | - | 308 |
| Lifelong learning and other fees | 143 | - | 550 | - | 686 |
| Student contribution including repeat exam fees | - | 8,562 | 8,370 | 9,055 | 7,708 |
| Net fee income / Student numbers (Note 6) | 5,878 | 13,297 | 9,858 | 13,536 | 9,241 |
| | | | | | 22,777 |

- The HEA paid tuition fees in the year of:
- €3,568,863 (18/19: €3,312,814) for full time degree courses,
- €288,251 (18/19: €334,250) for higher certificate and ordinary degree courses, and
- €681,596 (18/19: €640,536) 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 €8,479,214 (18/19: €8,915,354).
- Springboard student numbers not included in the above: 254, 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 2020

5. Research Grants and Contracts

| | 2020 | 2019 |
|----------------------|--------------|--------------|
| | Total | Total |
| | €000 | €000 |
| Income | | |
| State and semi-state | 3,591 | 3,345 |
| European Union | 732 | 553 |
| Industry | 267 | 586 |
| Other | 70 | 181 |
| | <u>4,660</u> | <u>4,665</u> |
| Expenditure | | |
| Pay costs | 2,767 | 2,548 |
| Non-pay costs | 1,961 | 2,039 |
| | <u>4,728</u> | <u>4,587</u> |
| Net Outcome | (68) | 78 |

6. Analysis of state derived income

| Name of Grantor | Opening deferral 1 September 2019 €'000 | Grant received €'000 | Closing deferral 31 August 2020 €'000 | I&E 2020 €'000 |
|---|---|-------------------------|---|-------------------|
| Note 3 - State grant | | | | |
| HEA | (584) | 34,634 | 1,332 | 35,382 |
| Total State Income | <u>(584)</u> | <u>34,634</u> | <u>1,332</u> | <u>35,382</u> |
| Note 4 - Tuition fees and student contribution | | | | |
| HEA | 12 | 4,499 | 28 | 4,539 |
| SUSI | - | 8,491 | (12) | 8,479 |
| Other state | - | 285 | (6) | 279 |
| Total State Income | <u>12</u> | <u>13,275</u> | <u>10</u> | <u>13,297</u> |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

6. Analysis of state derived income (continued)

| Name of Grantor | Opening deferral | Grant received | Closing | I&E 2020 |
|---|------------------------------|-------------------|----------------------------|--------------|
| | 1 September 2019 €'000 | | 31 August 2020 €'000 | |
| Note 5 - Research grant and contracts | | | | |
| Dept. of Comms, Climate Action & Environment | - | 5 | - | 5 |
| Enterprise Ireland | 860 | 723 | (179) | 1,404 |
| Education & Training Board | | 14 | (9) | 5 |
| Environmental Protection Agency | (108) | 446 | (296) | 42 |
| Irish Research Council | 31 | 135 | (47) | 119 |
| Bórd Iascaigh Mhara | (88) | 257 | 83 | 252 |
| Marine Institute | (173) | 419 | 241 | 487 |
| University Hospital Galway | - | 9 | - | 9 |
| Dept. of Agriculture & Food | (40) | 128 | 166 | 254 |
| Intertrade Ireland | 3 | - | - | 3 |
| National Parks and Wildlife Service | 6 | - | 7 | 13 |
| Dept. of Housing, Planning, Community & Local Govt. | 4 | 12 | 3 | 19 |
| HEA | 117 | 753 | (184) | 686 |
| Fáilte Ireland | 4 | - | (3) | 1 |
| NUIG | 7 | 20 | (7) | 20 |
| NUI Maynooth | 2 | - | - | 2 |
| Údarás na Gaeltachta | - | 113 | - | 113 |
| UCD | 24 | 3 | - | 27 |
| UCC | 7 | 20 | (7) | 20 |
| Galway County Council | 2 | 2 | - | 4 |
| Dept. of Foreign Affairs | 2 | 4 | (3) | 3 |
| Mayo County Council | - | 4 | (4) | - |
| Science Foundation Ireland | 93 | - | (6) | 87 |
| Teagasc | 3 | 18 | (5) | 16 |
| Total State Income | 756 | 3,085 | (250) | 3,591 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

6. Analysis of state derived income (continued)

| Note 7 – Student support funding | Opening deferral | Grant received | Closing deferral | I&E 2020 |
|----------------------------------|------------------|----------------|------------------|------------|
| | 1 September 2019 | | 31 August 2020 | |
| | €'000 | €'000 | €'000 | €'000 |
| HEA | 514 | 1,147 | (773) | 888 |
| Total State Income | 514 | 1,147 | (773) | 888 |

7. Student Support Funding

| | 2020 | 2020 | 2020 | 2019 |
|---|--------------|--------------------|------------|------------|
| | Disabilities | Student Assistance | Total | Total |
| | €'000 | €'000 | €'000 | €'000 |
| Balance at 1 September | 513 | 1 | 514 | 2 |
| Receipts: | | | | |
| HEA | 742 | 681 | 1,423 | 1,444 |
| Less transfer to capital account | (276) | - | (276) | (32) |
| | 979 | 682 | 1,661 | 1,414 |
| Balance at 31 August to defer | (415) | (358) | (773) | (514) |
| Income | 564 | 324 | 888 | 900 |
| Amounts applied: | | | | |
| Pay costs | 407 | - | 407 | 423 |
| Non-pay costs | 157 | 324 | 481 | 477 |
| Total expenditure | 564 | 324 | 888 | 900 |
| 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
For the year ended 31 August 2020

8. Other Income

| | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| | €'000 | €'000 |
| Superannuation deductions retained | 2,310 | 2,452 |
| Rental of facilities | 162 | 354 |
| Sundry income | 1,223 | 1,203 |
| Net outcome | 3,695 | 4,009 |

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:

| | 2020 | 2019 |
|-------------------------------------|------------------|------------------|
| | No. of | No. of |
| | employees | employees |
| Teaching and research | 465 | 436 |
| Technical | 64 | 63 |
| Central administration and services | 232 | 227 |
| | 761 | 726 |

| | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| | €'000 | €'000 |
| Salaries and wages | 46,555 | 43,776 |
| Allowances and overtime | 387 | 478 |
| Employer's welfare Costs | 4,317 | 4,041 |
| Catering company salaries and wages | 612 | 783 |
| | 51,871 | 49,078 |

Termination payments to all staff

| | 2020 | 2019 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Total termination payments with an aggregate value in excess of €10k paid to each employee | 11 | 110 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
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For the year ended 31 August 2020

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 | - | 3,562 | - | 3,562 |
| President | 0.4 | | 73,858 | 73,858 |
| Acting President | 0.6 | | 94,138 | 94,138 |
| Executive Board | 10 | | 1,113,737 | 1,113,737 |
| | | 3,562 | 1,281,733 | 1,285,295 |

The Registrar, Dr. Michael Hannon was appointed Acting President of GMIT on 30th May 2019 until the 25th March 2020. Dr. Orla Flynn commenced as President of GMIT on 18th March 2020. 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 2020 | 31 August 2019 |
|--------------------|------------------|------------------|
| € | No. of employees | No. of employees |
| 60,000 - 70,000 | 73 | 68 |
| 70,001 - 80,000 | 71 | 75 |
| 80,001 - 90,000 | 159 | 161 |
| 90,001 - 100,000 | 26 | 30 |
| 100,001 -110,000 | 19 | 10 |
| 110,001 - 120,000 | 2 | 2 |
| 120,001 - 130,000 | - | 1 |
| 130,001 - 140,000 | - | - |
| 140,001 – 150,000 | 1 | - |
| 150,001+ | - | - |
| Grand Total | 351 | 347 |

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10. Other Operating Expenses

| | 2020 Pay costs €'000 | 2020 Other operating expenses €'000 | 2020 Total €'000 | 2019 Total €'000 |
|--|----------------------------|---|------------------------|------------------------|
| Academic departments | 37,609 | 1,748 | 39,357 | 37,781 |
| Academic services | 1,959 | 784 | 2,743 | 3,001 |
| Facilities | 1,898 | 3,669 | 5,567 | 4,929 |
| Central administration | 4,847 | 2,311 | 7,158 | 6,982 |
| General education | 361 | 437 | 798 | 813 |
| Student services | 1,411 | 1,089 | 2,500 | 2,304 |
| Student support funding | 407 | 481 | 888 | 900 |
| Research grants and contracts | 2,767 | 1,961 | 4,728 | 4,587 |
| Catering | 612 | 350 | 962 | 1,471 |
| Depreciation | | | 3,507 | 3,099 |
| Retirement benefit costs | | | 16,751 | 16,378 |
| Total expenditure | 51,871 | 12,830 | 84,959 | 82,245 |
| Total 2019 | 49,078 | 13,690 | 82,245 | |
| Analysis of other operating expenditure | | 2020 | 2019 | |
| | | €'000 | €'000 | |
| Services to students | | 1,262 | 1,156 | |
| Professional fees | | 1,174 | 1,186 | |
| General education | | 847 | 940 | |
| Materials and other consumables | | 843 | 1,074 | |
| Maintenance costs | | 1,715 | 1,261 | |
| Energy costs | | 732 | 788 | |
| Catering | | 350 | 688 | |
| Travel and subsistence | | 625 | 856 | |
| Other premises costs | | 556 | 565 | |
| Equipment | | 430 | 524 | |
| Computer costs | | 800 | 1,201 | |
| Miscellaneous | | 416 | 380 | |
| Rent and rates | | 396 | 407 | |
| General advertising and publicity | | 312 | 351 | |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
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Analysis of other operating expenditure (continued)

| | 2020 | 2019 |
|--|---------------|---------------|
| | €'000 | €'000 |
| Personnel costs | 343 | 404 |
| Library materials | 258 | 233 |
| Stationery and office materials | 201 | 301 |
| Postgraduate student grants | 453 | 444 |
| Insurance | 301 | 273 |
| Communications | 120 | 148 |
| Bad debts provision | 238 | 147 |
| Other research costs | 318 | 177 |
| Finance costs | 103 | 76 |
| Auditors remuneration | 36 | 29 |
| Governing body expenses | 1 | 3 |
| Write down of assets in course of construction | - | 78 |
| Total other operating expenses | 12,830 | 13,690 |

Other operating expenses include:

Auditors remuneration:

| | | |
|---|----|----|
| - External audit of Institute | 36 | 29 |
| - External audit of subsidiary | 5 | 3 |
| - Internal audit services provided by a third party | 57 | 35 |

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 | 2020 | 2019 |
|---|--------------|--------------|
| | €'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 | - | - |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
Notes to the Financial Statements
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12. Financial result for the year

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

| | 2020 | 2019 |
|--|---------------------|---------------------|
| | €'000 | €'000 |
| Institute surplus for the year | 4,042 | 2,189 |
| (Deficit) generated by subsidiaries and other undertakings | (252) | (97) |
| | <u>3,790</u> | <u>2,092</u> |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Notes to the Financial Statements

For the year ended 31 August 2020

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 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 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Notes to the Financial Statements For the year ended 31 August 2020

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 |
|---|------------------|-------------------------------------|---------------------|--------------------|-------------------|-----------------------|----------------|--|----------------|
| | €'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 | 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 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

Notes to the Financial Statements

For the year ended 31 August 2020

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 |
|--|------------------|-------------------------------------|---------------------|----------------------|-------------------|-----------------------|----------------|--|------------|----------------|
| | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 | €'000 |
| Cost | | | | | | | | | | |
| At 1 September 2018 | 90,067 | 599 | 1,785 | 4,781 | 880 | 10,255 | 110 | 131 | 94 | 108,702 |
| Additions in year | 1 | 1,278 | 9 | 751 | - | 922 | 10 | 110 | - | 3,081 |
| Transfer from assets in course of construction | 84 | (34) | - | - | - | - | - | (50) | - | - |
| Disposals in year | - | - | (495) | (565) | (201) | (804) | - | (78) | (53) | (2,196) |
| At 31 August 2019 | 90,152 | 1,843 | 1,299 | 4,967 | 679 | 10,373 | 120 | 113 | 41 | 109,587 |
| Depreciation | | | | | | | | | | |
| At 1 September 2018 | 36,544 | - | 1,693 | 3,828 | 694 | 8,803 | 95 | - | 64 | 51,721 |
| Charge for year | 1,896 | - | 29 | 585 | 28 | 547 | 4 | - | 10 | 3,099 |
| Eliminated on disposals | - | - | (495) | (565) | (200) | (804) | - | - | (37) | (2,101) |
| At 31 August 2019 | 38,440 | - | 1,227 | 3,848 | 522 | 8,546 | 99 | - | 37 | 52,719 |
| Net book value: | | | | | | | | | | |
| At 31 August 2019 | 51,712 | 1,843 | 72 | 1,119 | 157 | 1,827 | 21 | 113 | 4 | 56,868 |
| At 1 September 2018 | 53,523 | 599 | 92 | 953 | 186 | 1,452 | 15 | 131 | 30 | 56,981 |

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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 2018 | 90,067 | 599 | 1,785 | 4,781 | 880 | 10,255 | 110 | 131 | 108,608 |
| Additions in year | 1 | 1,278 | 9 | 751 | - | 922 | 10 | 110 | 3,081 |
| Transfers from assets in course of construction | 84 | (34) | - | - | - | - | - | (50) | - |
| Disposals in year | - | - | (495) | (565) | (201) | (804) | - | (78) | (2,143) |
| At 31 August 2019 | 90,152 | 1,843 | 1,299 | 4,967 | 679 | 10,373 | 120 | 113 | 109,546 |
| Depreciation | | | | | | | | | |
| At 1 September 2018 | 36,544 | - | 1,693 | 3,828 | 694 | 8,803 | 95 | - | 51,657 |
| Charge for year | 1,896 | - | 29 | 585 | 28 | 547 | 4 | - | 3,089 |
| Eliminated on disposals | - | - | (495) | (565) | (200) | (804) | - | - | (2,064) |
| At 31 August 2019 | 38,440 | - | 1,227 | 3,848 | 522 | 8,546 | 99 | - | 52,682 |
| Net book value | | | | | | | | | |
| At 31 August 2019 | 51,712 | 1,843 | 72 | 1,119 | 157 | 1,827 | 21 | 113 | 56,864 |
| At 1 September 2018 | 53,523 | 599 | 92 | 953 | 186 | 1,452 | 15 | 131 | 56,951 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
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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%

| | 2020 | 2019 |
|--|--------------|-----------|
| | €'000 | €'000 |
| Retained profit at 1 st September | 86 | 183 |
| Deficit for the year | (252) | (97) |
| Retained deficit/profit at 31 st August | <u>(166)</u> | <u>86</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 2021, all employees transferred to GMIT and became employees of GMIT retaining their existing term and conditions of employment. The total number of employees are 27 hourly paid staff and three fulltime staff. The company is being wound down through voluntary strike off with no material cost and all assets and liabilities of the company transferring to GMIT.

18. Receivables

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| Trade receivables | 237 | 303 | 237 | 303 |
| Research grants and contracts receivable | 2,624 | 1,978 | 2,624 | 1,978 |
| State grants receivable | 2,122 | 813 | 2,122 | 813 |
| State capital grant receivable | 625 | 370 | 625 | 370 |
| Academic fees receivable | 728 | 654 | 728 | 654 |
| Provision for bad debts | (548) | (552) | (545) | (552) |
| Prepayments | 360 | 351 | 357 | 348 |
| Other receivables | 733 | 478 | 756 | 406 |
| | <u>6,881</u> | <u>4,395</u> | <u>6,904</u> | <u>4,320</u> |

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19. Cash and Cash Equivalents

| | Consolidated | | Institute | |
|--|--------------|--------|-----------|--------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| Cash at bank including balances held on short term deposit | 16,453 | 12,273 | 16,444 | 12,092 |

20. Payables: amounts falling due within one year

| | Consolidated | | Institute | |
|--|---------------|--------------|---------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| Trade payables | 440 | 155 | 438 | 160 |
| Research grants and contracts in advance | 2,477 | 2,211 | 2,477 | 2,211 |
| Fees received in advance | 528 | 1,111 | 528 | 1,111 |
| State grants received in advance | 1,677 | - | 1,677 | - |
| State capital grant received in advance | 294 | 96 | 294 | 96 |
| Accruals | 3,146 | 2,576 | 3,103 | 2,493 |
| Other amounts received in advance | 1,098 | 280 | 1,098 | 280 |
| Student support funding | 773 | 513 | 773 | 513 |
| Other tax and social security | 1,507 | 1,498 | 1,395 | 1,399 |
| | 11,940 | 8,440 | 11,783 | 8,263 |

21. Lease Commitments/Licence Agreements

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

| | Land & buildings | Land & buildings |
|------------------|------------------|------------------|
| | 2020 | 2019 |
| | €'000 | €'000 |
| Operating leases | | |
| <i>Expiring:</i> | | |
| within 1 year | 315 | 292 |

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21. Lease Commitments/Licence Agreements (continued)

| | Land & buildings 2020 €'000 | Land & buildings 2019 €'000 |
|--------------------------|--------------------------------------|--------------------------------------|
| between 2 and 5 years | 101 | 117 |
| greater than 5 years | 36 | 54 |
| Total commitments | 452 | 463 |

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 2019/2020 GMIT paid a capital contribution of €100,000 and a further €210,000 in academic year 2020/2021.

22. Deferred Capital Grants

| | Consolidated | | Institute | |
|--|----------------|----------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| At 1 September opening balance | 56,864 | 56,951 | 56,864 | 56,951 |
| <i>Cash received in year:</i> | | | | |
| Allocated from state recurrent grant | 1,974 | 1,204 | 1,974 | 1,204 |
| Other state grants | 4,848 | 1,877 | 4,848 | 1,877 |
| Total | 6,822 | 3,081 | 6,822 | 3,081 |
| Amortised to income and expenditure in year | | | | |
| Amortised in line with depreciation | (3,505) | (3,089) | (3,505) | (3,089) |
| Write down of assets in course of construction | - | (78) | - | (78) |
| Release to income NBV on disposals | - | (1) | - | (1) |
| Total | (3,505) | (3,168) | (3,505) | (3,168) |
| At 31 August closing balance | 60,181 | 56,864 | 60,181 | 56,864 |

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
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23. Capital Development Reserve

| | Consolidated | | Institute | |
|--|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| At 1 September opening balance | 8,274 | 8,333 | 8,274 | 8,333 |
| Transfer to income and expenditure Account | (125) | | (125) | |
| Transfer to deferred state capital grants | (626) | (59) | (626) | (59) |
| At 31 August closing balance | 7,523 | 8,274 | 7,523 | 8,274 |

24. Capital Commitments

| | Consolidated | | Institute | |
|---------------------------------|--------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | €'000 | €'000 | €'000 | €'000 |
| Contracted for but not provided | 1,520 | 4,726 | 1,520 | 4,726 |
| Authorised but not contracted | - | - | - | - |
| | 1,520 | 4,726 | 1,520 | 4,726 |

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

The CUA (strategic alliance between Galway-Mayo Institute of Technology, Letterkenny Institute of Technology, and Institute Technology Sligo) aims to achieve designation to function as Technological University for the West and North West that delivers education and research to meet the economic, social, and cultural needs of the west/north-west region and contributes significantly to the achievement of the outcomes outlined in the National Development Plan and Ireland 2040.

During the period 2019/20, CUA partners focused on three key activities (i) Drafting CUA TU Application document (ii) Achievement of TU criteria and external verification of same and (iii) Agreement with unions on future terms and conditions for staff. Successful achievement of the above three key activities provides the CUA-TU with a solid basis upon which to become a single entity as a TU for the West and North-West.

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

The CUA has achieved significant progress during the period under review as follows:

1. Meet the TU criteria as detailed in the Technology Universities Act 2018

The CUA engaged the services of Deloitte Consultants to undertake an Eligibility Criteria Sample Process Review. The review was undertaken between October and December 2020. Deloitte confirmed in February 2021 that the CUA has met the relevant TU criteria as detailed in the TU Act 2018.

2. Prepare and submit an application document to become a TU.

The CUA Drafting Group, in conjunction with all the CUA Working and Subgroups prepared a TU application document. The document was accompanied by a series of appendixes and supplementary documents which support the TU application. The document has been edited externally and been through a thorough internal review process across the CUA Institutes.

3. Reach Agreement with Unions.

During the period of 2019/20, negotiations commenced with the TUI on a Memorandum of Understanding (and related position papers). The CUA submitted its application to become a TU to the Minister at the beginning of May 2021. This began a process of evaluation of the application, which concluded with the CUA receiving approval for designation as a Technological University (TU) announced by the Minister for Further and Higher Education, Research, Innovation and Science, Simon Harris, TD, on the 28th October 2021.

4. Post designation, enter into a transition phase for a limited period

The CUA has commenced its planning for a transition phase. This includes re-focusing the work of the four Working Groups and 19 Sub-groups from submission document preparation and attainment of TU criteria to developing plans for the transition to a TU, related policies, procedures and activities which will enable the CUA TU to act as one. Such activities include working with Edu Campus on the development of Business Process Alignment plans, preparation of draft policies and procedures, and establishment of a Joint Governing Body Sub-committee. The estimated total project cost to the end of August 2021 will be 24.6 m of which 11.6 m has been funded directly by the HEA through the Landscape and TUTF funding mechanisms. All funding was expended in pursuance of the project objectives.

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26. Related Parties

In the normal course of business, the Institute may enter into contractual arrangements with undertakings in which the Institute's Governing Body members are employed or otherwise interested. The Institute has adopted procedures in accordance with the 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 (€2,463 received at year end August 2020, (€0.00 1819).

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 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.

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27. Retirement Benefit Costs (continued)

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 2020. On retirement, members' pensions are paid by the National Shared Services Office on behalf of the DES 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.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2020 were as follows:

| | 2020 | 2019 |
|------------------|-------|-------|
| Discount rate | 1.05% | 0.90% |
| Inflation rate | 1.40% | 1.30% |
| Salary increases | 2.65% | 2.55% |

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27. Retirement Benefit Costs (continued)

| | | |
|-------------------------------------|-------|-------|
| Pension increases - Superann Scheme | 2.15% | 2.05% |
| Pension increases - Single Scheme | 1.40% | 1.30% |

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:

| | 2020 Years | 2019 Years |
|----------------|---------------|---------------|
| Male aged 65 | 21.7 years | 21.5 years |
| Female aged 65 | 24.1 years | 24.0 years |

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

| | Consolidated 2020 €'000 | Consolidated 2019 €'000 | Institute 2020 €'000 | Institute 2019 €'000 |
|---|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Current service cost | 16,637 | 13,946 | 16,529 | 13,818 |
| Interest on retirement benefit scheme liabilities | 2,818 | 5,042 | 2,804 | 5,016 |
| Employee contributions / (benefits paid) | (2,704) | (2,610) | (2,683) | (2,579) |
| | <u>16,751</u> | <u>16,378</u> | <u>16,650</u> | <u>16,255</u> |

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

| | Consolidated 2020 €'000 | Consolidated 2019 €'000 | Institute 2020 €'000 | Institute 2019 €'000 |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Net retirement benefit obligation at 1 September | 304,840 | 245,104 | 303,277 | 243,876 |
| Current service costs | 13,933 | 11,335 | 13,846 | 11,239 |

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27. Retirement benefit costs
(continued)

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Employee contributions | 2,704 | 2,610 | 2,683 | 2,579 |
| Interest costs | 2,818 | 5,042 | 2,804 | 5,016 |
| Benefits paid in period | - | - | - | - |
| Experience losses /(gains) on liabilities | 1,248 | 6,798 | 1,277 | 6,797 |
| Changes in actuarial assumptions | (4,085) | 38,634 | (4,066) | 38,453 |
| Past service losses / (gains) | - | - | - | - |
| Reduction in pension liabilities arising from retirements | (4,527) | (4,683) | (4,527) | (4,683) |
| Net retirement benefit obligations at 31 August | <u>316,931</u> | <u>304,840</u> | <u>315,294</u> | <u>303,277</u> |
| Split between: | | | | |
| SPSPS | 5,342 | 3,859 | 5,282 | 3,818 |
| ESS | 311,589 | 300,981 | 310,012 | 299,459 |

(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 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:

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27. Retirement Benefit Costs (continued)

| | Consolidated 2020 €'000 | Consolidated 2019 €'000 | Institute 2020 €'000 | Institute 2019 €'000 |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Funding recoverable in respect of retirement benefit costs | 16,751 | 16,378 | 16,650 | 16,255 |
| | <u>16,751</u> | <u>16,378</u> | <u>16,650</u> | <u>16,255</u> |

The deferred funding liabilities for retirement benefit as at 31 August 2020 amounted to €316,931,092, (2018/19: €308,840,484).

(vi) History of defined benefits obligations

| | Consolidated 2020 €'000 | Consolidated 2019 €'000 | Institute 2020 €'000 | Institute 2019 €'000 |
|-----------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| Defined benefit obligations | 316,931 | 304,840 | 315,294 | 303,277 |

28. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2020.

29. Post Balance Sheet Events

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

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 30th September 2021.