

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

---

---

## CONTENTS

	Page
Statement of Responsibility	1
Statement on Internal Control	2 - 5
Auditor's Report	6
Statement of Accounting Policies	7 - 9
Consolidated Income and Expenditure Account	10
Consolidated Balance Sheet	11
Institute Balance Sheet	12
Consolidated Cash Flow Statement	13
Notes to Financial Statements	14 - 21

## GALWAY-MAYO INSTITUTE OF TECHNOLOGY

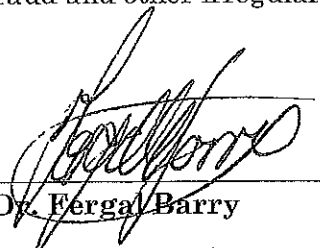
### STATEMENT OF INSTITUTE RESPONSIBILITIES

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

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

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

President: \_\_\_\_\_

  
Dr. Fergal Barry

Chairman: \_\_\_\_\_

  
Des Mahon

Date: \_\_\_\_\_

22 October 2015  
22 October 2015

## GALWAY-MAYO INSTITUTE OF TECHNOLOGY STATEMENT OF INTERNAL CONTROL

### **Responsibility for the System of Internal Control**

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

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

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

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

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

### **Code of Governance of Irish Institutes of Technology**

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

### **Key Control Procedures**

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

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

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

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

- Financial procedures and regulations are currently documented, implemented and up to date
- Defined management roles and responsibilities which have been communicated across academic departments and supporting functional

**GALWAY-MAYO INSTITUTE OF TECHNOLOGY**  
**STATEMENT OF INTERNAL CONTROL**

units. Regular reviews by the Governing Body of periodic and annual financial reports, which include financial performance against forecasts.

- Comprehensive budgeting system with an annual budget which is reviewed and approved by Governing Body.
- Development of targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- Formal management controls and checks including segregation of duties, and sample checking of Invoices and payments.
- An Audit Committee, with a defined audit charter is in place, with clear terms of reference, which deals with significant control issues and receives the reports of the internal and external auditors.
- An Internal Audit function which operates in accordance with the framework Code of Best Practice set out in the Code of Governance for Institutes of Technology. The annual internal audit plan is approved by the Audit Committee and the Internal Audit function reports to this subcommittee regularly.
- Procurement procedures which have been communicated to all staff.
- Disposal of asset procedures which have been communicated to all staff
- Processes to facilitate compliance with Guidelines on Achieving value for Money in Public Expenditure.
- Procedures and systems to facilitate compliance with all relevant taxation laws.

**Risk Management**

The following actions were undertaken in 2013/14:

- The Secretary Financial Controller was appointed Risk register holder in January 2014 and a review of the risk management policy, including the development of an updated risk register was undertaken. The new Risk Register was approved by Governing Body in November 2014.
- Risk Management was incorporated as an agenda item for 13 meetings of the Executive Board and 5 meetings of the Audit Committee and 1 meeting of the Governing Body.

The following actions will be undertaken in 2014/15:

- The Risk Register will be cascaded down through the relevant schools/functions.

**Key Items completed during 2013/14**

- The Governing Body effectiveness review was conducted during 2014. The Governing Body accepted the recommendations of the review at its November meeting and decided that implementation of the review would take effect at the appointment of the new Governing Body.

**GALWAY-MAYO INSTITUTE OF TECHNOLOGY**  
**STATEMENT OF INTERNAL CONTROL**

**Key Items in progress at year end 2014**

Following on from Managements review of the Institutes Internal Control Framework for 2014 control improvements have been identified and the following key items are being addressed in 2014/15:

Items Completed:

- The Anti-Fraud policy was approved by Governing Body at the January 2015 meeting.
- Critical Incident Plan and Business Continuity Plan was approved by the Executive Board at its December 2014 meeting.
- I.T Business Continuity Plan was approved by Executive Board at its December 2014 meeting.
- The Disclosure Policy was approved by Governing Body in January 2015.
- The sectoral level IT documentation was approved by the Governing Body in May 2015. These policies are:
  - GMIT Acceptable Usage Policy
  - Data Governance Policy
  - Email Retention Policy
  - Information Security Policy
  - Documentation Framework.

Items in progress yet to be completed:

- It had been anticipated that EPS and /or OGP would prepare a Corporate Procurement Plan on behalf of GMIT. However, in the absence of this being done, GMIT will complete an analysis of spend by the end of August 2016 to identify areas of savings/efficiencies that may be delivered from Procurement, outside of the areas that will be delivered by EPS/OGP.
- The Institute (and IOT sector) is not in compliance with two ICT circulars. Sectoral discussions have centred on whether or not the circulars are appropriate for the IOT sector. In 2011 the Sectoral Secretary Financial Controllers group drafted a letter to the Department of Finance seeking exemption on the basis that the education sector receives a greater discount from the purchase of ICT than the framework agreements have agreed. To date there has been no response from the department of Finance. The Institute intends to seek clarification on this matter in 2015/16.
- The Employee Code of Conduct was approved by the Governing Body at its September 2015 meeting.
- Ongoing review and enhancement of the risk management framework together with ongoing review of the Code of Governance of Irish Institutes of Technology to further improve and build the risk management and governance framework within GMIT.

As these activities reach completion, GMIT will commence the process of implementation.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY  
STATEMENT OF INTERNAL CONTROL

**Annual review of internal controls**

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

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

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

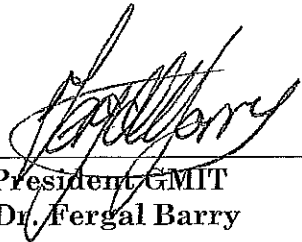
The role of the Audit Committee is to provide assurance to the Governing Body that an adequate system of internal control is implemented and operating effectively and this was done for 2013/2014. The Governing Body performed its review of the effectiveness of the system of Internal Control and Risk Management for the year ended 31 August 2014 on November 20th 2014.

Notwithstanding statements above, no weaknesses in internal control have been identified during the period that would lead to a material loss, contingency or uncertainty or would warrant disclosure in the statement of internal control.

**On behalf of the Governing Body**



Chairman of the Governing Body  
Des Mahon



President, GMIT  
Dr. Fergal Barry

Date: 22 October 2015  
22 October 2015

Date: 22 October 2015  
22 October 2015



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

## **Galway-Mayo Institute of Technology**

I have audited the consolidated financial statements of Galway-Mayo Institute of Technology (the financial statements) for the year ended 31 August 2014 under the Institutes of Technology Acts 1992 to 2006. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated balance sheet, the Institute balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is the Institutes of Technology Acts 1992 to 2006 and generally accepted accounting practice in Ireland.

### **Responsibilities of the Institute**

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

### **Responsibilities of the Comptroller and Auditor General**

My responsibility is to audit the financial statements and report on them in accordance with the Institutes of Technology Acts 1992 to 2006.

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

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

### **Scope of audit of the financial statements**

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

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

- the overall presentation of the financial statements.

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

### **Opinion on the financial statements**

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Group's and Institute's affairs at 31 August 2014 and of the Group's income and expenditure for the year then ended.

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

### **Going concern**

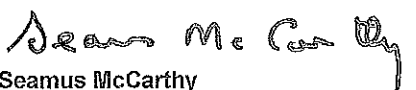
Without qualifying my opinion on the financial statements, I draw attention to Note 28. This discloses the basis upon which the Governing Body considers that it is appropriate to prepare the financial statements on a going concern basis. Deficits have been incurred by the Institute in each of the last three years. The members of the Governing Body are satisfied that the Institute remains a going concern.

### **Matters on which I report by exception**

I report by exception if

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

I have nothing to report in regard to those matters.



**Seamus McCarthy  
Comptroller and Auditor General**

**3 November 2015**

## GALWAY-MAYO INSTITUTE OF TECHNOLOGY STATEMENT OF ACCOUNTING POLICIES

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

### **1. BASIS OF PREPARATION**

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

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

### **2. BASIS OF CONSOLIDATION**

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

### **3. RECOGNITION OF INCOME**

#### **State Grants:**

Recurrent grants from the Higher Education Authority and other bodies are recognised in the period in which they are receivable. Non-recurrent grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

#### **Minor Capital Works:**

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

In all other cases minor capital works funding is recognised by the amount appropriate to the relevant academic year determined on a time apportionment basis.

#### **Research Grants and Contracts:**

Income from Research Grants and contracts is matched to expenditure and is included in the income of the year in which the related expenditure has been incurred. All research income and expenditure is shown under the headings 'Research Grants and Contracts'. Full provision is made for foreseeable losses.

#### **Student Fee Income:**

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



## GALWAY-MAYO INSTITUTE OF TECHNOLOGY

### **Interest Income:**

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

#### **4. STOCKS**

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

#### **5. FIXED ASSETS AND DEPRECIATION**

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

##### **(a) COST OR VALUATION**

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

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

##### **(b) EQUIPMENT**

From 1 September 2008, equipment costing less than €3,000 per individual item is written off to the income and expenditure account in the year of acquisition. From 1 September 2010, 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 capitalised in the normal way.

##### **(c) DEPRECIATION**

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

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

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

## GALWAY-MAYO INSTITUTE OF TECHNOLOGY

### **6. FOREIGN CURRENCIES**

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

### **7. PENSIONS**

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

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

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

The new Single Public Service Pension ( "Single Scheme") commenced with effect from 1 January 2013. All new entrants to pensionable public service employment on or after 1 January 2013 are, in general, members of the Single Scheme. Monies received from employees under this scheme are returned to the Department of Education and Skills.

### **8. DEFERRED CAPITAL GRANTS**

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

### **9. CAPITAL DEVELOPMENT RESERVE**

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

### **10. LEASES**

Rentals applicable to operating leases are charged to the Income and Expenditure account in equal annual amounts over the period of the lease.

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

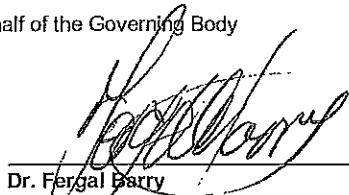
	NOTE	2014 € '000	2013 € '000
<b>INCOME</b>			
State Grants	1	23,499	25,281
Amortisation of Deferred Capital Grants	18	2,870	3,288
Student Fees	2	18,620	19,182
Research Grants and Contracts	3	1,957	2,377
Interest Income		267	462
Student Support Funding Income Recognised	4	895	918
Catering	27	1,447	1,394
Other Income	5	3,534	3,327
		53,089	56,229
<b>EXPENDITURE</b>			
Academic Departments	6	31,558	32,168
Academic Services	7	2,521	2,470
Facilities Costs	8	4,721	5,288
Central Administration & Services	9	5,602	5,708
General Educational Expenses	10	908	927
Student Services	11	2,571	2,500
Research Grants and Contracts	3	2,696	2,913
Student Support Funding Income Applied	4	895	918
Write down of Assets in Course of Construction		0	115
Depreciation	14	2,878	3,176
Catering Costs	27	1,423	1,421
	12	55,773	57,604
(Deficit) for the year before transfer to Capital Development Reserve		(2,684)	(1,375)
Transfer from Capital Development Reserve	24	226	108
(Deficit) for the year		(2,458)	(1,267)
Accumulated Surplus at 1 September		4,093	5,360
Accumulated Surplus at 31 August		1,635	4,093

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

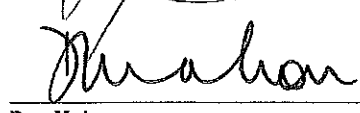
The statement of accounting policies, cash flow statement and Notes 1 to 29 form part of the Financial Statements.

Signed on behalf of the Governing Body

PRESIDENT :

  
Dr. Fergal Barry

CHAIRMAN :

  
Des Mahon

DATE:

22 October 2015  
22 October 2015

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

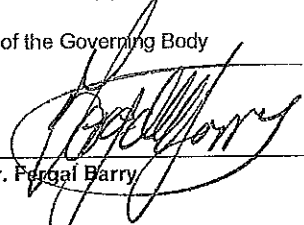
## CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2014

	NOTE	2014 € '000	2013 € '000
<b>Fixed Assets</b>			
Tangible Assets	14	66,270	68,433
<b>Current Assets</b>			
Debtors and Prepayments	16	1,258	1,671
Cash at Bank and in Hand		13,017	15,817
Stock		7	7
		14,282	17,495
<b>Current Liabilities</b>			
Creditors and accrued expenses : Amounts falling due within 1 year	17	3,920	4,387
Net Current Assets		10,362	13,108
Net Assets		76,632	81,541
<b>Represented By</b>			
Deferred Capital Grants	18	66,263	68,421
Income & Expenditure Account		1,635	4,093
Capital Development Reserve	24	8,734	9,027
		76,632	81,541

The statement of accounting policies, cash flow statement and Notes 1 to 29 form part of the Financial Statements.

Signed on behalf of the Governing Body

PRESIDENT :

  
Dr. Fergal Barry

CHAIRMAN :

  
Des Mahon

DATE:

22 October 2015

22 October 2015

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

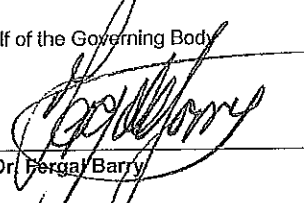
## INSTITUTE BALANCE SHEET AS AT 31 AUGUST 2014

	NOTE	2014 € '000	2013 € '000
<b>Fixed Assets</b>			
Tangible Assets	15	66,263	68,421
<b>Current Assets</b>			
Debtors and Prepayments	16	1,229	1,649
Cash at Bank and in Hand		<u>12,914</u>	<u>15,726</u>
		14,143	17,375
<b>Current Liabilities</b>			
Creditors and accrued expenses : Amounts falling due within 1 year	17	<u>3,889</u>	<u>4,351</u>
Net Current Assets		10,254	13,024
<b>Net Assets</b>		<u><u>76,517</u></u>	<u><u>81,445</u></u>
<b>Represented By</b>			
Deferred Capital Grants	18	66,263	68,421
Income & Expenditure Account		1,520	3,997
Capital Development Reserve	24	<u>8,734</u>	<u>9,027</u>
		<u><u>76,517</u></u>	<u><u>81,445</u></u>

The statement of accounting policies, cash flow statement and Notes 1 to 29 form part of the Financial Statements.

Signed on behalf of the Governing Body

PRESIDENT :

  
Dr. Peral Barry

CHAIRMAN :

  
Des Mahon

DATE:

22 October 2015  
22 October 2015

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

	2014	2013
	€'000	€'000
<b>Reconciliation of operating profit/deficit to net cash inflow from operating activities</b>		
Operating (Deficit)	(2,684)	(1,375)
Interest Income	(267)	(462)
Depreciation	2,878	3,176
Write down of assets in course of construction		115
Amortisation in line with asset Depreciation	(2,870)	(3,288)
Decrease in Stocks		3
Decrease/(Increase) in Debtors	424	(464)
(Decrease) in Creditors	(472)	(264)
<b>Net Cash (Outflow) from Operating Activities</b>	<b>(2,991)</b>	<b>(2,559)</b>

### CASH FLOW STATEMENT

<b>Net Cash (Outflow) from Operating Activities</b>	<b>(2,991)</b>	<b>(2,559)</b>
<b>Returns on Investment &amp; Servicing of Finance</b>		
Interest Received	241	620
Taxation Refund/(Paid)	7	(7)
<b>Capital Expenditure</b>		
Payments to acquire Fixed Assets	(702)	(921)
<b>Net Cash Outflow for Capital Expenditure</b>	<b>(702)</b>	<b>(921)</b>
<b>Financing</b>		
State Capital Grants spent on Fixed Assets	209	140
State Recurrent Grant spent on Fixed Assets	240	493
Other Funds Spent on Fixed Assets	196	165
<b>Net Cash inflow from Financing</b>	<b>645</b>	<b>798</b>
<b>(Decrease) in Cash</b>	<b>(2,800)</b>	<b>(2,069)</b>

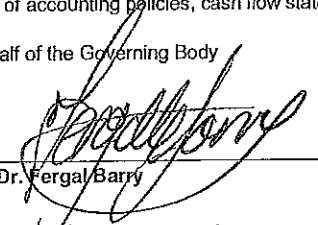
### Reconciliation of net cash flow to movement in net funds

<b>(Decrease) in cash</b>		
Opening net funds	15,817	17,886
Net funds at 31 August	<b>13,017</b>	<b>15,817</b>
	<b>(2,800)</b>	<b>(2,069)</b>


The statement of accounting policies, cash flow statement and Notes 1 to 29 form part of the Financial Statements.

Signed on behalf of the Governing Body

PRESIDENT:

  
Dr. Fergal Barry

CHAIRMAN:

  
Des Mahon

DATE:

22 October 2015  
22 October 2015

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

	Allocated for Recurrent Expenditure €'000	Allocated for Capital Expenditure €'000	Total 2014 €'000	Total 2013 €'000
<b>1. STATE GRANTS</b>				
The following is a summary of State Grants recognised in the year:				
State Grant for Recurrent Expenditure - Higher Education Authority	23,664	240	23,904	25,895
State Grant for Capital Expenditure - Higher Education Authority	11	33	44	19
State Grant for Minor Capital Works - Higher Education Authority	(176)	176	0	0
<b>Total 2014</b>	<u>23,499</u>	<u>449</u>	<u>23,948</u>	
<b>Total 2013</b>		<u>633</u>		<u>25,914</u>

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

	2014 € '000	Student No's (WTE)	2013 € '000	Student No's (WTE)
<b>2. STUDENT FEES</b>				
Fees paid by State	4,137	4,412	5,022	4,502
Non EU Fees	744	120	764	120
Fees paid by students or on behalf of students	581	562	966	698
Lifelong Learning Fees	479	118	749	129
Gross Student Contribution including repeat exam fees	12,691		11,701	
Transfer to Capital Account	(12)		(20)	
	<u>18,620</u>	<u>5,212</u>	<u>19,182</u>	<u>5,449</u>

The Higher Education Authority paid Tuition Fees in the year of €2,230,937 (12/13 €2,145,375) for full time Degree courses, €1,215,496 (12/13 €2,131,500) for higher certificate and ordinary degree courses and €700,112 (€745,396) for full time nursing degree courses the total costs of which are partly funded by the ESF. Student numbers are stated as wholtime equivalents, based on enrolled credits. Annual Student Contribution's are payable by students, the full time rate being set at €2,500 (2013/14), €2,250 (2012/13)

### **3. RESEARCH GRANTS & CONTRACTS**

	2014 € '000	2013 € '000
<b>Income</b>		
Research Grants and Contracts	2,049	2,476
Transfer to Capital Account	(92)	(99)
	<u>1,957</u>	<u>2,377</u>
<b>Expenditure</b>		
Pay Costs	1,238	1,362
Non Pay Costs	1,458	1,551
	<u>2,696</u>	<u>2,913</u>
(Deficit)	<u>(739)</u>	<u>(536)</u>

### **4. STUDENT SUPPPORT FUNDING**

	Student Assistance Fund € '000	Fund for Students with Disabilities € '000	2014 € '000	2013 € '000
Balance at 1 September	4	293	297	258
Receipts	334	438	772	990
Less Transfer to Capital Account	-	(79)	(79)	(33)
<i>Amounts Applied</i>				
Pay Costs	-	503	503	412
Non Pay Costs	338	54	392	506
	<u>338</u>	<u>557</u>	<u>895</u>	<u>918</u>
Balance at 31 August	<u>0</u>	<u>95</u>	<u>95</u>	<u>297</u>

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

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

	2014	2013		
	€ '000	€ '000		
<b>5. OTHER INCOME</b>				
Superannuation Deductions Retained	2,173	2,184		
Rental of Facilities	283	282		
Pay costs recouped in respect of seconded staff	83	94		
Sale of Class Materials	363	208		
Photocopying Services	2	11		
Springboard & ICT Skills Initiative	415	370		
Other Income	228	192		
Transfer to Capital Account	(13)	(14)		
<b>Total</b>	3,534	3,327		
<b>6. ACADEMIC DEPARTMENTS</b>				
Pay Costs	29,907	30,344		
Non Pay Costs	1,651	1,824		
<b>Total</b>	31,558	32,168		
<b>7. ACADEMIC SERVICES</b>				
Pay Costs	1,894	1,809		
Non Pay Costs	627	661		
<b>Total</b>	2,521	2,470		
<b>8. FACILITIES COSTS</b>				
Pay Costs	1,579	1,605		
Non Pay Costs	3,142	3,683		
<b>Total</b>	4,721	5,288		
<b>9. CENTRAL ADMINISTRATION AND SERVICES</b>				
Pay Costs	3,594	3,685		
Non Pay Costs	2,008	2,023		
<b>Total</b>	5,602	5,708		
<b>10. GENERAL EDUCATION EXPENSES</b>				
<b>EXAMINATIONS:</b>				
Pay Costs	507	650		
Non Pay Costs	401	277		
<b>Total</b>	908	927		
<b>11. STUDENT SERVICES</b>	<b>Staff Costs</b>	<b>Non-Pay</b>	<b>2014</b>	<b>2013</b>
	€'000	€'000	€ '000	€ '000
Subvention to Clubs, Societies and Students Union	0	793	793	842
Student Services	761	489	1,250	1,143
Career Advisory Services	69	11	80	85
Sports & Recreation	17	1	18	19
Health & Counselling	313	117	430	411
<b>Total</b>	1,160	1,411	2,571	2,500



# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

	Staff Costs € '000	Other Operating Expenses € '000	Depreciation € '000	Total 2014 € '000	Total 2013 € '000
<b>12. ANALYSIS OF EXPENDITURE</b>					
Research Grants & Contracts	1,238	1,458	302	2,998	3,366
Academic Departments	29,907	1,851	519	32,077	32,754
Academic Services	1,894	627	180	2,701	2,677
Facilities Costs	1,579	3,142	1,779	6,500	7,129
Central Administration & Services	3,594	2,008	34	5,636	5,756
General Education Expenses	507	401	-	908	927
Student Services & Amenities	1,663	1,803	58	3,524	3,453
Write down of Assets in Course of Construction	-	-	-	-	115
Catering	746	677	6	1,429	1,427
<b>2014 Total</b>	<b>41,128</b>	<b>11,767</b>	<b>2,878</b>	<b>55,773</b>	
<b>2013 Total</b>	<b>41,720</b>	<b>12,708</b>	<b>3,176</b>		<b>57,604</b>

### Analysis of Other Operating Expenditure

Services to students	1,354	1,512
Maintenance Costs	1,193	1,585
General Education	946	747
Professional Fees	880	1,024
Energy Costs	905	960
Materials & Other Consumables	769	772
Catering	677	662
Travel & Subsistence	643	723
Computer costs	543	532
Equipment	459	566
Other Premises Costs	446	509
Rent and Rates	429	403
Miscellaneous	411	427
Personnel Costs	352	386
Library Materials	320	377
Stationery & office materials	276	262
Bad Debts Provision	241	287
General Advertising & Publicity	238	201
Postgraduate Student Grants	225	142
Communications	205	209
Insurance	133	128
Other Research Costs	52	109
Finance costs	41	41
Auditors Remuneration	28	28
Governing body expenses	1	1
Write down of Assets in Course of Construction	0	115
<b>Total</b>	<b>11,767</b>	<b>12,708</b>

### 13. TAXATION

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

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

### 14. CONSOLIDATED TANGIBLE FIXED ASSETS

COST OR VALUATION	LAND & BUILDINGS		BUILDINGS & FIXTURES & FITTINGS		COMPUTER EQUIPMENT €'000	PLANT & MACHINERY €'000	MOTOR VEHICLES €'000	FURNITURE & EQUIPMENT €'000	OTHER ASSETS & IN COURSE OF CONSTRUCTION €'000
	€'000	€'000	€'000	€'000					
AT 1 SEPTEMBER 2013	104,724	89,293	744	1,695	3,204	697	94	8,851	146
ADDITIONS	724	32	116	11	305	0	0	181	79
TRANSFERS FROM IN COURSE OF CONSTRUCTION	(12)	53	(65)	0	0	0	0	0	0
DISPOSALS	(138)	0	0	(6)	(106)	0	0	(26)	0
AT 31 AUGUST 2014	105,298	89,378	795	1,700	3,403	697	94	9,006	225
DEPRECIATION									
AT 1 SEPTEMBER 2013	36,291	24,331	0	1,534	2,520	520	89	7,297	0
CHARGE FOR YEAR	2,878	1,627	0	32	451	50	4	714	0
DISPOSALS	(141)	0	0	(6)	(106)	0	0	(28)	0
AT 31 AUGUST 2014	39,028	25,958	0	1,560	2,865	570	93	7,982	0
NET BOOK VALUE									
AT 31 AUGUST 2014	66,270	63,420	795	140	538	127	1	1,024	225
AT 1 SEPTEMBER 2013	68,433	64,962	744	161	684	177	5	1,554	146

Institute land on 1st January, 1993 (date of commencement order) was valued at nil and subsequent land additions are valued at historical cost. Buildings on 1st January, 1993 (date of commencement order) were valued on a depreciated replacement cost basis and subsequent additions are valued at historical cost.

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

### 15. INSTITUTE TANGIBLE FIXED ASSETS

COST OR VALUATION	LAND & BUILDINGS		BUILDINGS & FIXTURES & FITTINGS		COMPUTER EQUIPMENT	PLANT & MACHINERY	MOTOR VEHICLES	FURNITURE & IN COURSE OF CONSTRUCTION	OTHER ASSETS
	€'000	CONSTRUCTION	INCL PREFABS	€'000					
AT 1 SEPTEMBER 2013	104,686	89,293	744	1,695	3,204	697	94	8,813	146
ADDITIONS	724	32	116	11	305	0	0	181	79
TRANSFERS FROM IN COURSE OF CONSTRUCTION	(12)	53	(65)	0	0	0	0	0	0
DISPOSALS	(138)	0	0	(6)	(106)	0	0	(26)	0
AT 31 AUGUST 2014	105,260	89,378	795	1,700	3,403	697	94	8,988	225

### DEPRECIATION

AT 1 SEPTEMBER 2013	36,265	24,331	0	1,534	2,520	520	89	7,271	0
CHARGE FOR YEAR	2,872	1,627	0	32	450	50	4	709	0
DISPOSALS	(140)	0	0	(6)	(105)	0	0	(29)	0
AT 31 AUGUST 2014	38,997	25,958	0	1,560	2,865	570	93	7,951	0

### NET BOOK VALUE

AT 31 AUGUST 2014	66,263	63,420	795	140	538	127	1	1,017	225
AT 1 SEPTEMBER 2013	68,421	64,962	744	161	684	177	5	1,542	146

Institute land on 1st January, 1993 (date of commencement order) was valued at nil and subsequent land additions are valued at historical cost. Buildings on 1st January, 1993 (date of commencement order) were valued on a depreciated replacement cost basis and subsequent additions are valued at historical cost.

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

	NOTE	Consolidated		Institute	
		2014 € '000	2013 € '000	2014 € '000	2013 € '000
<b>16. DEBTORS AND PREPAYMENTS</b>					
State Recurrent Grant		0	335	0	335
Student Fees		150	349	150	349
Student Maintenance Grants	22	3	4	3	4
Other Debtors		254	190	227	171
Prepayments & Accrued Income		412	174	410	171
State & Other Capital Grant		53	41	53	41
Research Grants & Contracts		386	578	386	578
<b>Total</b>		<b>1,258</b>	<b>1,671</b>	<b>1,229</b>	<b>1,649</b>

### 17. CREDITORS AND ACCRUED EXPENSES

<b>Payments received in advance:</b>					
- State Recurrent Grant		35	0	35	0
- Research Grants & Contracts		467	861	467	861
- Student Fees		643	445	643	445
- Student Support Funding		95	297	95	297
		<u>1,240</u>	<u>1,603</u>	<u>1,240</u>	<u>1,603</u>
<b>Trade Creditors and Accruals:</b>					
PAYE		680	628	675	625
PRSI		347	316	342	312
Income Tax Withheld		12	10	12	10
Trade Creditors		186	216	179	205
Accruals		1,455	1,614	1,441	1,596
<b>Total</b>		<b>3,920</b>	<b>4,387</b>	<b>3,889</b>	<b>4,351</b>

### 18. DEFERRED CAPITAL GRANTS

	2014 € '000	2013 € '000
Balance at 1 September	68,421	70,814
<b>Capital Grants Receivable:</b>		
State Capital Grants - Higher Education Authority	209	140
Allocated from State Recurrent Grant - Higher Education Authority	240	493
Other Capital Funding	263	262
	<u>712</u>	<u>895</u>
<b>Release to Income:</b>		
Amortisation in line with depreciation	2,870	3,170
Release to Income re NBV on Disposals	-	3
Release to income re Write down assets in course of construction	-	115
	<u>2,870</u>	<u>3,288</u>
Balance at 31 August	<u>66,263</u>	<u>68,421</u>

### 19. LEASING COMMITMENTS

GMIT has the following obligations under operating leases during the next year for which the commitment expires:

	2014 € '000	2013 € '000
Within one year	257	257
Within two to five years	0	0
Later than five years	17	0
<b>Total</b>	<b>274</b>	<b>257</b>

### 20. CONTINGENCIES

There were no Contingent Liabilities.

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

### 21. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

Estimated Capital Commitments €141,307 (12/13 €174,891) existed at the end of the period.

22. STUDENT MAINTENANCE GRANTS	2014 € '000	2013 € '000
Balance at 1 September	(4)	2
Receipts from HEA (Colleges Section)	776	1,833
Receipts from HEA (Student Support Unit)	283	662
Payments to Students	(776)	(1,840)
Payments to Students (Top ups)	(282)	(661)
Balance at 31 August	<u>(3)</u>	<u>(4)</u>

The Institute processes payments to students in respect of maintenance grants which are notified by the relevant VEC or Local Authority. Funding for these payments is provided by the Department of Education and Skills with co funding provided by the European Social Fund (ESF). These transactions are not included separately in the Income and Expenditure Account. From 1st September 2012 responsibility of Third Level Training and Top up Grants was allocated to SUSI (Student Universal Support Ireland). For students that commenced study prior to this date, the payment of Third Level Training Grant continues to be processed by the Institute. The level of grants processed by the Institute is therefore reducing in each period and from 2015/2016 all payments will be made by SUSI.

### 23. NUMBER OF WHOLETIME EQUIVALENT EMPLOYEES EMPLOYED

	2014	2013
Core Staff	587	599
Exchequer Funded Research Staff	11	14
Other Research and/or Specialist Project-based	28	18
Funded from non-Exchequer sources	<u>22</u>	<u>21</u>
Total	<u>648</u>	<u>652</u>

	2014 € '000	2013 € '000
24. CAPITAL DEVELOPMENT RESERVE		
Opening balance at 1 September	9,027	9,232
Transfer to Income & Expenditure Account	<u>(226)</u>	<u>(108)</u>
	8,801	9,124
Transfer to Capital Account	<u>(67)</u>	<u>(97)</u>
Amount of fund at 31 August	<u>8,734</u>	<u>9,027</u>

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

### 25. COMPARATIVE FIGURES

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

### 26. DISCLOSURE OF TRANSACTIONS - GOVERNING BODY MEMBERS

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

# GALWAY-MAYO INSTITUTE OF TECHNOLOGY

## NOTES TO THE FINANCIAL STATEMENTS

### 27. SUBSIDIARY AND RELATED UNDERTAKINGS

The Catering facilities in the Institute are provided by GMT Catering Company Limited, a separate company having no share capital and limited by guarantee. The Institute is responsible for the running of the company. The results of the company have been consolidated in these financial statements. The consolidated income and expenditure account, consolidated balance sheet and consolidated cash-flow statement on pages 10, 11 and 13 respectively include information relating to the GMT Catering Company Limited. Set out below are the financial results of the company for the year ended 31 August 2014 as included in the consolidated accounts.

	2014	2013
	€ '000	€ '000
Sales	<u>1,447</u>	<u>1,394</u>
Staff Costs	746	759
Consumables & Other Expenses	<u>677</u>	<u>662</u>
Total Expenditure excluding Depreciation	<u>1,423</u>	<u>1,421</u>
Depreciation	<u>5</u>	<u>6</u>
	<u>1,428</u>	<u>1,427</u>
Surplus/(Deficit) after Depreciation	19	(33)
Opening Accumulated Surplus at 1st Sept	<u>95</u>	<u>128</u>
Accumulated Surplus at 31 August	<u>114</u>	<u>95</u>

### 28. GOING CONCERN

GMT incurred operating deficits in each of the years ended 31 August 2012, 31 August 2013 and 31 August 2014. The Institute is aware that further deficits of similar magnitude will result in depletion of reserves that could call into question the going concern status of the Institute in the medium term.

The main factors contributing to these deficits include the following:

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

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

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

### 29. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Governing Body on 22nd October, 2015.