

GMIT

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

CONSOLIDATED FINANCIAL

STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 2017

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONTENTS

	Page
Statement of Institute Responsibilities	1
Statement on Internal Control	2 - 5
Report of the Comptroller & Auditor General	6 - 7
Consolidated Statement of Income and Expenditure	8
Consolidated Statement of Changes in Reserves and Capital Account	9
Consolidated and Institute Statement of Financial Position	10
Consolidated Statement of Cash Flows	11
Notes to Financial Statements	12-31

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INSTITUTE RESPONSIBILITIES

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

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

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

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

Chairman:



Cormac MacDonneha

Registrar deputising for the President:



Dr. Michael Hannon

Date:

13th DEC 2018

13th December, 2018

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

Governing Body Responsibility for the System of Internal Control

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

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

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

Reasonable assurance against material error

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

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

Code of Governance of Irish Institutes of Technology

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

The new THEA Code of Governance for Institutes of Technology was issued in January 2018. It was adopted by the Governing Body on 26th March 2018 and an implementation plan is in place to ensure compliance by the 31 August 2018.

Key Control Procedures put in place designed to provide effective Internal Control

Appropriate control environment :

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

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

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

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

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

Business Risks :

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

- An Audit and Risk Committee comprising of three Governing Body members and two external members. The Audit and Risk committee met five times in 2016/2017.
- Outsourced Internal audit function which conducts a programme of work agreed with the Audit and Risk Committee.
- Adherence to the Risk Management Policy which was reviewed updated and approved by the Governing Body in December 2015.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

- Maintaining a Strategic Risk Register which identifies key strategic risks, the risk owners and controls to mitigate these risks. Any action plans to further mitigate these risks are assigned to specific staff.
- Cascading the Strategic Risk Register to the School/Functional areas.
- The Risk Register was reviewed and updated by the Executive Board and presented to the Audit Committee on the 29th of August 2017 who recommended it for approval by the Governing Body. The Governing Body approved the Risk Register on the 31st August 2017.
- Key risks are regular agenda items at Executive Board, Audit and Risk Committee and Governing Body meetings.
- Ongoing review and enhancement of the risk management framework together with ongoing review of the THEA Code of Governance for Irish Institutes of Technology to further improve and build the risk management and governance framework within GMT.

Information Systems:

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

Financial Implications of major business risks:

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

- Financial procedures and regulations are currently documented, implemented and up to date
- Clearly defined capital investment control guidelines.
- Formal management controls and checks including segregation of duties and sample checking of invoices and payments.
- Procurement procedures which have been communicated to all staff.
- A Fraud Policy
- 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.

Monitoring the effectiveness of the Internal Control system:

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

Review of the effectiveness of the System of Internal Control:

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

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

- 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 following Internal audits were conducted during the year:
 - Student Retention Review
 - Timetabling and Staff Utilisation
 - Review of Compliance with Financial aspects of the Internal Control Framework.

- The Audit and Risk Committee which oversees the work of Internal Audit. The committee meets the Internal Auditors on a regular basis to review the work of Internal Audit. The Audit and Risk Committee has noted that the significant issues, which they dealt with during the period and reported to the Governing Body were, as follows:
 - Oversight of the recommendations of the Internal Auditor including a full look-back review of previous recommendations.
 - Meeting with the Comptroller and Auditor General to review the outcomes of GMIT's annual statutory audit, including a private meeting with C&AG without members of the executive.
 - Regular meetings with the Internal Auditors to discuss their work programme, the outcomes of their audit and a private meeting without the executive.
 - Review of the Institutes Internal control framework and the control improvements identified by management.
 - Review of the risk management framework.

- The Institutes management team who have responsibility for the development and maintenance of the Internal Control Framework.

This framework is a key tool for implementing internal control and assessing its effectiveness. The Framework sets out each of the key controls in place within GMIT, together with the owner of each control and any control improvements identified during the annual review of the framework. When reviewing and updating the Internal control framework the management team have considered the following

 - The compliance requirement
 - The control environment
 - Processes for monitoring
 - Communication and reporting

- The Risk Management process. The Risk management policy was reviewed and updated by the Governing Body in August 2017.

- The recommendations for improvement made by the Comptroller and Auditor General in the management letter or other reports.

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

The role of the Audit Committee is to provide assurance to the Governing Body that an adequate system of internal control is implemented and operating effectively, and this was done for 2016/2017. The Governing Body performed its review of the effectiveness of the system of Internal Control and Risk Management for the year ended 31st August 2017 on the 14th of December 2017.

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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT ON INTERNAL CONTROL

Internal control weaknesses are outlined in the table below.

Area of Non-Compliance or weaknesses in Internal Control	Actions to be taken to attain compliance or correct weaknesses	Due Date
Absence of a Strategic Plan	The vision and strategy for the Institute for 2018-2022 will be finalised through planned consultation before end of 2018	2018
Absence of a Corporate procurement plan	The Institute plans to have a draft Corporate Procurement Plan in 2018	2018
No fixed asset cycle counts carried out	Cycle counts will commence in March 2018	20% of assets to be counted in 2018 as part of policy to cover all assets over a 5 year period.

On behalf of the Governing Body




Cormac MacDonncha

Chairman of the Governing Body

Date: 13th DEC 2018

13th December, 2018



Dr. Michael Hannon

Registrar deputising for the President
GMIT

Date: 13-12-18

13th December, 2018



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 financial statements

I have audited the financial statements of Galway-Mayo Institute of Technology for the year ending 31 August 2017 as required under the provisions of the Institutes of Technology Acts 1992 to 2006. The financial statements comprise

- the consolidated statement of income and expenditure
- the consolidated statement of changes in reserves and capital account
- the consolidated and Institute statement of financial position
- the consolidated statement of cash flows, and
- the related notes, 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 Institute at 31 August 2017 and of its income and expenditure 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*.

Emphasis of matter — going concern

Without qualifying my opinion on the financial statements, I draw attention to Note 1c Going Concern. The Institute has incurred deficits in each of the last six years and had an accumulated deficit of €3.9 million at 31 August 2017. The note outlines the basis upon which the members of the Governing Body are satisfied that the Institute remains a going concern.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Institute and have fulfilled my other ethical responsibilities in accordance with the standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Institute has presented certain other information together with the financial statements. This comprises the statement of Institute responsibilities and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

18 December 2018

Appendix to the report

Responsibilities of Governing Body members

The statement of Institute responsibilities sets out the Governing Body members' responsibilities. The Governing Body members are responsible for

- 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 there are 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 there is 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 Statement of Income and Expenditure Year ended 31 August 2017

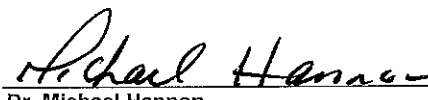
	Note	Consolidated 31/08/17 €'000	Institute 31/08/17 €'000	Consolidated 31/08/16 €'000	Institute 31/08/16 €'000
Income					
State Grants	3	24,424	24,424	23,849	23,849
Tuition Fees	4	20,650	20,650	20,077	20,077
Research Grants & Contracts	5	3,198	3,198	2,654	2,654
Student Support Funding	7	926	926	923	923
Other Income	8	4,308	4,366	4,017	4,017
Amortisation of Deferred Capital Grants	22	2,508	2,508	2,595	2,595
Interest Income		20	20	38	38
Catering		1,524	-	1,587	-
Deferred Pension Funding	27	14,464	14,343	-	-
Total Income		72,022	70,435	55,740	54,153
Expenditure					
Staff costs	9	44,178	43,436	42,989	42,173
Retirement Benefit Costs	27	14,464	14,343	-	-
Other Operating Expenses	10	11,564	10,848	11,765	11,055
Depreciation	13-16	2,518	2,508	2,601	2,595
Total Expenditure		72,724	71,135	57,355	55,823
Deficit before other gains / (losses)		(702)	(700)	(1,615)	(1,670)
Deficit before Tax		(702)	(700)	(1,615)	(1,670)
Taxation	11	-	-	(6)	-
Deficit for the year		(702)	(700)	(1,621)	(1,670)
Experience (losses) / gains on retirement benefit obligations					
Changes in assumptions underlying the present value of retirement benefit obligations	27	5,811	5,788	0	0
Total actuarial gains / (losses) in the year		5,811	5,788	0	0
Adjustment to deferred retirement benefits funding		(5,811)	(5,788)	0	0
Total comprehensive income for the year	12	(702)	(700)	(1,621)	(1,670)

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



Cormac MacDonncha
Chairman

Date 13th Dec 2018
13th December, 2018



Dr. Michael Hannon
Registrar deputising for the President

Date 13-12-18
13th December, 2018

Galway-Mayo Institute of Technology

Statement of Changes in Reserves and Capital Account
For the year ended 31 August 2017


Institute	Deferred Capital Grants €'000	Capital Development Reserve €'000	Revenue Reserves €'000	Total €'000
Opening Balance at 1 September 2015	64,868	8,273	(1,643)	71,498
Deficit for the year before appropriations			(1,670)	(1,670)
Amortisation of Deferred Capital Grants	(2,595)			(2,595)
State Grant Allocated to Capital	955			955
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	3	(3)		-
Transfer to Capital Development Reserve from Revenue Reserves		180	(180)	-
Movement for the Period	(1,637)	177	(1,850)	(3,310)
Balance at 31 August 2016	63,231	8,450	(3,493)	68,188
Deficit for the year before appropriations			(700)	(700)
Amortisation of Deferred Capital Grants	(2,508)			(2,508)
State Grant Allocated to Capital	996			996
Transfer from Capital Development Reserve to Revenue Reserves		(55)	55	-
Movement for the Period	(1,512)	(55)	(645)	(2,212)
Balance at 31 August 2017	61,719	8,395	(4,138)	65,976


Statement of Changes in Reserves and Capital Account
Year ended 31 August 2017

Consolidated	Deferred Capital Grants €'000	Capital Development Reserve €'000	Revenue Reserves €'000	Total €'000
Opening Balance at 1 September 2015	64,868	8,273	(1,498)	71,643
Deficit for the year before appropriations			(1,621)	(1,621)
Amortisation of Deferred Capital Grants	(2,595)			(2,595)
State Grant Allocated to Capital	955			955
Transfer from Capital Development Reserve to Deferred Capital Grants (note 23)	3	(3)		-
Transfer to Capital Development Reserve from Revenue Reserves		180	(180)	-
Movement for the Period	(1,637)	177	(1,801)	(3,261)
Balance at 31 August 2016	63,231	8,450	(3,299)	68,382
Deficit for the year before appropriations			(702)	(702)
Amortisation of Deferred Capital Grants	(2,508)			(2,508)
State Grant Allocated to Capital	996			996
Transfer from Capital Development Reserve to Revenue Reserves		(55)	55	-
Movement for the Period	(1,512)	(55)	(647)	(2,214)
Balance at 31 August 2017	61,719	8,395	(3,946)	66,168

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:


Cormac MacDonncha
Chairman


Dr. Michael Hannon
Registrar deputising for the President

Date 13th Dec 2018

Date 13-12-18

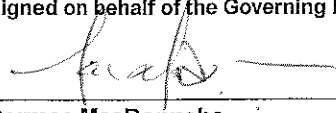
Galway-Mayo Institute of Technology

Consolidated and Institute Statement of Financial Position Year ended 31 August 2017

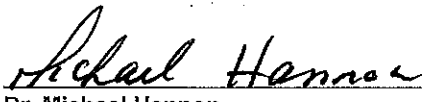
	Note	Consolidated 31/08/17 €'000	Institute 31/08/17 €'000	Consolidated 31/08/16 €'000	Institute 31/08/16 €'000
Fixed Assets					
Property, Plant & equipment	13-14	61,760	61,719	63,267	63,231
		<u>61,760</u>	<u>61,719</u>	<u>63,267</u>	<u>63,231</u>
Current Assets					
Inventory		6	-	10	-
Receivables	18	1,668	1,592	1,241	1,202
Cash and Cash Equivalents	19	10,240	10,077	9,672	9,476
		<u>11,914</u>	<u>11,669</u>	<u>10,923</u>	<u>10,678</u>
Less Payables ; Amounts due within 1 year	20	7,506	7,412	5,808	5,721
Net Current Assets		<u>4,408</u>	<u>4,257</u>	<u>5,115</u>	<u>4,957</u>
Total Assets less Current Liabilities		<u>66,168</u>	<u>65,976</u>	<u>68,382</u>	<u>68,188</u>
Retirement Benefits					
Retirement benefit obligations	27	229,345	228,283	218,263	217,310
Deferred retirement benefit funding asset	27	(229,345)	(228,283)	(218,263)	(217,310)
Total Net Assets		<u>66,168</u>	<u>65,976</u>	<u>68,382</u>	<u>68,188</u>
Deferred Capital Grants	22	61,719	61,719	63,231	63,231
Capital Development Reserve	23	8,395	8,395	8,450	8,450
		8,395	8,395	8,450	8,450
Unrestricted Reserves					
Income & Expenditure Reserve		(3,946)	(4,138)	(3,299)	(3,493)
		(3,946)	(4,138)	(3,299)	(3,493)
Total		<u>66,168</u>	<u>65,976</u>	<u>68,382</u>	<u>68,188</u>

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body:


Cormac MacDonncha
Chairman

Date 13th Dec 2018
13th December, 2018


Dr. Michael Hannon
Registrar deputising for the President

Date 13-12-18
13th December, 2018

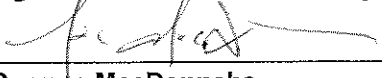
Galway-Mayo Institute of Technology

Consolidated Statement of Cash Flows For the year ended 31 August 2017

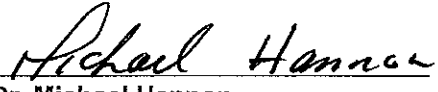
	Year Ended 31/08/17 €'000	Year Ended 31/08/16 €'000
Net Cash flow from operating activities		
Excess Expenditure over income	(702)	(1,621)
Depreciation of fixed assets	2,518	2,601
Amortisation of deferred capital grants	(2,508)	(2,595)
Decrease in inventories	5	4
(Increase) in receivables	(425)	(200)
Increase in payables	1,628	691
Interest Income	(20)	(38)
Net Cash Inflow/(Outflow) from Operating Activities	496	(1,158)
Cash Flows from Investing Activities		
Payments to acquire property, plant and equipment	(946)	(1,092)
Net Cash Flows from Investing Activities	(946)	(1,092)
Cash Flows from Financing Activities		
Interest Received	31	39
State Funds allocated to capital	996	955
Taxation	(9)	(7)
Net Cash Flows from Financing Activities	1,018	987
Net increase / (decrease) in cash equivalents in the year	568	(1,263)
Cash & Cash Equivalents at 1 September	9,672	10,935
Cash & Cash Equivalents at 31 August	10,240	9,672

Notes 1 to 31 form part of these Financial Statements.

Signed on behalf of the Governing Body


Cormac MacDonncha
Chairman

Date 13th Dec 2018
13th December, 2018


Dr. Michael Hannon
Registrar deputising for the President

Date 13-12-18
13th December, 2018

Galway-Mayo Institute of Technology

Notes to the financial statements

For the year ended 31 August 2017

1. Significant accounting policies

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

a. General information and statement of compliance

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

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

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

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Institute and its subsidiary undertakings made up to 31 August 2017.

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

c. Going concern

GMIT incurred operating deficits in each of the years from the year ended 31 August 2012 to 31 August 2017.

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

The main factors contributing to these deficits include the following:

1. Decreases in State Grant for funding of recurrent activities.
2. Suspension of State Grants for funding of capital investments, such as equipment, computer equipment and fixtures and fittings.

The need to allocate recurrent funding for capital purposes decreases income available to fund recurrent activities.

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

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

Galway-Mayo Institute of Technology
Notes to the financial statements –(continued)
For the year ended 31 August 2017

1. Significant accounting policies (continued)

d. Property, plant & equipment

(i) Land and buildings

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

Freehold buildings	50 years
--------------------	----------

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

(ii) Equipment

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

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

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

e. Inventory

Inventory comprise canteen stock. 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.

f. Impairment of assets

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

Financial assets

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

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

Galway-Mayo Institute of Technology
Notes to the financial statements – (continued)
For the year ended 31 August 2017

1. Significant accounting policies (continued)

f. Impairment of assets (continued)

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

g. Taxation

(i) Corporation tax

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

(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 difference from those in which they are recognised in the financial statements.

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

h. Recognition of income

State Grants

Recurrent state grants from the Higher Education Authority and other bodies are recognised in the period in which they are receivable. Non Recurrent Grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of Fixed Assets are treated as deferred 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.

Fee Income

Fee income is accounted for on an accruals basis.

Research grants and contracts

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

(i) Donations with no restrictions

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

(ii) Donations with restrictions

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

Galway-Mayo Institute of Technology
Notes to the financial statements – (continued)
For the year ended 31 August 2017

1. Significant accounting policies (continued)

i. Recognition of income (continued)

(iii) Research grants from non-government sources

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

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

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

Minor Capital Works

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

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

Income from short-term deposits

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

j. Employee benefits

(i) Retirement Benefits

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. 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 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 Education Sector Superannuation Scheme 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 to the extent that it is recoverable.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognised in the amount recoverable by the Institute from the Higher Education Authority.

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. 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.

Galway-Mayo Institute of Technology
Notes to the financial statements – (continued)
For the year ended 31 August 2017

Notes to the Financial Statements (continued)

1. Significant Accounting Policies (continued)

(ii) *Short-Term Benefits*

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

k. Foreign currency

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

l. Leases

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

m. Deferred Capital Grants

Deferred capital grants represent unamortised value of accumulated funds allocated for fixed assets.

n. Capital Development Reserve

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Institute's accounting policies

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

Going Concern

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

Galway-Mayo Institute of Technology
Notes to the financial statements – (continued)
For the year ended 31 August 2017

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 change 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 days holidays outstanding at the year end. Academic staff do not require an accrual at year end due to the nature of their contract.

3. State Grants

	Allocated for Recurrent Expenditure €'000	Allocated for Capital Expenditure €'000	2017 Total €'000	2016 Total €'000
Recurrent Expenditure - HEA	23,674	777	24,451	23,291
Other State Capital Grants	-	-	-	600
Devolved Grant	750	-	750	750
Total 2017 (note 6)	24,424	777	25,201	24,641

Total 2016

23,849 792 24,641
All grant income was received from the Higher Education Authority.

4. Tuition fees and student contribution

	State Funded 2017 €'000	Non State Funded 2017 €'000	Total 2017 €'000	WTE	State Funded 2016 €'000	Non State Funded 2016 €'000	Total 2016 €'000
Fees paid by State	4,664	3,549	8,213	4,660	3,261	7,921	
Fees paid by other State agencies	137	147	284	96	138	234	
Non EU Fees	71	388	459	77	6	83	
Fees paid by students or on behalf of Students	407	303	710	361	-	361	
Life Long Learning and other fees	170	583	753	167	-	167	
Student Contribution inc repeat exam fees	9,548	6,138	15,686		9,727	5,783	
Transfer to Capital Account	(6)	(6)	(12)		(12)	(12)	
Total	5,449	7,412	12,861	5,361	13,120	18,487	
Net fee income/student numbers (note 6)	5,449	7,412	12,861	5,361	13,120	18,487	

The Higher Education Authority paid tuition Fees in the year of €2,478,570 (15/16 €2,112,027) for full time Degree courses, €491,786 (15/16 € 576,981) for higher certificate and ordinary degree courses and €578,946 (15/16 €570,734) for full time nursing degree courses, the total costs of which are partly funded by the ESF. SUSI paid tuition and student contribution fees totalling €9,216,786 (15/16 €9,156,051). Failte Ireland paid tuition and student contribution fees totalling €386,072 (15/16: €511,306) during the year for a number of hospitality courses. Student numbers are stated as whole time equivalents based on enrolled credits.

5. Research Grants & Contracts

	2017 Total €'000	2016 Total €'000
Income		
State and semi-state	2,283	1,704
European Union	399	310
Industry	245	338
Other	271	302
Total Income (note 6)	3,198	2,654
Expenditure		
Pay Costs	1,661	1,494
Non Pay Costs	1,899	1,875
Total Costs	3,560	3,369
Net Outcome	(362)	(715)

Galway-Mayo Institute of Technology

Notes to the Financial statements - (Continued)
Year ended 31 August 2017

6. Analysis of State Derived Income.

Name of Grantor	Note	Opening deferral 01/09/16 €'000	Grant received €'000	Closing deferral 31/08/17 €'000	I&E 2017 €'000
Note 3 - State Grant					
HEA		559	24,280	415	24,424
State Grant	3	559	24,280	415	24,424
Note 4 - Tuition					
HEA		19	3,552	22	3,549
Faite Ireland		-	366	-	366
Dept. of Education & Science		-	6	-	6
SUSI		(25)	9,217	(20)	9,212
Other State		-	105	-	105
Tuition fees and student contribution	4	(6)	13,246	2	13,238
Note 5 - Research & Contracts					
Dept. of Communications, Climate Action & Environment		54	200	(67)	321
Enterprise Ireland		101	1,218	493	826
Environmental Protection Agency		14	196	26	184
Irish Research Council		15	65	15	65
Bord Iascaigh Mhara		19	57	12	64
Marine Institute		10	416	222	204
THEA		-	-	2	(2)
Department of Agriculture & Food		1	228	172	57
Intertrade Ireland		7	13	15	5
National Parks and Wildlife Service		15	46	21	40
Dept of Housing, Planning, Community & Local Government		(2)	-	(26)	24
HEA		-	332	9	323
Faite Ireland		-	7	-	7
NUIG		-	20	-	20
Science Foundation Ireland		2	-	-	2
Udaras na Gaeltachta		1	113	1	113
University of Cork		-	20	-	20
University of Ulster		-	10	-	10
Research Grants & Contracts	5	237	2,941	895	2,283
Note 7 - Student Support Funding					
HEA		164	780	18	926
Student Support Funding	7	164	780	18	926
Note 8 - Other Income					
HEA		46	634	69	611
Other Income	8	46	634	69	611

Galway-Mayo Institute of Technology

Notes to the Financial statements - (Continued)
Year ended 31 August 2017

7. Student Support Funding

	2017	2017	2017	2016
	Disabilities	Students	Total	Total
	€'000	Assistance	€'000	€'000
		€'000		
Balance at 1 September	164		164	(2)
Receipts:				
Higher Education Authority	598	324	922	1,116
Less Transfer to Capital Account	(142)	-	(142)	(27)
	620	324	944	1,087
Balance at 31 August to defer	(18)	-	(18)	(164)
Income	602	324	926	923
Amounts Applied:				
Pay Costs	484	-	484	525
Non Pay Costs	118	324	442	403
Total Expenditure	602	324	926	928
Charge to statement of income and expenditure	-	-	-	5

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

8. Other Income

	2017	2016
	Total	Total
	€'000	€'000
Superannuation deductions retained	2,265	2,254
Rental of Facilities	381	294
Sundry Income	1,662	1,469
Net Outcome	4,308	4,017

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)
For the year ended 31 August 2017

9. Staff Costs

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

	2017 No. of employees	2016 No. of employees
Teaching and research	391	381
Technical	64	64
Central administration and services	245	254
	<u>700</u>	<u>699</u>
	2017 €'000	2016 €'000
Salaries and wages	39,933	38,874
Employer welfare costs	3,445	3,299
Catering Company	800	816
	<u>44,178</u>	<u>42,989</u>

Key management compensation

The total remuneration for key management personnel for the year 2017 totalled €158,010 (2016: €159,084).

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

Higher paid staff

Salary Bands	Year Ended 31 August 2017	Year Ended 31 August 2016
60,000 - 70,000	79	89
70,001 - 80,000	80	142
80,001 - 90,000	122	46
90,001 - 100,000	17	12
100,001 - 110,000	2	0
110,001 - 120,000	-	1
120,001 - 130,000	-	-
130,001 - 140,000	-	1
140,000 - 150,000	1	-
Grand Total	301	291

Galway-Mayo Institute of Technology

Notes to the Financial statements - (Continued) Year ended 31 August 2017

10. Other Operating Expenses

	2017	2017	2017	2016
	Pay Costs	Other Operating	Total	Total
	€'000	Expenses	€'000	€'000
		€'000		
Academic Departments	32,265	1,914	34,179	32,784
Academic Services	1,818	502	2,320	2,429
Facilities	1,731	2,784	4,515	4,575
Central Admin	3,685	1,842	5,527	5,536
General Education	417	320	737	966
Student Services	1,317	1,148	2,465	2,641
Student Support Funding	484	442	926	928
Research Grants & Contracts	1,661	1,896	3,557	3,369
Catering	800	716	1,516	1,526
Retirement Benefit Costs			14,464	-
Depreciation			2,518	2,601
Total Expenditure	44,178	11,564	72,724	57,355
Total 2016	42,989	11,765	57,355	

Analysis of Other Operating Expenditure

Services to students	1,164	1,299
Materials & Other Consumables	1,070	966
Professional Fees	981	1,015
Maintenance Costs	931	955
General Education	845	978
Energy Costs	831	855
Catering	716	710
Travel & Subsistence	711	625
Equipment	548	519
Other Premises Costs	519	525
Computer costs	463	478
Rent and Rates	367	393
Miscellaneous	360	421
Postgraduate Student Grants	297	223
General Advertising & Publicity	296	340
Personnel Costs	266	303
Stationery & office materials	241	249
Library Materials	230	278
Insurance	209	189
Communications	164	179
Other Research Costs	149	98
Bad Debts Provision	144	107
Finance costs	30	30
Auditors Remuneration	29	28
Governing body expenses	3	2
Total Other Operating Expenses	11,564	11,765

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)
For the year ended 31 August 2017

	2017 €'000	2016 €'000
Other Operating Expenses include		
Auditors Remuneration;		
- External audit of Institute Group	29	28
- Taxation and secretarial	-	-
- Other services not provided by the Comptroller & Auditor General	106	36

Auditors Remuneration disclosed above excludes VAT.

11. Taxation

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

	2017 €'000	2016 €'000
Current tax on profit on ordinary activities		
Irish corporation tax on profits of subsidiaries of the year	-	6
Deferred tax	-	-
Total tax on profit on ordinary activities	<u>0</u>	<u>6</u>

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

	2017 €'000	2016 €'000
Reconciliation of tax charge to profit for the year for subsidiary		
Surplus for the year before Taxation @ Standard Rate of corporation tax rate of 12.5%	-	7
Effects of:		
Capital allowance for period in excess of depreciation	-	(1)
	<u>0</u>	<u>6</u>

12. Deficit for the year

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

	2017 €'000	2016 €'000
Institute deficit for the year	(700)	(1,670)
Deficit/Surplus generated by subsidiaries and other undertakings	(2)	49
	<u>(702)</u>	<u>(1,621)</u>

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)
For the year ended 31 August 2017

13. Property, Plant & Equipment Consolidated

	Land & Buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Subsidiary €'000	Total €'000
Cost										
At 1 September 2016	89,823	635	1,772	3,889	697	9,812	95	78	79	106,880
Additions in year	-	10	13	357	125	441	-	50	15	1,011
Transfer from assets in course of construction	244	(244)	-	-	-	-	-	-	-	-
Disposals in year	-	-	-	(29)	-	(70)	-	-	-	(99)
At 31 August 2017	90,067	401	1,785	4,217	822	10,183	95	128	94	107,792
Depreciation										
At 1 September 2016	29,222	-	1,627	3,204	643	8,782	92	-	43	43,613
Charge for year	1,643	-	34	445	27	358	1	-	10	2,518
Eliminated on disposals	-	-	-	(29)	-	(70)	-	-	-	(99)
At 31 August 2017	30,865	-	1,661	3,620	670	9,070	93	-	53	46,032
Net book value										
At 31 August 2017	59,202	401	124	597	152	1,113	2	128	41	61,760
At 1 September 2016	60,601	635	145	685	54	1,030	3	78	36	63,267

14. Property, Plant & Equipment Institute Only

	Land & Buildings €'000	Buildings in course of construction €'000	Fixtures & fittings €'000	Computer equipment €'000	Plant & machinery €'000	Furniture & equipment €'000	Motor Vehicles €'000	Other Assets in course of construction €'000	Total €'000
Cost									
At 1 September 2016	89,823	635	1,772	3,889	697	9,812	95	78	106,801
Additions in year	-	10	13	357	125	441	-	50	996
Transfers from assets in course of construction	244	(244)	-	-	-	-	-	-	-
Disposals in year	-	-	-	(29)	-	(70)	-	-	(99)
At 31 August 2017	90,067	401	1,785	4,217	822	10,183	95	128	107,698
Depreciation									
At 1 September 2016	29,222	-	1,627	3,204	643	8,782	92	-	43,570
Charge for year	1,643	-	34	445	27	358	1	-	2,508
Eliminated on disposals	-	-	-	(29)	-	(70)	-	-	(99)
At 31 August 2017	30,865	-	1,661	3,620	670	9,070	93	-	45,979
Net book value									
At 31 August 2017	59,202	401	124	597	152	1,113	2	128	61,719
At 1 September 2016	60,601	635	145	685	54	1,030	3	78	63,231

Galway-Mayo Institute of Technology

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

15. Property, Plant & Equipment
Consolidated

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

16. Property, Plant & Equipment
Institute Only

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

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)
For the year ended 31 August 2017

17. Investments

The Institute holds an interest in the following subsidiary:

Subsidiary undertakings
GMIT Catering Company Ltd.

Principal Activity
Management of Canteen

Interest 100%

Retained Profit €'000
192

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

18. Receivables

	Consolidated		Institute	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Trade Receivables	209	161	142	125
Research grants and contracts receivable	562	410	562	410
State Capital Grant receivable	53	53	53	53
Academic fees receivable	146	266	146	266
Prepayments	354	275	352	272
Other receivables	344	76	337	76
	<u>1,668</u>	<u>1,241</u>	<u>1,592</u>	<u>1,202</u>

19. Cash & cash equivalents

	Consolidated		Institute	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Cash at bank including balances held on short term deposit	10,240	9,672	10,077	9,476
	<u>10,240</u>	<u>9,672</u>	<u>10,077</u>	<u>9,476</u>

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued)

For the year ended 31 August 2017

20. Payables: amounts falling due within one year	Consolidated		Institute	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Trade payables	220	210	212	208
Research grants and contracts in advance	1,781	788	1,781	788
Tuition fees received in advance	775	547	775	547
State grants received in advance	415	559	415	559
State capital grant received in advance	202	-	202	-
Accruals	2,883	2,399	2,812	2,335
Student Support Funding	18	164	18	164
Other tax and social security	1,212	1,141	1,197	1,120
	<u>7,506</u>	<u>5,808</u>	<u>7,412</u>	<u>5,721</u>

21. Lease Commitments

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

	Land & Buildings	Land & Buildings
	2017	2016
	€'000	€'000
Operating Leases		
Expiring :		
Within 1 Year	257	257
Between 2 & 5 Years	-	-
Greater than 5 years	99	115
Total Commitments	<u>356</u>	<u>372</u>

22. Deferred Capital Grants

	Consolidated		Institute	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
At 1 September				
Opening Balance	63,231	64,868	63,231	64,868
Cash received in year				
Allocated from State recurrent grant	777	765	777	765
Other State Grants	219	190	219	190
Funded from Capital Development Reserve	-	3	-	3
Total	<u>996</u>	<u>958</u>	<u>996</u>	<u>958</u>
Amortised to Income and expenditure in year				
Amortised in line with depreciation	2,508	2,595	2,508	2,595
Release to Income re NBV on Disposals	-	-	-	-
Total	<u>2,508</u>	<u>2,595</u>	<u>2,508</u>	<u>2,595</u>
At 31 August				
Closing Balance	<u>61,719</u>	<u>63,231</u>	<u>61,719</u>	<u>63,231</u>

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued) For the year ended 31 August 2017

23. Capital Development Reserve

	Consolidated		Institute	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Opening Balance	8,450	8,273	8,450	8,273
Transfer (to) from Income & Expenditure Account	(55)	180	(55)	180
Capital Projects	-	(3)	-	(3)
Closing Balance	<u>8,395</u>	<u>8,450</u>	<u>8,395</u>	<u>8,450</u>

24. Capital Commitments

	Consolidated		Institute	
	2017	2016	2017	2016
	€'000 00	€'000	€'000	€'000
Contracted for but not provided	561	99	561	99
Authorised but not contracted	-	-	-	-
	<u>561</u>	<u>99</u>	<u>561</u>	<u>99</u>

25. Technological University: Connacht-Ulster Alliance

By collaborating together Galway-Mayo Institute of Technology, Letterkenny Institute of Technology and The Institute of Technology Sligo will achieve the criteria required to become a technological university (TU) and thereby enhance the ability of the higher education system in the region to support economic, social and cultural developments across a geographically dispersed, mostly rural community. The current timeline is 5 years to achieving re-designation as a TU. Cumulative cost projections for the 3 institutions up to 2019 is €11.8m as outlined in a recent funding submission to the HEA. As a result of this submission, the HEA has committed funding of €1,072,250 to the project for 2017. Any changes to the proposed legislation on technological universities may have implications for the Connacht-Ulster Alliance project.

26. Related Parties

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

27 Retirement Benefit Costs

(i) Staffing

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 the Department of Public Expenditure and Reform on a monthly basis in accordance with the act.

(ii) Description of Scheme

Retirement benefit obligations are 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.

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued) For the year ended 31 August 2017

27 Retirement Benefit Costs (continued)

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.

Single Scheme

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 2017. Former employees of the Institute who are in receipt of a pension have been excluded from the valuation.

The principal actuarial assumptions used to calculate the components of the defined benefit cost for the year ended 31 August 2017 were as follows:

	31-Aug-17	31-Aug-16
Discount rate	2.15%	1.85%
Inflation rate	1.75%	1.55%
Salary increases	3.25%	3.05%
Pension increases	2.75%	2.55%

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:

	31-Aug-17 Years	31-Aug-16 Years
Male aged 65	21.4 years	-
Female aged 65	23.9 years	-

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

	Consolidated		Institute	
	31-Aug-17 €'000	31-Aug-16 €'000	31-Aug-17 €'000	31-Aug-16 €'000
Current service cost	12,737	-	12,623	-
Interest on retirement benefit scheme liabilities	4,156	-	4,138	-
Employee contributions / (benefits paid)	(2,429)	-	(2,418)	-
	<u>14,464</u>	<u>-</u>	<u>14,343</u>	<u>-</u>

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued) For the year ended 31 August 2017

27 Retirement Benefit Costs (continued)

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

	Consolidated		Institute	
	31-Aug-17 €'000	31-Aug-16 €'000	31-Aug-17 €'000	31-Aug-16 €'000
Net retirement benefit obligation at 1 September	218,263	-	217,310	-
Current Service Costs	10,308	-	10,205	-
Employee Contributions	2,429	-	2,418	-
Interest costs	4,156	-	4,138	-
Benefits paid in period	-	-	0	-
Experience (loss) /gain on liabilities	-	-	0	-
Changes in actuarial assumptions	(5,811)	-	(5,788)	-
Net retirement benefit obligations at 31 August	<u>229,345</u>	<u>218,263</u>	<u>228,283</u>	<u>217,310</u>
Split between:				
SPSPS	1,239	704	1,216	689
ESS	228,106	217,559	227,067	216,621

(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:

	Consolidated		Institute	
	31-Aug-17 €'000	31-Aug-16 €'000	31-Aug-17 €'000	31-Aug-16 €'000
Funding recoverable in respect of current year retirement				
Benefit costs	14,464	-	14,343	-
Benefits paid in year	-	-	-	-
	<u>14,464</u>	<u>-</u>	<u>14,343</u>	<u>-</u>

The deferred funding liabilities for retirement benefit as at 31 August 2017 amounted to €229,345,000.

(vi) History of defined benefits obligations

	Consolidated	Institute
	2017 €'000	2017 €'000
Defined benefit obligations	229,345	228,283
Experience losses/(gains) on defined benefit scheme liabilities	-	-
Employee Contributions	2,429	2,418

Galway-Mayo Institute of Technology

Notes to the financial statements - (continued) For the year ended 31 August 2017

28. Contingent Liabilities

There were no contingent liabilities existing at 31 August 2017.

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 13th December, 2018.