

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

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GALWAY-MAYO INSTITUTE OF TECHNOLOGY

STATEMENT OF INSTITUTE RESPONSIBILITIES

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

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

The Institute is responsible for keeping adequate accounting records 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: _____


15 September 2016

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 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
STATEMENT OF INTERNAL CONTROL

- 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 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 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 Committee on assignments carried out. The Audit committee receives regular reports on the status of issues raised.
- 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

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

- Adoption of a Risk Management Policy which was reviewed updated and approved by the Governing Body in December 2015.
- Maintaining a Strategic Risk Register which identifies key Strategic risks, the risk owners, controls to mitigate these risks and any action plans to further mitigate these risks.
- The Risk Register was reviewed and updated by the Executive Board and presented to the Audit Committee on the 18th of November 2015 who recommended it for approval by the Governing Body. The Governing Body approved the Risk Register on the 8th December 2015.
- Cascading the Strategic Risk register to the School/Functional areas.
- Key risks are regular agenda items at Executive Board, Audit Committee and Governing Body meetings.

Key Items completed during 2014/15

- 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. This implementation is ongoing.
- 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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
STATEMENT OF INTERNAL CONTROL

- 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.

Key Items in progress at year end 2015

- Strategic Plan for 2016-2022 to be completed by Q4 2016.
- 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.
- The Employee Code of Conduct was considered 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.

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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY
STATEMENT OF INTERNAL CONTROL

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.

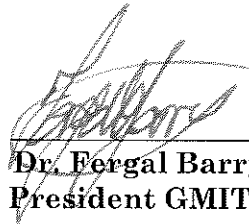
The role of the Audit Committee is to provide assurance to the Governing Body that an adequate system of internal control is implemented and operating effectively and this was done for 2014/2015. The Governing Body performed its review of the effectiveness of the system of Internal Control and Risk Management for the year ended 31 August 2015 on the 8th of December 2015.

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



Des Mahon
Chairman of the Governing Body



Dr. Fergal Barry
President GMIT

Date: 15/09/2016
15 September 2016

Date: 15/09/2016
15 September 2016



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 for the year ended 31 August 2015 under the Institutes of Technology Acts 1992 to 2006. The financial statements comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and Institute balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is the Institutes of Technology Acts 1992 to 2006 and generally accepted accounting practice.

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 and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

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

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

Scope of audit of the financial statements

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

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

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

Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and Institute as at 31 August 2015 and of the Group's income and expenditure for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Institute were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Going concern

Without qualifying my opinion on the financial statements, I draw attention to Note 28 Going Concern. The Institute has incurred deficits in each of the last four years and had an accumulated deficit of €643,000 at 31 August 2015. 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 if I find

- any material instance where 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
- 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 upon which reporting is by exception.

Seamus McCarthy
Comptroller and Auditor General

22 September 2016

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 GMIT 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 in 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.

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.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

7. PENSIONS

Pension entitlements of staff are conferred under the Education Sector Superannuation Scheme 2015 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 Single Public Service Pension Scheme (Single Scheme) is the defined benefit pension 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. Deductions made from employees under the Single Scheme are remitted by the Institute to the Department of Public Expenditure and Reform.

The Institute is prescribed in S.I. No 581 of 2012 as a relevant authority for the purposes of the Single Scheme. The Institute had 61 members of the Single Scheme at 31 August 2015. Future benefits accruing to Scheme members have not been provided for in these financial statements. 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 Department of Public Expenditure and Reform is assessing the current arrangements in respect of the Single Scheme and is considering a number of options in relation to the future payment of benefits and financing of those benefits.

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 2015

	NOTE	2015 € '000	2014 € '000
INCOME			
State Grants	1	23,358	23,499
Amortisation of Deferred Capital Grants	18	2,608	2,870
Student Fees	2	19,428	18,620
Research Grants and Contracts	3	2,098	1,957
Interest Income		133	267
Student Support Funding Income Recognised	4	863	895
Catering		1,481	1,447
Other Income	5	3,592	3,534
		53,561	53,089
 EXPENDITURE			
Academic Departments	6	32,194	31,558
Academic Services	7	2,512	2,521
Facilities Costs	8	4,602	4,721
Central Administration & Services	9	5,728	5,602
General Educational Expenses	10	921	908
Student Services	11	2,524	2,571
Research Grants and Contracts	3	2,767	2,696
Student Support Funding Income Applied	4	952	895
Depreciation	14	2,613	2,878
Catering Costs		1,445	1,423
	12	56,258	55,773
(Deficit) for the year before transfer to Capital Development Reserve		(2,697)	(2,684)
Transfer from Capital Development Reserve	24	419	226
(Deficit) for the year		(2,278)	(2,458)
Accumulated Surplus at 1 September		1,635	4,093
Accumulated (Deficit)/Surplus at 31 August		(643)	1,635

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:


15 September 2016

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2015

	NOTE	2015 € '000	2014 € '000
Fixed Assets			
Tangible Assets	14	64,883	66,270
Current Assets			
Debtors and Prepayments	16	1,046	1,258
Cash at Bank and in Hand		10,935	13,017
Stock		6	7
		11,987	14,282
Current Liabilities			
Creditors and accrued expenses : Amounts falling due within 1 year	17	4,372	3,920
Net Current Assets		7,615	10,362
Net Assets		72,498	76,632
Represented By			
Deferred Capital Grants	18	64,868	66,263
Income & Expenditure Account		(643)	1,635
Capital Development Reserve	24	8,273	8,734
		72,498	76,632

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:



15 September 2016

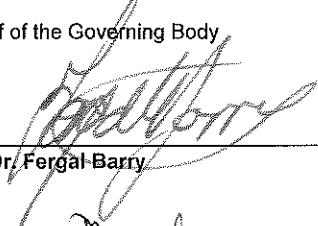
GALWAY-MAYO INSTITUTE OF TECHNOLOGY

INSTITUTE BALANCE SHEET AS AT 31 AUGUST 2015


	NOTE	2015 € '000	2014 € '000
Fixed Assets			
Tangible Assets	15	64,868	66,263
Current Assets			
Debtors and Prepayments	16	1,040	1,229
Cash at Bank and in Hand		10,747	12,914
		<u>11,787</u>	<u>14,143</u>
Current Liabilities			
Creditors and accrued expenses : Amounts falling due within 1 year	17	4,302	3,889
Net Current Assets		7,485	10,254
Net Assets		<u><u>72,353</u></u>	<u><u>76,517</u></u>
Represented By			
Deferred Capital Grants	18	64,868	66,263
Income & Expenditure Account		(788)	1,520
Capital Development Reserve	24	8,273	8,734
		<u><u>72,353</u></u>	<u><u>76,517</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. Fergal Barry

CHAIRMAN : 

 Des Mahon

DATE: 

 15 September 2016

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

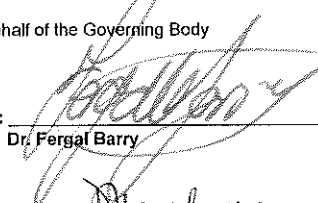
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

	2015	2014
	€'000	€'000
Reconciliation of operating profit/deficit to net cash inflow from operating activities		
Operating deficit	(2,697)	(2,684)
Interest Income	(133)	(267)
Depreciation	2,612	2,878
Amortisation in line with asset Depreciation	(2,608)	(2,870)
Decrease in Stocks	1	-
Decrease in Debtors	172	424
Increase/ (Decrease) in Creditors	353	(472)
Net Cash (Outflow) from Operating Activities	(2,300)	(2,991)
<hr/>		
CASH FLOW STATEMENT		
Net Cash (Outflow) from Operating Activities	(2,300)	(2,991)
Returns on Investment & Servicing of Finance		
Interest Received	178	241
Taxation(Paid)/Refund	(3)	7
Capital Expenditure		
Payments to acquire Fixed Assets	(1,129)	(702)
Proceeds from the Disposal of Fixed Assets	1	-
Net Cash Outflow for Capital Expenditure	(1,128)	(702)
Financing		
State Capital Grants spent on Fixed Assets	123	209
State Recurrent Grant spent on Fixed Assets	815	240
Other Funds Spent on Fixed Assets	233	196
Net Cash inflow from Financing	1,171	645
(Decrease) in Cash	(2,082)	(2,800)
<hr/>		
Reconciliation of net cash flow to movement in net funds		
Increase in cash		
Opening net funds	13,017	15,817
Net funds at 31 August	10,935	13,017
	(2,082)	(2,800)

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

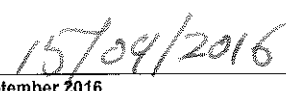
PRESIDENT:


Dr. Fergal Barry

CHAIRMAN:


Des Mahon

DATE:


15 September 2016

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

	Allocated for Recurrent Expenditure €'000	Allocated for Capital Expenditure €'000	Total 2015 €'000	Total 2014 €'000
1. STATE GRANTS				
The following is a summary of State Grants recognised in the year:				
State Grant for Recurrent Expenditure - Higher Education Authority	22,731	815	23,546	23,904
State Grant for Capital Expenditure - Higher Education Authority	-	-	-	44
State Grant for Minor Capital Works - Higher Education Authority	627	123	750	0
Total 2015	23,358	938	24,296	
Total 2014	23,499	449		23,948

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.

	2015 € '000	Student No's (WTE)	2014 € '000	Student No's (WTE)
2. STUDENT FEES				
Fees paid by State	3,405	4,518	4,137	4,412
Non EU Fees	624	101	744	120
Fees paid by students or on behalf of students	487	613	581	562
Lifelong Learning Fees	453	130	479	118
Student Contribution including repeat exam fees	14,455		12,691	
Transfer to/from Capital Account	4		(12)	
	19,428	5,362	18,620	5,212

The Higher Education Authority paid Tuition Fees in the year of €2,271,347 (13/14 €2,230,937) for full time Degree courses, €500,432 (13/14 €1,215,496) for higher certificate and ordinary degree courses and €700,112 (13/14 €700,112) for full time nursing degree courses the total costs of which are partly funded by the ESF.

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

Annual Contribution fees are payable by students, the full time rate being set at €2,750 (2014/15), €2,500 (2013/14).

	2015 € '000	2014 € '000
3. RESEARCH GRANTS & CONTRACTS		
Income		
Research Grants and Contracts	2,225	2,049
Transfer to Capital Account	(127)	(92)
	2,098	1,957
Expenditure		
Pay Costs	1,152	1,238
Non Pay Costs	1,615	1,458
	2,767	2,696
(Deficit)	(669)	(739)

	Student Assistance Fund € '000	Fund for Students with Disabilities € '000	2015 € '000	2014 € '000
4. STUDENT SUPPURT FUNDING				
Balance at 1 September	0	95	95	297
Receipts	272	600	872	772
Less Transfer to Capital Account	-	(106)	(106)	(79)
Balance at 31 August	2	589	863	(95)
	274	589	863	895
Amounts Applied				
Pay Costs	-	650	650	503
Non Pay Costs	274	28	302	392
	274	678	952	895
(Deficit)	-	(89)	(89)	-

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

			2015	2014
			€ '000	€ '000
5. OTHER INCOME				
Superannuation Deductions Retained			2,244	2,173
Rental of Facilities			280	283
Proceeds on Disposal of Fixed Assets			1	-
Pay costs recouped in respect of seconded staff			107	83
Sale of Class Materials			355	363
Photocopying Services			2	2
Springboard & ICT Skills Initiative			273	415
Other Income			334	228
Transfer to Capital Account			(4)	(13)
			<u>3,592</u>	<u>3,534</u>
6. ACADEMIC DEPARTMENTS				
Pay Costs			30,395	29,907
Non Pay Costs			1,799	1,651
Total			<u>32,194</u>	<u>31,558</u>
7. ACADEMIC SERVICES				
Pay Costs			1,912	1,894
Non Pay Costs			600	627
Total			<u>2,512</u>	<u>2,521</u>
8. FACILITIES COSTS				
Pay Costs			1,502	1,579
Non Pay Costs			3,100	3,142
Total			<u>4,602</u>	<u>4,721</u>
9. CENTRAL ADMINISTRATION AND SERVICES				
Pay Costs			3,622	3,594
Non Pay Costs			2,106	2,008
Total			<u>5,728</u>	<u>5,602</u>
10. GENERAL EDUCATION EXPENSES				
EXAMINATIONS:				
Pay Costs			551	507
Non Pay Costs			370	401
Total			<u>921</u>	<u>908</u>
11. STUDENT SERVICES				
	Staff Costs	Non-Pay	2015	2014
	€'000	€'000	€ '000	€ '000
Subvention to Clubs, Societies and Students Union	-	767	767	793
Student Services	853	425	1,278	1,250
Career Advisory Services	68	15	83	80
Sports & Recreation	17	2	19	18
Health & Counselling	272	105	377	430
	<u>1,210</u>	<u>1,314</u>	<u>2,524</u>	<u>2,571</u>

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

	Staff Costs	Other Operating Expenses	Depreciation	Total 2015	Total 2014
	€ '000	€ '000	€ '000	€ '000	€ '000
12. ANALYSIS OF EXPENDITURE					
Research Grants & Contracts	1,152	1,615	183	2,950	2,998
Academic Departments	30,395	1,800	427	32,622	32,077
Academic Services	1,912	600	136	2,648	2,701
Facilities Costs	1,502	3,100	1,755	6,357	6,500
Central Administration & Services	3,622	2,105	24	5,751	5,636
General Education Expenses	551	370	-	921	908
Student Services & Amenities	1,860	1,616	82	3,558	3,524
Catering	766	679	6	1,451	1,429
2015 Total	41,760	11,885	2,613	56,258	
2014 Total	41,128	11,767	2,878		55,773

Analysis of Other Operating Expenditure

Services to students	1,206	1,354
Maintenance Costs	1,035	1,193
Professional Fees	964	880
Energy Costs	925	905
General Education	905	946
Materials & Other Consumables	888	769
Catering	679	677
Travel & Subsistence	647	643
Miscellaneous	574	411
Equipment	555	459
Other Premises Costs	527	446
Computer costs	525	543
Rent and Rates	408	429
Personnel Costs	341	352
Library Materials	301	320
Postgraduate Student Grants	256	225
General Advertising & Publicity	235	238
Stationery & office materials	232	276
Communications	202	205
Bad Debts Provision	172	241
Insurance	161	133
Other Research Costs	76	52
Finance costs	42	41
Auditors Remuneration	28	28
Governing body expenses	1	1
	11,885	11,767

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 &	COMPUTER	PLANT &	MOTOR	FURNITURE	OTHER ASSETS
	TOTAL BUILDINGS	IN COURSE OF	INCL PREFABS	EQUIPMENT				MACHINERY	VEHICLES
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
AT 1 SEPTEMBER 2014	105,298	89,378	795	1,700	3,403	697	94	9,006	225
ADDITIONS	1,227	-	147	40	691	-	4	296	49
TRANSFERS FROM IN COURSE OF CONSTRUCTION	-	129	(129)	24	-	-	-	-	(24)
DISPOSALS	(53)	-	-	-	(9)	-	(3)	(41)	-
AT 31 AUGUST 2015	106,472	89,507	813	1,764	4,085	697	95	9,261	250

DEPRECIATION

AT 1 SEPTEMBER 2014	39,028	25,958	-	1,560	2,865	570	93	7,982	-
CHARGE FOR YEAR	2,613	1,632	-	31	403	47	1	499	-
DISPOSALS	(52)	-	-	-	(9)	-	(2)	(41)	-
AT 31 AUGUST 2015	41,589	27,590	-	1,591	3,259	617	92	8,440	-

NET BOOK VALUE

AT 31 AUGUST 2015	64,883	61,917	813	173	826	80	3	821	250
AT 1 SEPTEMBER 2014	66,270	63,420	795	140	538	127	1	1,024	225

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. TANGIBLE FIXED ASSETS

COST OR VALUATION	TOTAL €'000	LAND & BUILDINGS €'000	BUILDINGS IN COURSE OF CONSTRUCTION €'000	FIXTURES & FITTINGS INCL PREFABS €'000	COMPUTER EQUIPMENT €'000	PLANT & MACHINERY €'000	MOTOR VEHICLES €'000	FURNITURE & EQUIPMENT €'000	OTHER ASSETS & IN COURSE OF CONSTRUCTION €'000
AT 1 SEPTEMBER 2014	105,260	89,378	795	1,700	3,403	697	94	8,968	225
ADDITIONS	1,213	-	147	40	691	-	4	282	49
TRANSFERS FROM IN COURSE OF CONSTRUCTION	-	129	(129)	24	-	-	-	-	(24)
DISPOSALS	(53)	-	-	-	(9)	-	(3)	(41)	-
AT 31 AUGUST 2015	106,420	89,507	813	1,764	4,085	697	95	9,209	250

DEPRECIATION

AT 1 SEPTEMBER 2014	38,997	25,958	-	1,560	2,865	570	93	7,951	-
CHARGE FOR YEAR	2,607	1,632	-	31	403	47	1	493	-
DISPOSALS	(52)	-	-	0	(9)	0	(2)	(41)	-
AT 31 AUGUST 2015	41,552	27,590	-	1,591	3,259	617	92	8,403	-

NET BOOK VALUE

AT 31 AUGUST 2015	64,868	61,917	813	173	826	80	3	806	250
AT 1 SEPTEMBER 2014	66,263	63,420	795	140	538	127	1	1,017	225

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	
		2015 € '000	2014 € '000	2015 € '000	2014 € '000
16. DEBTORS AND PREPAYMENTS					
State Recurrent Grant		37	-	37	-
Student Fees		151	150	151	150
Student Support Funding		2	-	2	-
Student Maintenance Grants	22	-	3	0	3
Other Debtors		208	254	205	227
Prepayments & Accrued Income		391	412	388	410
State & Other Capital Grant		53	53	53	53
Research Grants & Contracts		204	386	204	386
		<u>1,046</u>	<u>1,258</u>	<u>1,040</u>	<u>1,229</u>

17. CREDITORS AND ACCRUED EXPENSES

State Recurrent Grant		-	35	-	35
Payments received in advance:					
- Research Grants & Contracts		835	467	835	467
- Student Fees		721	643	721	643
- Student Support Funding		-	95	-	95
		<u>1,556</u>	<u>1,240</u>	<u>1,556</u>	<u>1,240</u>
Trade Creditors and Accruals:					
PAYE		660	680	660	675
PRSI		349	347	349	342
Income Tax Withheld		16	12	16	12
Trade Creditors		270	186	264	179
Accruals		1,521	1,455	1,457	1,441
		<u>4,372</u>	<u>3,920</u>	<u>4,302</u>	<u>3,889</u>

18. DEFERRED CAPITAL GRANTS

	2015 € '000	2014 € '000
Balance at 1 September	<u>66,263</u>	<u>68,421</u>
Capital Grants Receivable :		
State Capital Grants - Higher Education Authority	123	209
Allocated from State Recurrent Grant - Higher Education Authority	815	240
Other Capital Funding	275	263
	<u>1,213</u>	<u>712</u>
Release to Income:		
Amortisation in line with depreciation	2,607	2,870
Release to Income re NBV on Disposals	1	-
Release to income re Write down assets in course of construction	-	-
	<u>2,608</u>	<u>2,870</u>
Balance at 31 August	<u>64,868</u>	<u>66,263</u>

19. LEASING COMMITMENTS

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

	2015 € '000	2014 € '000
Within one year	257	257
Within two to five years	-	-
Later than five years	17	17
Total	<u>274</u>	<u>274</u>

20. CONTINGENCIES

There were no Contingent Liabilities as at 31st August, 2015.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS CONTRACTED FOR BUT NOT PROVIDED

Estimated Capital Commitments €102,122 (13/14 €141,307) existed at the end of the period.

22. STUDENT MAINTENANCE GRANTS	2015 € '000	2014 € '000
Balance at 1 September	(3)	(4)
Receipts from HEA (Colleges Section)	113	776
Receipts from HEA (Student Support Unit)	39	283
Payments to Students	(110)	(776)
Payments to Students (Top ups)	(39)	(282)
Balance at 31 August	<u>-</u>	<u>(3)</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

	2015	As Restated 2014
Core Staff	617	603
Exchequer Funded Research Staff	12	11
Other Research and/or Specialist Project-based	30	28
Funded from non-Exchequer sources	21	22
Total	<u>680</u>	<u>664</u>

24. CAPITAL DEVELOPMENT RESERVE

	2015 € '000	2014 € '000
Opening balance at 1 September	8,734	9,027
Transfer to Income & Expenditure Account	(419)	(226)
	<u>8,315</u>	<u>8,801</u>
Transfer to Capital Account	(42)	(67)
Amount of fund at 31 August	<u>8,273</u>	<u>8,734</u>

The Capital Development Reserve represents amounts set aside from Student Registration fees 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. The Institute did not enter any such contractual arrangements in 2014/2015.

GALWAY-MAYO INSTITUTE OF TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

27. SUBSIDIARY AND RELATED UNDERTAKINGS

The Catering facilities in the Institute are provided by GMIT Catering Company Limited, a separate company having no share capital and limited by guarantee. The Institute is responsible for the running of the company. The results of the company have been consolidated in these financial statements. The consolidated income and expenditure account, consolidated balance sheet and consolidated cash-flow statement on pages 10, 11 and 13 respectively include information relating to the GMIT Catering Company Limited. Set out below are the financial results of the company for the year ended 31 August 2015 as included in the consolidated accounts.

	2015	2014
	€ '000	€ '000
Sales	<u>1,481</u>	<u>1,447</u>
Staff Costs	766	746
Consumables & Other Expenses	679	677
Total Expenditure excluding Depreciation	<u>1,445</u>	<u>1,423</u>
Depreciation	<u>6</u>	<u>5</u>
	<u>1,451</u>	<u>1,428</u>
Surplus after Depreciation	30	19
Opening Accumulated Surplus at 1st Sept	<u>114</u>	<u>95</u>
Accumulated Surplus at 31 August	<u>144</u>	<u>114</u>

28. GOING CONCERN

GMIT incurred operating deficits in each of the years ended 31 August 2012, 31 August 2013, 31 August 2014 and 31 August 2015. 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 resources 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 the 21st July, 2016.