

Ollscoil na hÉireann, Gaillimh

Annual Report and Consolidated Financial Statements

Year Ended 30 September 2017

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Bursar's Report on Consolidated Financial Statements**Overview**

The improving economic environment in Ireland offers the prospect of favourable impacts on University funding in future years. Aside from the potential downsides of a hard Brexit, the general outlook for the economy is positive. These matters are important as current levels of overall investment in third level education are widely considered to be inadequate and the recommendations of the Cassells Report are yet to be implemented.

In these circumstances the University continues to face challenges in managing the variety of risks associated with achievement of the objectives set out in its strategic plan *Vision 2020*.

Operating Results

These Financial Statements consolidate the financial results of the university's subsidiary and associate companies (e.g. student residences and conferencing activities) with the core pedagogic and research activities of the university. The accounting policies set out in the notes on pages 14 to 20 form part of the financial statements.

A number of factors give rise to the deficit of €6m for the year as reported in the Consolidated Statement of Comprehensive Income. The single biggest contributor to the deficit is the difference between the depreciation charge and the offsetting credit of capital grant amortisation. Revised reporting requirements under FRS 102 do not allow an offsetting credit in respect of capital donations from non-Government sources. Such donations are now recognised as income as soon as the University becomes entitled to receive them. As noted below, this accounting treatment can give rise to widely fluctuating results.

The University's core pedagogic and research activities (HEA Funding Statement), which exclude depreciation and amortisation, recorded a deficit of €1.4m. This is the third consecutive year that core expenditure has exceeded core income and is a worrying trend. Related revenue reserves now amount to just under €3m, slightly ahead of 1% of total income, and as such are insufficient to bear a continuity of recent results.

Revised Reporting Requirements FRS 102

Given the transition date of 1 October 2014, this financial year 2016/17 is effectively the third year of adopting and reporting results under the new financial reporting standard FRS 102. This reporting standard introduced new income and expenditure recognition principles, associated Statement of Financial Position impacts, new terminology and additional disclosure notes.

As indicated above, application of FRS 102 can lead to volatility in annual reported results as evidenced over the last number of years and summarised as follows:

2016/17 – (€6m) deficit

2015/16 – (€2m) deficit

2014/15 – €26m surplus

These Financial Statements also reflect the relevant elements of the UK accounting standard styled 'Accounting for Further and Higher Education' (2015) issued by the FE/HE SORP (Statement of Recommended Practice) on Further & Higher Education. The SORP is not mandatory in Ireland but the University has chosen to implement it, in line with best practice.

Liquidity

During the year, the University secured a long-term, low-interest loan facility of €60m from the European Investment Bank (EIB) to finance a number of capital developments. The first tranche of this borrowing was drawn down in July 2017 and is reflected in a higher than normal liquid asset position on the Statement of Financial Position at year end due to short-term timing differences in receipt and related expenditures.

Summary

Notwithstanding the many challenges facing the University, it is to be commended for the many successes achieved during what was another year of very tight financial conditions.


Mary C Dooley, FCA., MBA.

Sparánal / Bursar

Date: 29 June '18

Annual Statement of Governance and Internal Control

for the year ended 30 September 2017

1. On behalf of Údarás na hOllscoile, I acknowledge that Údarás has overall responsibility for the University's system of internal control, covering all material controls, including financial, operational, compliance controls and risk management systems that support the achievement of the University's policies, aims and objectives, while safeguarding the wider public interest.
2. The system of internal control, established by Údarás na hOllscoile, is designed to manage risk and to provide reasonable and not absolute assurances against material error.
3. The following procedures have been put in place by the Governing Authority, to provide effective internal control.
 - (i) The effectiveness of the systems of internal control has been informed by the procedures and committees outlined at Sections (vi – x) below.
 - (ii) The reviews of internal control did not identify breaches of internal control such as would require disclosure in the financial statements or the auditor's report on the financial statements. However, the Audit Committee Annual Report notes three instances where only limited assurance can be placed on the sufficiency and operation of internal controls (Procurement Compliance, Payroll Processes and Controls, Management, Oversight and Governance of Research Activities and Processes), and reasonable assurance on those key inherent risks to which Research Commercialisation, the School of Medicine, Research Ethics and Research Proposals and Awards requiring matching funding are exposed. The University is addressing the key inherent risks identified.
 - (iii) The reviews of internal control did not identify any weaknesses that have resulted in material losses, contingencies or uncertainties, such as would require disclosure in the financial statements or the auditor's report on the financial statements.
 - (iv) The statement on the System of Internal Controls will be reviewed by the Audit Committee, Risk Management Group and the Governing Authority to ensure it accurately reflects the control system in operation during the reporting period.
 - (v) The Statement on System of Internal Controls is to be reviewed by the Comptroller and Auditor General to confirm that it reflects the University's compliance with the requirements of paragraph 6.10 (v) and is consistent with the information of which they are aware from their audit work on the financial statements and where this is not the case, the Comptroller and Auditor General should report on this in the audit report on the relevant financial statement.
 - (vi) Údarás na hOllscoile has established an appropriate control environment through:
 - the allocation of defined management responsibilities through the University Management Team members; the establishment of appropriate delegated authority; the documentation of policies, procedures and regulations; the implementation of robust planning, performance monitoring and information systems to ensure timely reporting to Management and Údarás. Vision 2020, the University's Strategic Plan for 2015-2020, was launched in March 2015.
 - Údarás provides direction on the development and implementation of key University strategy and policy.
 - Údarás provides governance oversight to ensure that the processes put in place by management provide an adequate level of assurance.
 - Údarás is supported in this role by its five standing Committees –
 - a) Standing and Strategic Planning,
 - b) Finance/Resource,
 - c) Academic Planning and Resource,
 - d) Support Services,

Annual Statement of Governance and Internal Control (continued)

- e) Equality, Diversity and Inclusion Committee.
- The five Committees operate to written terms of reference and include a significant number of external members with appropriate expertise.
 - Údarás itself and two of its five standing Committees (Finance/Resource and Academic Planning and Resource) are chaired by independent external Chairpersons.
 - A Vice-President for Equality and Diversity has been appointed to the University Management Team.
- (vii) The University's risk management is undertaken within a governance framework comprising of a defined risk policy, risk appetite, assurance processes and an underlying policy and control environment. The University has in place a comprehensive set of processes for the identification, evaluation and management of significant risks that threaten the achievement of its strategic objectives. It records them in the Strategic Risk Register.

The risk management framework established in the University includes:

- (a) the Risk Management Group, comprising all members of the University Management team (UMT). In addition, an experienced external member was appointed in 2016. This Group carries overall executive responsibility for risk management. Responsibility at the detailed operational level is held by the Risk Advisory Group, whose reports are provided to the Risk Management Group. In terms of the overall governance structure, the Risk Management Group is a sub-committee of Finance/Resource Committee, which oversees, on behalf of Údarás, implementation of the Risk Management Strategy.
- (b) the University-wide Risk Strategy includes the risk appetite. The University Strategic Risk Register focuses primarily on risks related to the attainment of the University's objectives, and identifies responsibility for the overall management of each risk together with the agreed actions. It aligns with the University's Strategic Plan. At operational level, risk registers for each College, each of the various Support Units and all major building projects, ensure that key operational risks are identified and managed by the relevant operational manager. Risk awareness is promoted through the management structure. Arrangements are in place to ensure that risk is at least an annual agenda item on the five standing committees of the Údarás. At year-end each member of the Risk Management Group provides formal assurances on the adequacy of the management of key risks and documents the sources of assurances for each major risk. Each individual Annual Risk Management Return is reviewed by the Risk Management Group. This cycle was duly completed in 2017 and aligns with Vision 2020, the University's Strategic Plan for 2015-2020.
- (viii) Information systems are in place to ensure that appropriate information is available in relation to
- (a) operational, strategic, financial and academic affairs, and
 - (b) planning and monitoring including a comparison of actual and planned results.

The implementation of an ICT investment programme is ongoing.

- (ix) A comprehensive set of financial policies and procedures is in place to address inter alia the financial implications of major business risks, including financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties, budget monitoring, risk assessments and management and multiple internal and external audit routines.

Annual Statement of Governance and Internal Control (continued)

- (x) The procedures for monitoring the effectiveness of the system of internal control include the following:
- The monitoring role of the Internal Audit and Risk Management, Procurement, and Health and Safety functions in relation to the adequacy and effectiveness of systems of internal control including risk management.
 - The Audit Committee's role in providing independent oversight of the University's control environment. The Audit Committee includes three external members and an independent external chair. The Committee reports to the Finance/Resource Committee.
 - The Risk Management Group Annual Report.
 - The oversight role of Údarás Committees in respect of their areas of responsibility.
 - The role of unit managers within the University, who have responsibility for the development and maintenance of the internal control environment within their area.
 - Consideration by management and the Audit Committee of comments made by the External Auditors in their management letters and other reports.
 - A programme of Quality reviews of all areas.

These procedures are augmented by annual declarations from Chairs, on behalf of the five standing committees and by individual managers.

4. The effectiveness of the systems of internal control is reviewed on an on-going basis.
5. No weaknesses in internal control were identified that would have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.
6. No action has been taken or is intended to be taken as no weaknesses in internal control were identified that would have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.
7. Appropriate procedures for financial reporting, internal audit including an internal audit plan, procurement and disposal of assets are in place.

The University adopted a formal Procurement Policy in 2012 and a Corporate Procurement Plan in 2013. The policy mandates compliance with procurement policy obligations as a single public authority bound by EU directives and national policy.

The University endeavours to ensure full compliance with procurement procedures and guidelines. Procedures are in place to detect non-compliance with procurement procedures including a contracts database/listing for all contracts/payments in excess of €25,000 with monitoring systems in place to flag non-competitive procurement.

81 suppliers were identified in the 2016/17 financial year, with a combined transactions value of €5.2m million, for which national public procurement guidelines were not fully applied. The University's non-pay expenditure with suppliers, including both recurrent costs and capital costs during the year amounted to €82 million.

The University is actively working with the Office of Government Procurement (OGP) and with the Education Procurement Service (EPS) to ensure that procurement activities are taking place in accordance with the operating model put in place by the OGP.

The University is also tracking the development of policy and procedure by the Office of Government Procurement, with the aim of maintaining full compliance with OGP requirements.


Ciarán Ó hÓgartaigh

Chief Officer & President

Date: 29 June 2018

STATEMENT OF RESPONSIBILITIES OF ÚDARÁS NA hOLLSCOILE

Údarás na hOllscoile is required to comply with the Universities Act, 1997, and to keep in such form as may be approved of by An t-Údarás um Ard-Oideachas all proper and usual accounts of money received and expended by it.

Údarás na hOllscoile is also responsible for preparing the President's Report and the financial statements for each financial year that give a true and fair view of the state of the affairs of the University and the University group and the surplus or deficit of the University group for the period. Údarás na hOllscoile is also responsible for preparing the HEA Funding Statement in accordance with the most recent Harmonisation of Accounts Agreement.

In preparing those financial statements, Údarás na hOllscoile is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

Údarás na hOllscoile is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its financial statements comply with the Universities Act, 1997, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and are prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Údarás na hOllscoile is responsible for ensuring that the business of the University is conducted in a proper and regular manner and for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of Údarás na hOllscoile



Ciarán Ó hÓgarraigh

Chief Officer & President

29 June 2018

Date:



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Ollscoil na hÉireann, Gaillimh

Opinion on financial statements

I have audited the financial statements of Ollscoil na hÉireann, Gaillimh for the year ending 30 September 2017 as required under the provisions of the Universities Act 1997. The financial statements comprise

- the consolidated and University statement of comprehensive income and retained reserves
- the consolidated and University 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 University and the University group at 30 September 2017 and of the income and expenditure of the University and the University group 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 – deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 24 Retirement Benefits.

The recognition of deferred pension funding assets in respect of the Joint Pension Scheme (€623 million) and the Single Public Service Pension Scheme (€8 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of an asset of €348 million in respect of the Model Scheme and Pension Supplementation anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

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 University and have fulfilled my other ethical responsibilities in accordance with the standards.

In conducting my audit, I seek to rely on evidence from an audit of the financial statements by auditors engaged by the University. 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 University has presented certain other information together with the financial statements. This comprises

- a Bursar's report
- a statement on governance and internal control
- a statement of responsibilities of Údarás na hOllscoile
- a reconciliation between the financial statements and a university funding statement for 2016/2017 prepared for the Higher Education Authority
- a statement of corporate social responsibility and
- audited financial statements for Galway University Foundation Company Limited by Guarantee for the year ended 30 June 2017.

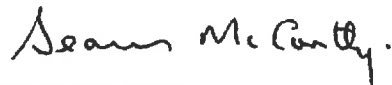
My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Procurement non-compliance

The statement on governance and internal control discloses that the University made payments totalling €5.2 million to 81 suppliers in the year under review in respect of goods and services for which the procurement procedures employed did not comply with public procurement guidelines.

Salary payments in respect of a period of non-attendance

Note 8 (c) discloses that the University concluded a number of employment-related settlements during the year at a total cost of €134,000, including severance. That sum does not include payment of €91,000 to a staff member in respect of a period of non-attendance described by the University as sabbatical leave, taken immediately prior to severance. The circumstances of the case were not in accordance with certain key conditions of the University's sabbatical leave payments scheme.



**Seamus McCarthy
Comptroller and Auditor General**

9 July 2018

Appendix to the report

Responsibilities of members of Údarás na hOllscoile

The members are responsible for

- the preparation of financial statements in the form prescribed under the Universities Act 1997
- 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 Universities Act 1997 to audit the financial statements of the University 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 University'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 University 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.

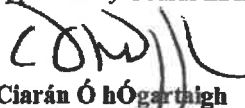
I also report by exception if, in my opinion,

- 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.

**Consolidated and University Statement of
Comprehensive Income and Retained Reserves**

	Notes	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s <i>(restated)</i>	University 2016 €000s <i>(restated)</i>
Income:					
State grants	2	40,524	40,524	39,632	39,632
Academic fees	3	107,976	107,976	108,217	108,217
Research grants and contracts	4	58,724	58,724	59,694	59,694
Donations and endowments (unrestricted)		1,900	1,900	-	-
Other income	5	12,561	8,934	13,196	9,190
Income from other financial assets	6	3	-	1,011	1,011
Other interest receivable and similar income	7	67	66	172	158
Amortisation of deferred capital grants	20	5,380	5,380	4,675	4,675
Net deferred Government funding for pensions	24	48,965	48,965	44,694	44,694
Total income		276,100	272,469	271,291	267,271
Expenditure:					
Staff costs	8	180,339	178,288	167,667	165,586
Other operating expenses	9	70,257	69,292	67,734	66,882
Depreciation	11/12	14,629	14,260	15,983	15,671
Interest on pension scheme liabilities	24	17,041	17,041	21,793	21,793
Total expenditure		282,266	278,881	273,177	269,932
Deficit for the year before taxation		(6,166)	(6,412)	(1,886)	(2,661)
Taxation	10	(65)	-	(132)	-
Deficit for the year		(6,231)	(6,412)	(2,018)	(2,661)
Actuarial gain/(loss) in respect of pension schemes	24	208,550	208,550	(102,270)	(102,270)
Movement on pension receivable	24	(208,550)	(208,550)	102,270	102,270
Total comprehensive loss		(6,231)	(6,412)	(2,018)	(2,661)
Represented by:					
Restricted comprehensive (loss)/income		(2,804)	(2,804)	1,677	1,677
Unrestricted comprehensive loss		(3,427)	(3,608)	(3,695)	(4,338)
Total comprehensive loss for the year		(6,231)	(6,412)	(2,018)	(2,661)
Opening reserves at 1 October		256,736	254,424	258,754	257,085
Total reserves at 30 September		250,505	248,012	256,736	254,424

The deficit for the year arose solely from continuing operations. The financial statements on pages 11 to 40 were approved by Údarás na hOllscoile on 29 June 2018 and were signed on its behalf by:


Ciarán Ó hÓgartaigh

Chief Officer & President

Date: 29 June 2018


Pól Ó Dochartaigh

Registrar

Date: 29. vi. 2018

Consolidated and University Statement Of
Financial Position

	Notes	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Non-current assets					
Property, plant and equipment	11	355,459	354,178	357,359	356,372
Heritage assets	12	8,749	8,749	8,915	8,915
Financial assets	13	27,929	27,929	27,605	27,605
		392,137	390,856	393,879	392,892
Current assets					
Inventory	14	106	90	99	90
Receivables	15	48,302	47,853	56,177	55,698
Cash and cash equivalents		52,883	48,044	22,183	16,888
Other investments	16	57,600	57,600	24,569	24,569
		158,891	153,587	103,028	97,245
Creditors: amounts falling due within one year	17	(117,671)	(113,579)	(95,602)	(91,144)
Net current assets		41,220	40,008	7,426	6,101
Total assets less current liabilities		433,357	430,864	401,305	398,993
Creditors: amounts falling due after more than one year	18	(182,852)	(182,852)	(144,569)	(144,569)
Provisions for liabilities					
Pension receivable	24	978,878	978,878	1,143,499	1,143,499
Pension liability	24	(978,878)	(978,878)	(1,143,499)	(1,143,499)
Total net assets		250,505	248,012	256,736	254,424
Represented by:					
Income and expenditure un-restricted reserve		248,118	245,625	251,545	249,233
Income and expenditure restricted reserve		2,387	2,387	5,191	5,191
Total reserves		250,505	248,012	256,736	254,424

The financial statements on pages 11 to 40 were approved by Údarás na hOllscoile on 29 June 2018 and were signed on its behalf by:


Ciarán Ó hÓgartaigh

Chief Officer & President

Date: 29 June 2018


Pól Ó Dochartaigh

Registrar

Date: 29. vi. 2018

Consolidated Statement of Cash Flows	Consolidated 2017 €000s	Consolidated 2016 €000s <i>(restated)</i>
<i>Cash flow from operating activities</i>		
Deficit for the year	(6,231)	(2,018)
<i>Adjustment for non-cash items</i>		
Depreciation	14,629	15,983
Profit on disposal of fixed assets	(47)	-
Amortisation of deferred capital grants	(5,380)	(4,675)
Income from other financial assets	(3)	(1,011)
Other interest receivable and similar income	(67)	(172)
Operating cashflow before movement in working capital	2,901	8,107
Increase in inventory	(7)	-
Decrease/(increase) in receivables	3,775	(3,734)
Increase in payables (excluding capital grants)	22,404	10,560
<i>Other movements</i>		
Capital grants recognised using the performance model	(1,900)	-
Taxation	65	132
Net cash inflow from operating activities	27,238	15,065
Taxation paid	(65)	(132)
Cash flows from investing activities		
Payments made to acquire fixed assets	(13,243)	(37,476)
Disposal of non-current asset investments	-	644
Proceeds from disposal of fixed assets	81	-
Capital grant receipts	10,974	15,118
Interest income	67	172
Investment income	3	367
Movement in investments	(33,355)	(12,605)
Net cash outflow from investing activities	(35,473)	(33,780)
Cash flows from financing activities		
Proceeds from new loan	39,000	-
Increase/(decrease) in cash and cash equivalents in the year	30,700	(18,847)
Cash equivalents at beginning of the year	22,183	41,030
Cash and cash equivalents at the end of the year	52,883	22,183

Notes to the Financial Statements**For the year ended 30 September 2017****1. Accounting Policies**

The basis of significant accounting policies adopted by Ollscoil na hÉireann, Gaillimh are set out below. They have all been applied consistently throughout the year and for the preceding year.

a. General Information

Ollscoil na hÉireann, Gaillimh commenced activities in 1849 as Queen's College, Galway. The Irish Universities Act (1908) made this college a constituent college of the new National University of Ireland, and under a new charter the name of the university changed to University College, Galway. It was given special statutory responsibility under the University College, Galway Act (1929) in respect of the use of the Irish language as the working language of the college. It retained the title of University College, Galway until the Universities Act (1997) changed it to the National University of Ireland, Galway (Ollscoil na hÉireann, Gaillimh). Its principal place of business is University Road, Galway.

b. Ollscoil na hÉireann, Gaillimh is a Public Benefit Entity (PBE)**c. Statement of Compliance**

The financial statements of Ollscoil na hÉireann, Gaillimh for the year ended 30 September 2017 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council and the Statement of Recommended Practice: Accounting for Further and Higher Education 2015, which has been voluntarily adopted by the university.

d. Basis of Preparation

The financial statements have been prepared under the historical cost convention. The presentation currency of these financial statements is the euro (€). All amounts have been rounded to the nearest thousand (€000s).

e. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its subsidiary undertakings made up to 30 September 2017. A subsidiary is an entity that is controlled by the holding undertaking. The results of subsidiary undertakings are included in the consolidated Statement of Comprehensive Income and Expenditure from the date that control commences until the date that control ceases.

Control is established when the University has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

Investments in associates are shown in the University's own Statement of Financial Position at cost less provisions for impairments in value.

In accordance with FRS102, the activities of the Students Union have not been consolidated because the University does not exert control or dominant influence over its activities or policy decisions. The financial statements of Galway University Foundation Limited are also excluded on the same basis.

1. Accounting Policies (continued)

f. Recognition of income

Government sourced recurrent/revenue grants (including research grants) are recognised in income over the periods in which the university recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year, as appropriate.

Non-government sourced recurrent/revenue grants (including research grants) are recognised in income when the university is entitled to the income and performance-related conditions (if any) have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

Government sourced non-recurrent/non-revenue grants received (or, in the case of certain capital grants, receivable) from the Higher Education Authority or other government bodies 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 related assets.

Non-government sourced non-recurrent/non-revenue grants are accounted for as Donations & Endowments as set out in g below.

Fee income is stated net of related expenditure and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which the students are studying. Bursaries and scholarships are accounted for as gross expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds that the university receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the university where the university is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Other recurrent income from the sale of services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the services are supplied to external customers or the terms of the contract have been satisfied.

Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the year, together with any related contributions towards overhead costs.

All income from short-term bank deposits is credited to the Statement of Comprehensive Income and Expenditure in the period in which it is earned.

g. Donations and Endowments

All donations and endowments are non-exchange transactions. Non-exchange transactions include grants from private and charitable individuals or organisations including research grants.

Non-exchange transaction income to be recognised as follows;

- (i) Transactions that do not impose specified future performance-related conditions on the recipient are recognised in income when the resources are received or receivable.
- (ii) Transactions that impose specified future performance-related conditions on the recipient are recognised in income only when the performance-related conditions are met.

A performance-related condition is defined as one that requires the performance of a particular level of service of units or output to be delivered, with payment of, or entitlement to, the resources conditional on that performance.

Endowments do not have performance-related conditions and that the instances of performance-related conditions in donations will be rare. A donation towards the cost of construction of a specified building, if entitlement to the donation is on completion of the building (performance-related condition) is provided as an example of a donation with a performance-related condition.

1. Accounting Policies (continued)**h. Interest receivable and interest payable**

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include interest payable and net foreign exchange gains or losses that are recognised in the statement of comprehensive income. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Interest income and interest payable are recognised in the statement of comprehensive income as they accrue, using the effective interest rate method. Foreign currency gains and losses are reported on a net basis.

i. Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

j. Property, plant & equipment**Land and buildings**

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University – normally fifty years. Leasehold buildings are included in the Statement of Financial Position at cost and depreciated over the term of the lease.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. Any related government grants are recognised as deferred income within creditors and are released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

Equipment

Equipment costing less than €10,000 per individual item is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

<i>Computer equipment</i>	<i>3 years</i>
<i>Other equipment</i>	<i>5 years</i>

Where equipment is acquired with the aid of specific government grants, it is capitalised and depreciated in accordance with the above policy, with any related grant being recognised as deferred income within creditors and released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related equipment.

1. Accounting Policies (continued)

k. Heritage assets

The University has acquired a number of assets of unqualified historical and cultural importance to the State. These assets include archives relating to literature and other arts, such as drama, as well as period houses, artworks and other paintings and artefacts.

Period houses, such as the Quadrangle, are part of the working infrastructure of the University Campus and, as such, are capitalised in the Statement of Financial Position at original cost. These are depreciated over fifty years.

Archives purchased for the benefit of the University's academic mission are also capitalised in the Statement of Financial Position at original cost and not depreciated.

Given the historical and cultural importance of these assets, it is University policy to have rigorous procedures around their acquisition, preservation, management and disposal (using the various committees and accounting system) to separately identify and manage these important assets.

l. Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in statement of comprehensive income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred.

m. Financial assets

Quoted investments are stated at market value, based on prices ruling at the Statement of Financial Position date. Other non-current asset investments are carried at cost less any provision for impairment in their value.

Current asset investments (excluding equity investments, which are carried at fair value) are included in the Statement of Financial Position at the lower of their original cost and net realisable value if they meet the definition of basic financial instruments. Otherwise they are carried at fair value through profit and loss.

n. Inventory

Inventory consists of books and consumables, and is recognised in the financial statements at the lower of Cost and Net Realisable Value (NRV). Cost is calculated on a first-in-first-out (FIFO) basis and includes all purchase costs. NRV is the selling price (actual or estimated) less all necessary completion costs.

o. Trade and other debtors/creditors

Trade and other debtors/creditors are recognised initially at transaction price. Subsequent to initial recognition, they are measured at amortised cost (using the effective interest rate method) less any impairment losses in the case of trade debtors.

p. Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

q. Taxation

As an exempt charity, the University 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.

Irrecoverable VAT on inputs is included in the costs of such inputs, both revenue and capital. The University does carry out some commercial activity – most notably in the research area. VAT is charged on income from this activity where appropriate. Trading activities undertaken by the University are administered through its subsidiary companies, which as commercial organisations are liable to Corporation Tax.

1. Accounting Policies (continued)

r. Deferred taxation

In subsidiary companies, which do not hold a charitable status, deferred taxation is provided on all timing differences that have originated but not reversed at the Statement of Financial Position reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements that arise because certain items of income and expenditure in the financial statements are dealt with in different periods for the purposes of taxation.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to be reversed, based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

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.

s. Employee Benefits

Short-term Benefits

Short term benefits such as wages and holiday pay are recognised as an expense in the year in which the employee renders service. Any unused benefits are accrued at year-end and included in the Creditors figure in the Statement of Financial Position.

Retirement Benefits

The University operates the following defined-benefit pension schemes:

- Joint Pension Scheme (JPS) – this is a ‘Pay As You Go’ (PAYG) scheme providing pension benefits at retirement on a defined benefit basis, covering entrants up to 31 December 2004.
- Model Pension Schemes (MPS) – this is a ‘Pay As You Go’ (PAYG) scheme providing pension benefits at retirement on a defined benefit basis, covering entrants from 1 January 2005.
- The Single Public Service Pension Scheme (“Single Scheme”), – this multi-employer scheme commenced, with effect from 1 January 2013. From the commencement date onward new public servants will be members of the Single Scheme, which will provide CPI-linked defined-benefit pensions based on career-average pay.

Defined Benefit Pension Schemes

In relation to the above schemes, the actuarially-assessed present value of the various schemes’ liabilities (calculated using the projected unit credit method) is disclosed as a liability on the Statement of Financial Position.

Current service costs: These are the costs of additional benefits that scheme members accrue during the year, based on projected pensionable salaries at retirement or earlier cessation of employment. The expense for the year is recognised in the Statement of Comprehensive Income and Expenditure.

Interest cost: This is interest on the defined benefit obligation, which is the total present value of the members’ attributed benefits for valuation purposes at the year-end. The expense for the year is recognised in the Statement of Comprehensive Income and Expenditure.

Actuarial gains or losses: These relate to changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed.

The University considers that its pension liabilities are guaranteed by the State. As a consequence, a pension receivable asset, corresponding to the net actuarially-computed liability for pensions, is recognised on the Statement of Financial Position.

Movements on this pension receivable are included in the Statement of Comprehensive Income and Expenditure in order to mirror the underlying movement on the pension liability.

1. Accounting Policies (continued)

s. Employee Benefits (continued)

Defined Benefit Pension Schemes (continued)

This asset is recognised on foot of:

- a) guarantees enshrined in the Financial Measures (Miscellaneous Provisions) Act, 2009 in respect of JPS pension benefits at retirement;
- b) the "PAYG" basis of the MPS. Údarás na hOllscoile is of the opinion that the discussions between the sector, the HEA and Government Departments represented assurances that the State will fund any cash-flow deficiencies arising from pension payment obligations; and
- c) guarantees enshrined in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

Personal Retirement Savings Accounts (PRSA) pension facility

A PRSA pension facility is also available for staff not eligible for enrolment in the defined-benefits schemes. It is administered by a third party insurance company.

t. Cash and cash equivalents

These include sums on short-term deposits with recognised banks and building societies and government securities.

u. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position reporting date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Non-Traded Financial Assets

The value of financial assets that are not traded in active markets is determined by using valuation techniques. The University exercises judgment in selecting a variety of methods and makes assumptions that are mainly based on observable data and conditions existing at each reporting date.

Impairment of Property, Plant and Equipment

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Depreciation and Residual Values

The University has reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

Retirement Benefit Obligation and related asset

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

1. Accounting Policies (continued)**u. Critical accounting judgements and key sources of estimation uncertainty (continued)**

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

Although the legislation relates specifically to the Joint Pension Scheme and The Single Public Service Pension Scheme, the University believes that the discussions between the University sector, HEA and Government Departments represent assurances that the State will meet all future pension liabilities of defined benefit schemes (i.e. JPS and MPS, including supplementation, in the University's case) on a "Pay As You Go" basis for all categories of staff.

Accordingly, the University has recognised a matching pension receivable in the Statement of Financial Position at an amount equivalent to the full pension liability for these defined benefit schemes for each reported period.

2. State grants

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
State grants allocated for recurrent purposes	40,524	40,524	39,632	39,632

Grantor	Government funding Department Dept of Education and Skills	Department of Culture, Heritage and the Gaeltacht	Department of Education and Skills	Opening deferred/(due) 1 October 2016 €000s	Grant received €000s	Closing (deferred)/due 30 September 2017 €000s	Amount taken to income €000s
Higher Education Authority				8,471	39,457	(8,432)	39,496
An Roinn Cultúir, Oidhreacht agus Gaeltachta				(550)	1,200	250	900
Department of Education and Skills					128		128
				7,921	40,785	(8,182)	40,524

3. Academic fees

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s (restated)	University 2016 €000s (restated)
Academic fee income	107,647	107,647	108,026	108,026
Miscellaneous fee income	329	329	191	191
	107,976	107,976	108,217	108,217

Grantor	Government funding Department Dept of Education and Skills	Opening deferral 1 October 2016 €000s	Grant received €000s	Closing deferral 30 September 2017 €000s	Amount taken to income €000s
Higher Education Authority		-	34,002	-	34,002

4. Research grants and contracts

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
State and Semi-State	35,814	35,814	37,764	37,764
European Union	10,097	10,097	12,446	12,446
Industry and commerce	9,274	9,274	3,371	3,371
Other	3,539	3,539	6,113	6,113
Total research grants and contract income	58,724	58,724	59,694	59,694

Grantor	Government funding Department	Opening (deferred)/due 01 October 2016 €000s	Grant received €000s	Closing deferred/(due) 30 September 2017 €000s	Amount taken to income €000s
SFI	Dept of Jobs, Enterprise and Innovation	(12,793)	33,757	29,783	(16,767)
HEA PRTL	Dept of Jobs, Enterprise and Innovation	140	(362)	(504)	(2)
Health Research Board	Department of Health	16	4,567	(346)	(4,897)
IRC	Dept of Education and Skills	(1,812)	5,622	2,558	(4,876)
Enterprise Ireland	Dept of Jobs, Enterprise and Innovation	978	2,634	(671)	(2,327)
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	1,422	711	(1,354)	(643)
Dept of Agriculture and Food	Dept of Agriculture, Food and the Marine	521	1,187	(515)	(1,181)
Marine Institute	Dept of Agriculture, Food and the Marine	284	850	(312)	(878)
Other Irish Government/State agencies	Various Departments	601	4,922	78	(4,243)
Total Exchequer research grants		(10,643)	53,888	28,717	(35,814)
Total non-Exchequer research grants		(7,779)	28,502	13,371	(22,910)
Total research grants and contract income		(18,422)	82,390	42,088	(58,724)

5. Other income

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Other rental and licence income	1,195	3,559	1,178	3,789
Funded post income	1,422	1,422	911	911
Catering	391	-	592	-
Student accommodation	5,447	-	6,043	-
Other income	2,845	3,163	1,801	1,990
Insurance proceeds (fire damage)	-	-	1,090	1,090
Shannon College of Hotel Management	185	185	17	17
Science Without Borders programme funds	123	123	939	939
Patent and IP-related income	319	319	178	178
Other subsidiaries income	471	-	171	-
HSE Service Learning Agreement	163	163	276	276
	12,561	8,934	13,196	9,190

Grantor	Government funding Department	Opening (deferred)/due 1 October 2016 €000s	Grant received €000s	Closing deferred/(due) 30 September 2017 €000s	Amount taken to income €000s
HSE	Department of Health	(93)	967	-	874
Túsla	Department of Health	-	150	-	150
HEA	Dept of Education and Skills	(31)	250	-	219
		(124)	1,367	-	1,243

6. Income from other financial assets

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Other income from financial assets	3	-	367	367
Net gain on disposal of financial assets	-	-	644	644
	3	-	1,011	1,011

7. Other interest receivable and similar income

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Interest income on bank deposits	67	66	172	158

8. Staff costs

The average weekly number of persons (including senior post-holders) employed by the University and its subsidiary undertakings during the period, expressed as full-time equivalents was:

	Consolidated 2017 Number	University 2017 Number	Consolidated 2016 Number	University 2016 Number
Teaching and research	1,364	1,364	1,320	1,320
Technical	105	105	104	104
Central administration and services	719	719	721	721
Other	45	-	52	-
	2,233	2,188	2,197	2,145

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s (restated)	University 2016 €000s (restated)
Salaries and wages	127,505	125,747	120,926	119,131
Social welfare costs	10,977	10,806	10,455	10,279
Contributions to defined benefit plans	9,811	9,811	13,275	13,275
Contributions to defined contribution plans	122	-	110	-
	148,415	146,364	144,766	142,685
Impact of accounting requirements relating to defined-benefit pensions	31,924	31,924	22,901	22,901
Total staff costs	180,339	178,288	167,667	165,586

8. Staff costs (continued)**(a) Employee benefits breakdown**

The table below provides detail of the range of total employee benefits for all employees earning €60,000 or more:

Range of total employee benefits	Consolidated 2017 No. of employees	University 2017 No. of employees	Consolidated 2016 No. of employees	University 2016 No. of employees
€60,000 - €69,999	193	190	165	163
€70,000 - €79,999	268	267	247	247
€80,000 - €89,999	84	84	103	103
€90,000 - €99,999	42	41	16	12
€100,000 - €109,999	5	3	9	9
€110,000 - €119,999	24	24	24	24
€120,000 - €129,999	51	51	59	59
€130,000 - €139,999	48	47	35	34
€140,000 - €149,999	3	3	3	3
€160,000 - €169,999	1	1	1	1
€180,000 - €189,999	2	2	2	2
€190,000 - €199,999	1	1	-	-
€200,000 - €209,999	2	2	2	2
€240,000 - €249,999	1	1	1	1
€250,000 - €259,999	-	-	-	-
	725	717	667	660

(b) Key Management Personnel - Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University, directly or indirectly. In line with University Sector practice, key management personnel are the members of the University's Management Team.

Total compensation (i.e. remuneration plus employer PRSI and employer pension contributions) paid to key management personnel in 2017 amounted to €1.35m (2016: €1.29m).

In total, 8 employees (2016: 10) are included in the compensation of key management personnel disclosed above.

The President's salary in FY 2016/17 was €189,732 (2016: €187,255).

(c) Other

The university concluded a number of employment-related settlements during the year at a total cost of €134k, including severance, which are expensed under *Salaries and wages*.

9. Other Operating expenses

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s <i>(restated)</i>	University 2016 €000s <i>(restated)</i>
Building maintenance, repairs and renewals	6,242	5,850	4,817	4,448
Light and heat	4,059	3,997	4,281	4,209
Travel, subsistence and relocation costs	3,494	3,481	3,914	3,886
Consultancy, professional, audit and legal	3,286	3,264	4,390	4,259
Scholarships/fellowships and prizes	3,123	3,123	3,237	3,237
IT consumables, maintenance, peripherals and software	3,037	2,930	2,470	2,398
Books, periodicals and journals	2,089	2,089	2,237	2,238
Cleaning and waste disposal	2,010	1,840	1,939	1,776
Non-pay recurrent costs for research projects	20,043	20,196	18,776	18,872
Other	7,761	6,855	6,124	5,308
Bank interest	7	-	1	-
Bank fees and charges	154	152	295	290
Telephone	368	358	538	512
Postage	393	389	461	461
Provision for bad debts	451	451	550	550
Subscriptions and membership fees	679	676	721	709
Security contract work	712	582	525	525
Miscellaneous grants awarded	739	739	757	757
Rent and rates	826	812	976	973
Insurance	831	769	802	738
Consumables (laboratories, etc.)	937	937	1,367	1,367
Marketing and communications	999	960	1,081	962
Training and other courses	1,101	1,118	1,126	1,134
Printing, stationery and office supplies	1,651	1,637	1,725	1,707
NUI and student levies	1,725	1,759	1,634	1,634
Non-capitalised equipment	1,742	1,734	2,363	2,363
Other services purchased	1,798	2,594	627	1,569
	70,257	69,292	67,734	66,882

Other operating expenses include:

Auditors remuneration, including outlay and VAT

- External audit	108	91	107	90
- C&AG audit	33	33	33	33

10. Taxation

The majority of the University's activities are not liable to corporation taxation. The corporation taxation charge in the year in respect of trading activities administered through subsidiary companies amounted to €65,000 (2016: €132,000).

Deferred taxation in the period amounted to €nil (2016: €nil).

11. Property, Plant & Equipment

<u>GROUP</u> Cost	Land and Buildings €000s	Equipment €000s	Assets in course of construction €000s	Total €000s
At 1 October 2016	403,646	140,294	40,528	584,468
Additions in year	514	2,894	9,178	12,586
Disposals in year	-	(96)	-	(96)
Transfers from assets in course of construction	39,428	1,540	(40,968)	-
At 30 September 2017	443,588	144,632	8,738	596,958
Depreciation				
At 1 October 2016	94,942	132,167	-	227,109
Charge for year	9,142	5,310	-	14,452
Disposals in year	-	(62)	-	(62)
At 30 September 2017	104,084	137,415	-	241,499
Net book value				
At 30 September 2017	339,504	7,217	8,738	355,459
At 30 September 2016	308,704	8,127	40,528	357,359

The value of borrowing costs capitalised in the year is €198k (2016: €nil)

11. Property, plant and equipment (con'd)

UNIVERSITY	Land and Buildings €000s	Equipment €000s	Assets in course of construction €000s	Total €000s
Cost				
At 1 October 2016	403,646	136,519	40,528	580,693
Additions in year	514	2,231	9,178	11,923
Disposals in year	-	(96)	-	(96)
Transfers from assets in course of construction	39,428	1,540	(40,968)	-
At 30 September 2017	443,588	140,194	8,738	592,520
Depreciation				
At 1 October 2016	94,942	129,379	-	224,321
Charge for year	9,142	4,941	-	14,083
Disposals in year	-	(62)	-	(62)
At 30 September 2017	104,084	134,258	-	238,342
Net book value				
At 30 September 2017	339,504	5,936	8,738	354,178
At 30 September 2016	308,704	7,140	40,528	356,372

The value of borrowing costs capitalised in the year is €198k (2016: €nil)

12. Heritage assets capitalised

The tables below illustrate those heritage assets for which costs have been obtained. The majority of the heritage assets have been funded by the University's own resources.

Cost	Buildings €000s	Archives €000s	Art works €000s	Total €000s
At 1 October 2016	8,900	3,267	111	12,278
Additions	-	-	11	11
At 30 September 2017	8,900	3,267	122	12,289
Depreciation				
At 1 October 2016	3,363	-	-	3,363
Charge for year	177	-	-	177
At 30 September 2017	3,540	-	-	3,540
Net book value 30 September 2017	5,360	3,267	122	8,749
Net book value 30 September 2016	5,537	3,267	111	8,915

Other paintings and artefacts that were purchased, or otherwise acquired, have not been capitalised as these are, in effect, inalienable, held in perpetuity, and are most irreplaceable. A 2010 valuation by Whyte's Fine Art Auctioneers and Valuers valued these assets at €2.367m.

12b. Five year financial summary of heritage asset transactions

Cost	2013 €000s	2014 €000s	2015 €000s	2016 €000s	2017 €000s
At 1 October	10,840	11,285	11,580	12,278	12,278
Additions	445	295	698	-	11
Cost at 30 September	11,285	11,580	12,278	12,278	12,289
Valuation of other paintings and artefacts	2,367	2,367	2,367	2,367	2,367
Total at 30 September	13,652	13,947	14,645	14,645	14,656

13. Financial assets

	Shares in group undertakings €000s	Other investments other than loans €000s	Total €000s
Cost			
At start of year	3	27,602	27,605
Movement in year (<i>additions, etc.</i>)	(1)	325	324
At year-end	2	27,927	27,929

The movement in the year in relation to shares in group undertakings related to the alignment of the asset value with the university's share of the revenue reserves of the undertaking.

Other investments principally consist of portfolios of cash, government bonds and equities managed by third-party investment managers. The University held a direct interest in the following subsidiary and associate undertakings:

Subsidiary undertakings	Principal activity	Interest %
Tionól Teo.	Conferences	100%
UCG Research Applications Ltd.	Holding company	100%
Maoin Champais Teo.	Leasing	100%
Atalia Student Residences Limited	Operation of student residences	100%
College Campus Radio Ltd.	Radio programming	100%
CCG. Aonad Slainte do Mhicleinn Teo.	University health unit	100%
Associated undertakings		
Bimini Ltd.	IP rights	28%

The registered office and place of work for each of the subsidiary and associated undertakings is Ollscoil na hÉireann, Gaillimh. The University also holds an interest (through its Technology Transfer Office) in a number of companies, as outlined hereunder.

	Principal activity	2017 Interest %	2016 Interest %
Other investments			
Theta Chemicals Ltd.	Development of chemicals	18.57%	18.57%
Analyse IQ Ltd.	Software consultancy/supply	10.00%	10.00%
Qpercom Ltd.	Consultancy	15.00%	15.00%
Peracton Ltd.	Software consultancy/supply	10.00%	10.00%
MDG Web Ltd.	Database activities	8.63%	8.63%
Orbsen Therapeutics Ltd.	Medical practice activities	6.70%	8.00%
Sláinte Beoga Teoranta	Manufacture of pharmaceutical products	7.00%	10.00%
NVP Energy Ltd.	Software supply	10.00%	10.00%
Loci Therapeutics Limited	Orthopaedic implants technology	5.00%	-
Bioprobe Therapeutics Limited	Technology for the detection of legionella	10.00%	-
Sedicii Innovations Limited	Software Development	8.84%	10.00%
Onkimmume Limited	Cancer Immunotherapies	2.00%	2.00%
HVAC Remote Monitoring Limited	Energy Efficiency	5.00%	5.00%
Signum Surgical Limited	Gastrointestinal Devices	5.33%	5.33%
Vetex Medical Limited	Cardiovascular Devices	10.00%	10.00%

NUI Galway holds new investments in two companies as at 30 September 2017 (i.e., Loci Therapeutics Ltd (5%) and Bioprobe Therapeutics Ltd (10%). The University disposed of its interest in three companies (Embo Medical Ltd, Seevl Ltd and ePlantech Ltd) in the previous financial year.

14. Inventory (*Inventory principally consists of books and consumables*)

	2017	2016
	€'000	€'000
University	90	90
Subsidiaries	16	9
	106	99

15. Receivables

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Research grant debtors	15,565	15,565	19,685	19,685
Other debtors	1,702	1,076	2,097	2,097
Accounts receivable	1,068	1,068	2,043	1,564
Staff housing loans	4	4	4	4
Pension account debtor	1,715	1,715	-	-
Capital grants receivable from Galway University Foundation	28,248	28,248	32,348	32,348
Intercompany balances	-	177	-	-
	48,302	47,853	56,177	55,698

Galway University Foundation (GUF) is a company limited by guarantee and a registered charity. Its primary function is to generate financial and other supports for the University. The Foundation is not controlled by NUI Galway, and does not receive any funding from either NUI Galway or the State for its fundraising activities.

GUF funds its operating expenses through the application of a discretionary levy on donor income and through investment income. GUF is a major contributor to the University's capital and recurrent activities and its annual report and audited accounts are available on its website. GUF policy is to make funds available to the University following the completion of capital projects and expenditure on recurrent projects. Funds are transferred to the University in accordance with agreed formal procedures.

Under the terms of the agreed transfer schedule with GUF, €13.42m of the €28.248m capital grants receivable from GUF is due to be paid to the University within twelve months of the balance sheet date. The remaining balance is due to be paid thereafter.

Accounts receivable are stated net of a provision for bad debts of €0.042m (2016: €0.042m).

16. Other investments

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Bank deposits with maturity date greater than three months and less than or equal to one year	57,600	57,600	24,569	24,569

17. Creditors: amounts falling due within one year

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Trade creditors and accruals	27,255	22,967	29,024	24,334
Pension accruals	-	-	325	325
Research grants and contracts received in advance	57,649	57,649	38,107	38,107
Retention monies	1,533	1,533	1,803	1,803
Fees received in advance	25,996	25,996	21,213	21,213
Intercompany balances	-	196	-	232
State grants received in advance	287	287	490	490
Deferred capital grants (Note 20)	4,951	4,951	4,640	4,640
	<hr/> 117,671	<hr/> 113,579	<hr/> 95,602	<hr/> 91,144

18. Creditors: amounts falling due after more than one year

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Bank loans (Note 19)	39,000	39,000	-	-
Deferred capital grants (Note 20)	143,852	143,852	144,569	144,569
	<hr/> 182,852	<hr/> 182,852	<hr/> 144,569	<hr/> 144,569

19. Bank loans/borrowings

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
<i>Bank loans are repayable as follows:</i>				
Amounts falling due in one year or less	-	-	-	-
<hr/>				
Amounts falling due after more than one year				
Between one and two years	-	-	-	-
Between two and five years	4,333	4,333	-	-
In five years or more	34,667	34,667	-	-
	<hr/> 39,000	<hr/> 39,000	<hr/> -	<hr/> -

19. Bank loans/borrowings (continued)

The European Investment Bank (EIB) has provided part of the funding necessary for the University's capital expenditure programme. This funding will allow the University to complete a comprehensive programme of capital investment including much needed academic and student facilities.

This loan facilitates three significant projects:

- (i) the Human Biology Building which provides for medical education,
- (ii) the Centre for Drama, Theatre and Performance which facilitates further study of Irish Theatre and
- (iii) New Student Residences which will provide over 900 additional bed spaces

The facility is repayable over a maximum of 25 years (i.e. to 2042) and currently incurs interest at Euribor plus a margin. The undrawn element of the EIB facility is €21m at 30 September 2017 (2016: €nil).

20. Deferred capital grants: Consolidated and University

As at 1 October 2016	HEA	Other grants/ benefactors	Total
Buildings	117,150	29,813	146,963
Equipment	10	2,236	2,246
Total	117,160	32,049	149,209
Received and receivable			
Buildings	3,289	-	3,289
Equipment	-	1,685	1,685
Total	3,289	1,685	4,974
Released to SOCI			
Buildings	(3,239)	(1,214)	(4,453)
Equipment	(5)	(922)	(927)
Total	(3,244)	(2,136)	(5,380)
As at 30 September 2017			
Buildings	117,200	28,599	145,799
Equipment	5	2,999	3,004
Total	117,205	31,598	148,803
Less than one year (Note 17)	3,194	1,757	4,951
Greater than one year	114,011	29,841	143,852

20. Deferred capital grants: Consolidated and University (continued)

As at 1 October 2015	HEA	Other grants/ benefactors	Total
Buildings	110,941	31,027	141,968
Equipment	14	2,148	2,162
Total	110,955	33,175	144,130
Received and receivable			
Buildings	9,331	-	9,331
Equipment	-	423	423
Total	9,331	423	9,754
Released to SOCI			
Buildings	(3,122)	(1,214)	(4,336)
Equipment	(4)	(335)	(339)
Total	(3,126)	(1,549)	(4,675)
As at 30 September 2016			
Buildings	117,150	29,813	146,963
Equipment	10	2,236	2,246
Total	117,160	32,049	149,209
Less than one year (Note 17)	3,114	1,526	4,640
Greater than one year	114,046	30,523	144,569

Grantor	Government funding Department	Name of grant	Grant term	Amount of total grant awarded €000s	Opening debtor 1 October 2016 €000s	Grant awarded €000s	Grant received €000s	Closing debtor 30 September 2017 €000s
HEA - PRTL	Dept of Jobs, Enterprise and Innovation	PRTL Cycle 5	5 - 7 years	32,884	6,329	-	(3,289)	3,040
HEA - other	Dept of Education and Skills	3rd Level general Capital Programme	5 years	13,380	-	-	-	-
				46,264	6,329	-	(3,289)	3,040

21. Lease commitments

At 30 September 2017 the University had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	€000s
Payable within one year	37
Payable within two to five years	150
Payable after five years	46
	233

Operating lease payments recognised as an expense were €0.037m (2016: €0.037m)

22. Capital commitments

	Consolidated 2017 €000s	University 2017 €000s	Consolidated 2016 €000s	University 2016 €000s
Contracted for but not provided	34,193	34,193	7,268	7,268
Authorised but not contracted out	11,187	11,187	8,870	8,870

23. Related parties

For a breakdown of the remuneration and benefits paid to key management personnel, please refer to Note 8(b). Key management personnel in the University consist of the President and members of the University Management Team.

The University has availed of the exemption available under "Section 33 Related Party Disclosures" of Financial Reporting Standard 102 and the SORP from disclosing transactions entered into with wholly owned group undertakings.

Bimini Limited is an associate company of the University (as UCG Research Applications Limited has a 28% holding). The company holds a patent. It accounts for the income and related expenses of this patent through the company. The University as at 30 September 2017 was owed €nil by the company (2016: €nil).

The University also holds a minority shareholding in other entities; these are summarised in note 13.

Galway University Foundation Limited: This entity, which is not controlled by the University, is engaged in generating financial support for University capital, academic and academic support programmes. These financial statements include the impact of any funding received and receivable from this company.

St Angela's College Sligo Limited is a company limited by guarantee with linkages to the University in terms of collaboration and degree accreditation. In accordance with Government policy, the University plans to fully incorporate the activities of the College upon clearance of related legal matters.

In accordance with FRS102, the financial results of the Students Union, Galway University Foundation Limited, and St Angela's College Ltd. have not been consolidated because the University does not exert control or dominant influence over the policy decisions or activities of these entities.

24. Retirement benefits

The University operates the following defined-benefit pension schemes, which are included within the pension liability in the Statement of Financial Position:

- **Joint Pension Scheme (JPS)** – this is a ‘Pay As You Go’ (PAYG) scheme providing pension benefits at retirement on a defined benefit basis, covering entrants to 31 December 2004.
- **Model Pension Schemes (MPS)** – this is a ‘Pay As You Go’ (PAYG) scheme providing pension benefits at retirement on a defined benefit basis, covering entrants from 1 January 2005.
- **The Single Public Service Pension Scheme (“Single Scheme”)**, – this scheme commenced, with effect from 1 January 2013. From the commencement date onward new public servants will be members of the Single Scheme, which will provide CPI-linked defined-benefit pensions based on career-average pay. It is the responsibility of all relevant authorities (employer) to collect and remit Single Scheme member contributions for the benefit of the Exchequer.

Joint and Model Pension Schemes

The Financial Measures (Miscellaneous Provisions) Act 2009 came into force on 26 June 2009. It makes legal provision for (a) the State to underwrite the net pension liabilities of the JPS and (b) the transfer of the scheme’s assets to the State (National Pension Reserve Fund).

On foot of this legislation, the University has recognised a pension receivable from the State of €814m (2016: €968m) in respect of the Joint Pension Scheme, including supplementation.

Although the legislation relates specifically to the JPS the University believes that the discussions between the University sector, HEA and Government Departments represent assurances that the State will meet all future pension liabilities of defined benefit schemes (i.e. JPS and MPS, including supplementation, in Ollscoil na hÉireann, Gaillimh’s case) on a “Pay As You Go” basis for all categories of staff.

Accordingly the University has also recognised a matching pension receivable in the Statement of Financial Position at an amount equivalent to the full pension liability for the MPS for each reported period. The associated receivable from the State is €157m (2016: €169m).

The Single Public Service Pension Scheme (“Single Scheme”)

The Single Public Service Pension Scheme (“Single Scheme”), as provided for in the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 commenced, with effect from 1 January 2013. From the commencement date onward new public servants will be members of the Single Scheme, which will provide CPI-linked defined-benefit pensions based on career-average pay. The Scheme’s minimum pension age will be linked to the State Pension age (66 years initially, rising to 67 in 2021 and 68 in 2028). Retirement for most members will be compulsory on reaching age 70. The Single Scheme is a multi-employer defined benefit scheme (i.e. one scheme for all “relevant authorities” within the public sector).

It is the responsibility of the employer to collect and remit **Single Scheme** member contributions for the benefit of the Exchequer. The Single Scheme is included within the University pension liability and, as provided for by the Act, within the associated receivable from the State. The associated receivable from the State is €8m (2016: €6m).

The following disclosures comply with those required under FRS102, which stipulates the methodology for deriving assumptions to be used in calculating the University’s pension liabilities and requires disclosure of the University’s full pension liability including the liability for post-retirement pension increases payable to pensioners.

The last full actuarial valuation was at 30 September 2005. The actuarial valuation report of the pension liabilities has been based on actuarial data as at 30 September 2017. While this report is not publically available, the more salient points are reproduced in this note.

24. Retirement benefits (continued)

The following tables elaborate further on the basis/calculation of the pension liability.

	At year-end 30 September 2017 (€'000)	At year-end 30 September 2016 (€'000)
Assumed annual rate		
Discount rate	2.30%	1.50%
Rate of increase in Consumer Prices Index	1.75%	1.45%
Rate of increase in pensionable salaries	3.00%	2.70%
Rate of increase in social welfare offset	2.25%	1.95%
Rate of increase in pensions	2.25%/1.75%	1.95%/1.45%
Average expected future life at age 65 for		
Male	21.1	22.3
Female	23.7	23.8
Change in benefit obligation		
Opening value of schemes liabilities	1,143,499	997,902
Current service cost	41,735	36,176
Past service costs	-	-
Interest cost on schemes' liabilities	17,041	21,793
Member contributions	5,309	5,069
Actuarial (gains)/losses	(208,550)	102,270
Benefits paid	(20,156)	(19,711)
Gross University pension liability at end of year	978,878	1,143,499
Pension receivable from State	978,878	1,143,499
Total asset value at end of year	978,878	1,143,499
Net pension deficit at year end	-	-

24. Retirement benefits (continued)

	At year-end 30 September 2017 (€'000)	At year-end 30 September 2016 (€'000)
<i>Change in pension receivable from State</i>		
Opening receivable	1,143,499	997,902
Movement included in SOCI	(208,550)	102,270
State-funded interest expense	17,041	21,793
Movement relating to staff costs	31,924	22,901
Member contributions	5,309	5,069
Benefits paid	(20,156)	(19,711)
Employer contributions	9,811	13,275
Closing pension receivable	978,878	1,143,499
<i>Amounts recognised in Statement of Financial Position</i>		
Pension liability	978,878	1,143,499
Pension receivable	(978,878)	(1,143,499)
Net pension deficit	-	-
<i>Analysed as:</i>		
Joint Pension Scheme	814,059	967,799
Other	164,819	175,700
	978,878	1,143,499
<i>Components of pension income (FRS17)</i>		
<i>Net deferred Government funding (to cover)</i>		
Staff costs	31,924	22,901
Interest expense	17,041	21,793
Amount recognised in I&E account	48,965	44,694
<i>Analysed as:</i>		
Joint Pension Scheme	31,757	33,292
Other	17,208	11,402
	48,965	44,694

24. Retirement benefits (continued)

	Year-end 30 September 2017 (€'000)	Year-end 30 September 2016 (€'000)
<i>Components of pension expense</i>		
<i>Staff costs</i>		
Employer contributions	9,811	13,275
<i>Impact of accounting standard for defined-benefit pensions:</i>		
- current service cost	31,924	22,901
- past service cost	-	-
Total impact of accounting standard for defined-benefit pensions	31,924	22,901
	<hr/>	<hr/>
Current and past service costs	41,735	36,176
	<hr/>	<hr/>
<i>Analysed as:</i>		
Joint Pension Scheme	23,872	21,607
Other	17,863	14,569
	<hr/>	<hr/>
	41,735	36,176
<i>Interest expense</i>		
Interest cost on scheme liabilities	17,041	21,793
	<hr/>	<hr/>
<i>Analysed as:</i>		
Joint Pension Scheme	14,390	18,846
Other	2,651	2,947
	<hr/>	<hr/>
	17,041	21,793

24. Retirement benefits (continued)**History of defined benefit obligations, assets and experience gains and losses**

Financial year ending 30 September	2017	2016	2015	2014	2013
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	978,878	1,143,499	997,902	987,970	869,822
Fair value of plan assets	-	-	-	-	-
Pension receivable from State	978,878	1,143,499	997,902	987,970	869,822
Deficit	-	-	-	-	-
Experience gains on plan liabilities	(54,276)	(28,123)	(24,870)	(97,881)	(55,285)
% of plan liabilities	(5.54%)	(2.46%)	(2.49%)	(9.91%)	(6.36%)
Experience adjustment on assets	N/A	N/A	N/A	N/A	N/A
% of closing assets	N/A	N/A	N/A	N/A	N/A

Other

Contributions (both employer and employee) to pension schemes for the year ended 30 September 2018 are estimated to be €13.3m.

A PRSA pension facility is also available for staff not eligible for enrolment in the defined-benefits schemes. It is administered by a third party insurance company. There are no employees contributing to this scheme currently.

25. Contingent liabilities

The University is involved in a number of legal actions arising in the ordinary course of business. No material adverse impact in the financial position of the University is expected to arise from the ultimate resolution of these actions.

26. Restatement of prior-year figures

Where figures are presented in a different format in the current year, prior-year amounts are restated to ensure consistency and comparability, year-on-year.

27. Approval of financial statements

Údarás na hOllscoile approved these consolidated financial statements on 29 June 2018.

SCHEDULES

The information on the following pages does not form part of the audited financial statements

Reconciliation of HEA to FRS102-format deficit	2017	2016
	€000s	€000s
Deficit as per HEA-format financial statements	(1,398)	(710)
Capital grant amortisation	5,380	4,675
Reversal of capital project funding from SOCI	2,519	6,252
Adjustment to income from research activity	(3,508)	(601)
Net impact from miscellaneous subsidiaries activity	550	880
Capital expenditure aligned	1,511	1,472
Net impact of accrued sundry expenditure for post-year end entries	600	602
Adjustment for financial assets carrying value	(2)	-
Net internal balances reversal	(604)	(1,134)
Depreciation (including subsidiaries)	(14,629)	(15,983)
Insurance proceeds for building refurbishment	-	1,090
Holiday pay accrual impact	(68)	(40)
Donations from non-government entities and student levy for capital projects	3,418	1,479
Deficit as per consolidated FRS102 financial statements	(6,231)	(2,018)

The above reconciliation is additional information not forming part of the consolidated financial statements.

Ollscoil na hÉireann, Gaillimh – Corporate Social Responsibility (CSR)

Ollscoil na hÉireann, Gaillimh takes CSR seriously as evidenced by its investment in, and public recognition of the importance of achieving environmental, social, and economic sustainability.

Ollscoil na hÉireann, Gaillimh established its **Community and University Sustainability Project (CUSP)** in 2015 under the direction of the Registrar and Deputy President. This initiative aims to make Ollscoil na hÉireann, Gaillimh one of the greenest, smartest and healthiest campuses in the world. The Ollscoil na hÉireann, Gaillimh Strategic Plan 2015-2020, Vision 2020 articulates a vision of “creating a sustainable campus where all resources are used efficiently and where facilities are managed and services consolidated as efficiently as possible”. CUSP was established to realise this vision to 2020 and beyond.

While society in general has a role to play in building a sustainable society, Ollscoil na hÉireann, Gaillimh recognises that universities have a particular responsibility to promote sustainability through education, knowledge exchange, research, awareness of its corporate social responsibility and shaping future agendas. Ollscoil na hÉireann, Gaillimh’s view of a sustainable campus is one which maintains a green and healthy environment, promotes resource efficiency and instils in graduates the importance of tackling societal challenges.

This approach is borne out by Ollscoil na hÉireann, Gaillimh’s investment in projects and initiatives that have as their objective:

- The imbueing of sustainability in relevant undergraduate programmes
- Achievement of environmental, social, and economic sustainability
- A healthy green campus that is student focused and community linked
- Family friendly employment practices

Other objectives in Ollscoil na hÉireann, Gaillimh’s draft Sustainability Strategy that demonstrates corporate social responsibility include:-

- Reinvest energy cost savings into new sustainable technologies
- Implement an ethical investment policy including divestment from fossil fuels.

The Universities Procurement and Contracts Office (PCO) will include environmental social and economic criteria in the selection of goods and services where appropriate.

Galway University Foundation Company Limited by Guarantee
Directors' Report and Consolidated Financial Statements
for the year ended 30 June 2017

Galway University Foundation Company Limited by Guarantee
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**Galway University Foundation Company Limited by Guarantee
DIRECTORS AND OTHER INFORMATION**

Directors	Mark Moran (Board Chair) Dr John P MacNamara (Board Chair until resignation) (Resigned 31 May 2017) Dr. James Browne Tom Costello Dr. Irial Finan (Resigned 13 March 2017) Affie Lydon (Resigned 24 March 2017) Domhnal Slattery Michael Higgins (Resigned 13 March 2017) Dr. Brian Joyce Dr. Finian O'Sullivan Prof. Pól Ó Dochartaigh Dr Helen Ryan Brendan Jennings Margaret Sweeney (Appointed 29 September 2016)
Company Secretary	Dónal Cahalane
Company Number	279868
Registered Office and Business Address	Gate Lodge University Road Galway
Auditors	Mazars Chartered Accountants & Statutory Audit Firm Mazars Place, Salthill Galway
Bankers	Allied Irish Bank, Newcastle Road, Newcastle, Galway. Bank of Ireland Main Concourse NUI Galway Galway
Solicitors	RDJ Glynn Solicitors Aengus House Long Walk Galway Ivor Fitzpatrick & Co. Solicitors 44-45 St. Stephens Green Dublin 2

Galway University Foundation Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 30 June 2017

The directors present their report and the audited financial statements for the year ended 30 June 2017.

Principal Activity

The main object for which the company is established is engaging in fundraising activities for the purposes of the furtherance of education and research carried out by the National University of Ireland, Galway, in its pursuit of education, teaching and research. There have been no significant changes in these activities during the year ended 30 June 2017.

The Foundation continues to focus its fundraising on scholarships, selected capital projects and research activity including the Foundation Research Leadership Programme.

The directors continue to explore potential sources of philanthropic funding within Ireland and beyond and continue to cooperate with the University in respect of specific development projects. The Foundation currently manages reserves of €39.6 million including €39 million of designated reserves which have been donated for specific purposes. The Foundation's reserves consist of funds substantially committed to University projects and are likely to decrease as the timing differences between collection of funds and project expenditures are eliminated.

The Company is limited by guarantee not having a share capital and has charitable tax status.

Principal Risks and Uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk: The risk of the current economic environment having an adverse impact on the ability of current and potential donors to contribute to the Foundation into the future.

Financial risks: These include investment, liquidity and other financial risks. The company has budgetary and financial reporting procedures to manage these risks. The Board's audit and investment committees monitor compliance with these procedures on an ongoing basis. As the Foundation is funded through investment income, the board is managing the Foundation's funds in a conservative manner while monitoring all operating costs and procedures to ensure an appropriate cost/income ratio.

Financial Results

The financial results for the year ended 30 June 2017 are set out in the Consolidated Income Statement and Consolidated Statement of Financial Position on pages 8, 9 and 10 respectively,

Directors and Secretary

The directors who served throughout the year, except as noted, were as follows:

Mark Moran (Board Chair)

Dr John P MacNamara (Board Chair until resignation) (Resigned 31 May 2017)

Dr. James Browne

Tom Costello

Dr. Irial Finan (Resigned 13 March 2017)

Alfie Lydon (Resigned 24 March 2017)

Domhnal Slattery

Michael Higgins (Resigned 13 March 2017)

Dr. Brian Joyce

Dr. Finian O'Sullivan

Prof. Pól Ó Dochartaigh

Dr Helen Ryan

Brendan Jennings

Margaret Sweeney (Appointed 29 September 2016)

The secretary who served throughout the year was Dónal Cahalane.

In accordance with the constitution, the directors retire by rotation and, being eligible, offer themselves for re-election.

Galway University Foundation Company Limited by Guarantee DIRECTORS' REPORT

for the year ended 30 June 2017

Future Developments

The Foundation will continue to work closely with a range of organisations and individuals to secure philanthropic funding for University priority projects. A number of specific initiatives are planned in order to strengthen the linkages between the University and its alumni. The Foundation will continue to actively manage any funds not yet advanced to the University in order to maximise investment returns whilst having due regard to capital protection and liquidity requirements. The Foundation is committed to full compliance with the Charities Act 2009.

The Foundation is reviewing evolving requirements in respect of the format of its future financial statements.

Post Statement of Financial Position Events

There have been no significant events affecting the company since the year end.

Auditors

The auditors, Mazars, (Chartered Accountants & Statutory Audit Firm) have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Statement on relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

(a) so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and

(b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Operational funding

As has been the practice, Galway University Foundation CLG funds its operating expenses through the application of a discretionary levy (maximum 5%) on donor income received and also retains interest and investment income for operational purposes. It also makes grants to projects from surplus investment income. The application of the levy has no material effect on any donor funded projects as NUI Galway is responsible for the balance of funds required. In the financial period to 30 June 2017, the total amount levied on donor income was €8,169. The comparative figure 2016 was €4,620.

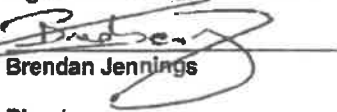
Annual Activities Report

The Foundation will publish an Annual Report detailing its activities in the period covered by these financial statements by 31 December 2017. The Foundation's 2016 Annual Report is available at www.guf.ie/annualreport2016/.

Accounting Records

To ensure that adequate accounting records are kept in accordance with sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Gate Lodge, University Road, Galway.

Signed on behalf of the Board


Brendan Jennings

Director

Date: 28/7/2017


Mark Moran

Director

Date: 28/9/2017

Galway University Foundation Company Limited by Guarantee
DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 30 June 2017

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.


Irish company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the surplus or deficit of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined with reasonable accuracy and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board


Brendan Jennings
Director

Date: 28/9/2017


Mark Moran
Director

Date: 28/9/2017

INDEPENDENT AUDITOR'S REPORT **to the Members of Galway University Foundation Company Limited by Guarantee**

We have audited the group and parent company financial statements of Galway University Foundation Company Limited by Guarantee for the year ended 30 June 2017 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

Scope of the 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 30 June 2017 and of the group's deficit for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.



Austin Sammon

for and on behalf of

MAZARS

Chartered Accountants & Statutory Audit Firm

Mazars Place

Salthill

Galway


Date: 28th September 2017

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2017

	Notes	2017 €	2016 €
Income	4	7,442,081	4,385,834
Administration expenses		(1,412,671)	(1,415,244)
Monies transferred to projects		(21,276,061)	(7,877,772)
Deficit on ordinary activities	5	(15,246,651)	(4,907,182)
Loss on financial assets at fair value through the income statement	6	(595,221)	(811,599)
Interest receivable and similar income	7	3,027,216	2,026,596
Deficit for the year		(12,814,656)	(3,692,185)
Transfer from designated reserves		12,095,282	2,770,162
Retained deficit for the year		(719,374)	(922,023)

Approved by the Board on 28th September 2017 and signed on its behalf by:


Brendan Jennings
Director


Mark Moran
Director


Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017


	2017 €	2016 €
Deficit for the year	(719,374)	(922,023)
Currency differences on translation of subsidiary	(17,532)	3,700
Total comprehensive Income relating to the year	<u>(736,906)</u>	<u>(918,323)</u>

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 €	2016 €
Non-Current Assets			
Tangible assets	10	4,003	4,772
Investments	11	32,355,390	33,377,050
		<u>32,359,393</u>	<u>33,381,822</u>
Current Assets			
Debtors	12	12,637	84,994
Investments	13	10,154,835	13,003,172
Cash and cash equivalents		3,196,233	6,215,338
		<u>13,363,705</u>	<u>19,303,504</u>
Creditors: Amounts falling due within one year	14	(6,123,684)	(253,720)
Net Current Assets		<u>7,240,021</u>	<u>19,049,784</u>
Total Assets less Current Liabilities		<u>39,599,414</u>	<u>52,431,606</u>
Reserves			
Accumulated reserves	22	586,632	728,322
Designated reserves	19	39,012,782	51,703,284
Equity attributable to owners of the company		<u>39,599,414</u>	<u>52,431,606</u>

Approved by the Board on 28th September 2017 and signed on its behalf by:


Brendan Jennings
Director



Mark Moran
Director

Galway University Foundation Company Limited by Guarantee
COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	2017 €	2016 €
Non-Current Assets			
Tangible assets	11	4,003	4,772
Financial assets	12	32,366,811	33,391,306
		<u>32,370,814</u>	<u>33,396,078</u>
Current Assets			
Debtors	13	12,637	84,994
Investments	14	10,154,835	13,003,172
Cash and cash equivalents		2,624,643	5,629,285
		<u>12,792,115</u>	<u>18,717,451</u>
Creditors: Amounts falling due within one year	15	<u>(6,187,670)</u>	<u>(305,392)</u>
Net Current Assets		<u>6,604,445</u>	<u>18,412,059</u>
Net Assets		<u>38,975,259</u>	<u>51,808,137</u>
Reserves			
Accumulated reserves	22	601,670	740,190
Designated reserves	19	38,373,589	51,067,947
Equity attributable to owners of the company		<u>38,975,259</u>	<u>51,808,137</u>

Approved by the Board on 28th September 2017 and signed on its behalf by:


Brendan Jennings
Director


Mark Moran
Director

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	General reserve	Specific reserve	Designated reserves	Total
	€	€	€	€
Balance at 30 June 2015	53,631	782,532	55,283,928	56,120,091
Surplus/(Deficit) for the year	8,900	(116,817)	(2,772,669)	(2,880,586)
Foreign currency difference on translation of subsidiary	-	76	3,624	3,700
Fair value movement	-	-	(811,599)	(811,599)
Balance at 30 June 2016	62,531	665,791	51,703,284	52,431,606
Surplus/(Deficit) for the year	2,652	(144,067)	(12,078,021)	(12,219,436)
Foreign currency difference on translation of subsidiary	-	(274)	(17,259)	(17,533)
Fair value movement	-	-	(595,221)	(595,221)
Balance at 30 June 2017	65,183	521,450	39,012,783	39,599,416

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	General reserve	Specific reserve	Designated reserves	Total
	€	€	€	€
Balance at 30 June 2015	75,579	772,811	54,821,958	55,670,348
Net surplus/(deficit) for the year	8,900	(117,100)	(2,943,530)	(3,051,730)
Fair value movement	-	-	(810,481)	(810,481)
Balance at 30 June 2016	84,479	655,711	51,067,947	51,808,137
Net surplus/(deficit) for the year	2,652	(141,172)	(12,096,207)	(12,234,727)
Fair value movement	-	-	(598,151)	(598,151)
Balance at 30 June 2017	87,131	514,539	38,373,589	38,975,259

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

	Note	2017 €	2016 €
Cash flows from operating activities			
Deficit for the year		(12,814,656)	(3,692,185)
<i>Adjustments for:</i>			
Investment income		(2,749,402)	(1,659,998)
Fair value gains and losses		596,455	811,599
Interest received and similar income		(277,814)	(366,598)
Depreciation		3,520	3,520
Foreign exchange differences		(17,532)	3,700
		<u>(15,259,429)</u>	<u>(4,899,962)</u>
<i>Movements in working capital:</i>			
Movement in Debtors		72,357	128,438
Movement in Creditors		5,869,964	(491,738)
		<u>(9,317,108)</u>	<u>(5,263,262)</u>
Cash used in operations		(9,317,108)	(5,263,262)
Cash flow from investing activities			
Interest and similar income received		277,814	366,598
Income received on investments		2,749,402	1,659,998
Payments to acquire tangible fixed assets		(2,751)	(3,756)
Payments to acquire investments		(2,757,792)	(1,761,728)
Receipts from sale of investments		3,182,993	936,991
Realisation of short term investments		2,848,337	6,174,425
		<u>6,298,003</u>	<u>7,372,528</u>
Net cash generated from/(used in) investment activities		6,298,003	7,372,528
Net increase/(decrease) in cash and cash equivalents		(3,019,105)	2,109,266
Cash and cash equivalents at beginning of financial year		6,215,338	4,106,072
		<u>6,215,338</u>	<u>4,106,072</u>
Cash and cash equivalents at end of financial year	24	3,196,233	6,215,338
		<u>3,196,233</u>	<u>6,215,338</u>

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

1. GENERAL INFORMATION

Galway University Foundation Company Limited by Guarantee (Galway University Foundation CLG) is a company limited by guarantee and does not have a share capital. The company was incorporated in the Republic of Ireland. The address of the registered office is Gate Lodge, University Road, Galway. The principal activity for which the company is established is engaging in fundraising activities for the purposes of the furtherance of education and research carried out by the National University of Ireland, Galway, in its pursuit of education, teaching and research.

The consolidated financial statements comprising the Consolidate Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes constitute the individual financial statements of Galway University Foundation CLG for the financial year ended 30 June 2017.

The financial statements have been presented in Euro (€) which is also the functional currency of the company and rounded to the nearest Euro.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 30 June 2017 have been prepared on the going concern basis and in accordance with generally accepted accounting principles in Ireland and Irish statute comprising the Companies Act 2014 and in accordance with the Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

Income

Income consists of donations and gifts received, related investment income together with general deposit interest earned during the period. With regards to interest income, this is recognised as interest accrued using the effective interest method.

Financial instruments

Financial fixed assets - initial recognition:

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs.

Investments in the share capital of group companies are treated as non-monetary investments and are shown at cost less provision for permanent impairment, if required.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity up to three months.

Subscriptions made to the Seed and Early Stage Equity Funds are fully provided for as incurred as these subscriptions are viewed as being contributions to the innovative business community, in support of NUI Galway's strategy in this area. Returns earned from these funds will be recognised as income if and when received.

Investments - subsequent measurement:

At the end of the reporting period, if the fair value can be measured reliably, the investments are measured at fair value through the income statement.

Income from financial fixed assets, together with any related tax credit, is recognised in the income statement in the year in which it is receivable.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

Provisions

A provision is recognised in the statement of financial position when the company has a present obligation (either legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are measured at the directors best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability.

Reserves

Donations and gifts are transferred to designated reserves together with related investment income as agreed with the donor. Other income less expenses is transferred to accumulated revenue reserves. Both reserves may be used when making awards in compliance with the objects of the company.

Related party transactions

Related party transactions are disclosed in accordance with FRS 102 section 33 - Related Party Disclosures.

Tangible fixed assets and depreciation

Equipment is stated at cost, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost of equipment, less their estimated residual value, over their expected useful lives as follows:

Office Equipment	-	33.33% Straight Line
Software	-	33.33% Straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related withholding tax is recognised in the income and expenditure account in the year in which it is receivable.

Current asset investments are stated at the lower of cost and net realisable value.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of Financial Position bank overdrafts are shown within Creditors.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

The Foundation and University have an agreed policy in respect of the drawdown of funds by the University. Following the receipt of an authorised drawdown request from the University, the requested amount is transferred from Designated Reserves to Creditors

Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Taxation

Galway University Foundation CLG is a registered charity and is exempt from Corporation tax.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the Statement of Financial Position date are translated using the closing rate. The resulting exchange differences are dealt with in the Income Statement.

Basis of consolidation

The consolidated financial statements include the financial statements of the holding company and all its subsidiary companies made up to 30 June 2017.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based in 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 that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements relates to the stating of financial assets at market value, which is based on independent valuations obtained.

The directors consider that apart from the accounting policies above, there are no other accounting estimates and assumptions which are required to be disclosed.

4. INCOME

The income for the year, all of which relates to donations, has been derived from:-

	2017 €	2016 €
Ireland	6,454,397	3,781,560
Australia	91,324	-
Switzerland	-	200
United Kingdom	99,046	4,002
Rest of the World	3,160	2,387
United States	794,154	597,685
	<u>7,442,081</u>	<u>4,385,834</u>

Income attributable to geographical markets outside the Republic of Ireland amounted to 13% for the year. Income from Irish domiciled donors is included in the Ireland figures above.

5. OPERATING DEFICIT

	2017 €	2016 €
Operating deficit is stated after charging/(crediting):		
Depreciation of property, plant and equipment	3,520	3,520
(Gain)/loss on foreign currencies	(522)	(615)
	<u> </u>	<u> </u>

6. OTHER GAINS AND LOSSES

	2017 €	2016 €
(Loss)/Gain on investments at fair value through the Income Statement	(595,221)	(811,599)
	<u> </u>	<u> </u>

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

7. INTEREST RECEIVABLE AND SIMILAR INCOME	2017	2016
	€	€
Bank interest	37,814	126,598
Investment income	2,749,402	1,659,998
Other income	240,000	240,000
	<u>3,027,216</u>	<u>2,026,596</u>

8. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the year was as follows:

	2017	2016
	Number	Number
Management and administration	<u>9</u>	<u>9</u>

The staff costs comprise:

	2017	2016
	€	€
Wages and salaries	661,592	651,943
Social welfare costs	53,747	50,444
Pension costs	96,383	88,293
	<u>811,722</u>	<u>790,680</u>

9. DEFICIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

In accordance with section 304 of the Companies Act 2014 a separate Income Statement for the company has not been presented in these financial statements. The deficit dealt with in the financial statements of the parent company was €736,671 (2016, €918,681).

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

10. TANGIBLE FIXED ASSETS
Group and Company

	Office Equipment	Software	Total
	€	€	€
Cost			
At 1 July 2016	47,140	11,610	58,750
Additions	2,751	-	2,751
Disposals	(897)	-	(897)
At 30 June 2017	<u>48,994</u>	<u>11,610</u>	<u>60,604</u>
Depreciation			
At 1 July 2016	42,368	11,610	53,978
Charge for the year	3,520	-	3,520
On disposals	(897)	-	(897)
At 30 June 2017	<u>44,991</u>	<u>11,610</u>	<u>56,601</u>
Net book value			
At 30 June 2017	<u>4,003</u>	<u>-</u>	<u>4,003</u>
At 30 June 2016	<u>4,772</u>	<u>-</u>	<u>4,772</u>

10.1. TANGIBLE FIXED ASSETS PRIOR YEAR
Group and Company

	Office Equipment	Software	Total
	€	€	€
Cost			
At 1 July 2015	45,631	11,610	57,241
Additions	3,756	-	3,756
Disposals	(2,247)	-	(2,247)
At 30 June 2016	<u>47,140</u>	<u>11,610</u>	<u>58,750</u>
Depreciation			
At 1 July 2015	41,095	11,610	52,705
Charge for the year	3,520	-	3,520
On disposals	(2,247)	-	(2,247)
At 30 June 2016	<u>42,368</u>	<u>11,610</u>	<u>53,978</u>
Net book value			
At 30 June 2016	<u>4,772</u>	<u>-</u>	<u>4,772</u>
At 30 June 2015	<u>4,536</u>	<u>-</u>	<u>4,536</u>

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

11. INVESTMENTS
Group

	Listed Investments	Total
	€	€
Investments		
Cost		
At 1 July 2016	31,001,938	31,001,938
Additions	2,757,791	2,757,791
Disposals	(3,182,997)	(3,182,997)
At 30 June 2017	<u>30,576,732</u>	<u>30,576,732</u>
Fair Value Movements		
At 1 July 2016	2,375,112	2,375,112
Movement for the year	(596,455)	(596,455)
At 30 June 2017	<u>1,778,658</u>	<u>1,778,658</u>
Net book value		
At 30 June 2017	<u>32,355,390</u>	<u>32,355,390</u>
At 30 June 2016	<u>33,377,050</u>	<u>33,377,050</u>

Company

	Subsidiary undertakings shares	Listed investments	Total
	€	€	€
Investments			
Cost			
At 1 July 2016	21,948	30,987,120	31,009,068
Additions	-	2,756,653	2,756,653
Disposals	-	(3,182,997)	(3,182,997)
At 30 June 2017	<u>21,948</u>	<u>30,560,776</u>	<u>30,582,724</u>
Fair Value Movements			
At 1 July 2016	-	2,382,238	2,382,238
Movement for the year	-	(598,151)	(598,151)
At 30 June 2017	<u>-</u>	<u>1,784,087</u>	<u>1,784,087</u>
Net book value			
At 30 June 2017	<u>21,948</u>	<u>32,344,863</u>	<u>32,366,811</u>
At 30 June 2016	<u>21,948</u>	<u>33,369,358</u>	<u>33,391,306</u>

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

continued

11.1. INVESTMENTS PRIOR YEAR
Group

	Listed Investments	Total
	€	€
Investments		
Cost		
At 1 July 2015	30,177,078	30,177,078
Additions	1,761,728	1,761,728
Disposals	(936,991)	(936,991)
Foreign currency translation adjustment	123	123
At 30 June 2016	<u>31,001,938</u>	<u>31,001,938</u>
Fair Value Movements		
At 1 July 2015	3,186,711	3,186,711
Movement for the year	(811,599)	(811,599)
At 30 June 2016	<u>2,375,112</u>	<u>2,375,112</u>
Net book value		
At 30 June 2016	<u>33,377,050</u>	<u>33,377,050</u>
At 30 June 2015	<u>33,363,789</u>	<u>33,363,789</u>

Company prior year

	Investment in Subsidiary	Listed in investments	Total
	€	€	€
Investments			
Cost			
At 1 July 2015	21,948	30,162,383	30,184,331
Additions	-	1,761,551	1,761,551
Disposals	-	(936,814)	(936,814)
At 30 June 2016	<u>21,948</u>	<u>30,987,120</u>	<u>31,009,068</u>
Fair Value Movements			
At 1 July 2015	-	3,192,719	3,192,719
Movement for the year	-	(810,481)	(810,481)
At 30 June 2016	<u>-</u>	<u>2,382,238</u>	<u>2,382,238</u>
Net book value			
At 30 June 2016	<u>21,948</u>	<u>33,369,358</u>	<u>33,391,306</u>
At 30 June 2015	<u>21,948</u>	<u>33,355,102</u>	<u>33,377,050</u>

The listed investments are measured at market value with gains or losses recognised in the income statement. The market value of the above listed investments is consistent with the above net book value at the year end. In the opinion of the directors, the company's listed investments are worth at least the amount at which they are stated in the Statement of Financial Position.

The company own 100% of Galway University Foundation Inc. a company incorporated in the United States of America. Galway University Foundation Inc. is a not-for-profit organisation that provides support for various aspects of the National University of Ireland, Galway. At the end of the year, the aggregate capital and reserves of the company amounted to US\$737,334 and surplus for the year amounted to US\$20,795.

In the opinion of the directors, the shares of the company's unlisted investments are worth at least the amount at which they are stated in the Statement of Financial Position.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

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12. DEBTORS	2017	2016
	€	€
Group and Company		
Other debtors	34	1,086
Prepayments and accrued income	12,603	83,908
	<u>12,637</u>	<u>84,994</u>

All debtors are due within one year. All transactions were conducted under the company's normal terms, which is thirty days.

13. CURRENT ASSET INVESTMENTS	2017	2016
	€	€
Group and Company		
Other unlisted investments	10,154,835	13,003,172
	<u>10,154,835</u>	<u>13,003,172</u>

The current asset investments relate to deposit accounts which have original maturities of greater than 3 months. Of these all investments mature within one year from the year end date. The current asset investments are measured at cost with gains and of losses recognised in the Income Statement. In the opinion of the directors the company's current asset investments are worth at least the amount at what they are stated in the Statement of Financial Position.

14. CREDITORS	2017	2016
Amounts falling due within one year	€	€
Group		
Trade creditors	6,023,293	115,487
Taxation (Note 15)	19,720	20,300
Other creditors	9,142	-
Accruals	71,529	117,933
	<u>6,123,684</u>	<u>253,720</u>
	2017	2016
Amounts falling due within one year	€	€
Company		
Trade creditors	6,022,435	112,572
Amounts owed to group companies	77,112	71,249
Taxation (Note 15)	19,720	20,300
Other creditors	9,142	-
Accruals	59,261	101,271
	<u>6,187,670</u>	<u>305,392</u>

The repayment terms of trade creditors vary as required by creditors. This balance includes amounts payable to NUI Galway (see note 20 below). No interest is payable on trade creditors.

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment at the rate of 1.25% per month. No interest was due at the financial year end date.

Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2017

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15. TAXATION	2017	2016
	€	€
Group and Company		
Creditors:		
PAYE/PRSI	19,720	20,300
	<u> </u>	<u> </u>

16. FINANCIAL COMMITMENTS

Galway University Foundation CLG will provide finance to its wholly owned subsidiary, Galway University Foundation Inc. to assist it in performing its operations for a period to be defined. Galway University Foundation Inc. is engaged in fund raising activities in support of the National University of Ireland, Galway in the United States.

During the year ended 30 June 2011, Galway University Foundation CLG became a limited partner in the Bank of Ireland Seed and Early Stage Equity Fund 2009. The partnership is made up of the following entities; Scribe Holdings Limited, Enterprise Ireland, The University of Limerick Foundation and Galway University Foundation CLG. As at the 30 June 2017, Galway University Foundation CLG has subscribed €855,085 and is committed to subscribe a further €144,915 to the said partnership, bringing the total commitment to €1,000,000, which equates to 3.125% of the total investment value. The remaining payments from the designated reserves will be over a number of years; the exact timing of which has not yet been determined.

17. KEY MANAGEMENT PERSONNEL

The directors and key management have the authority and responsibility for planning, directing and controlling the activities of the company. They are considered to be the key personnel. The directors do not receive any remuneration. The total remuneration in respect of key management was €339,537 (2016: €360,500).

18. STATUS

The liability of the members is limited. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members or within one year thereafter for the payment of the debts and liabilities of the company contracted before they ceased to be members and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves such amount as may be required, not exceeding € 2.

19. DESIGNATED RESERVES

The income funds of the charity include the following designated reserves which have been set aside out of unrestricted funds by the trustees for specific purposes:

GROUP	2017	2016
	€	€
Designated reserves at beginning of the year	51,703,284	55,283,928
Transfer to income statement	(12,078,021)	(2,772,669)
Foreign currency translation	(17,259)	3,624
Fair value movement	(595,221)	(811,599)
	<u>39,012,783</u>	<u>51,703,284</u>
COMPANY		
Designated reserves at beginning of the year	51,067,947	54,821,958
Transfer to income statement	(12,096,207)	(2,943,530)
Fair value movement	(598,151)	(810,481)
	<u>38,373,589</u>	<u>51,067,947</u>

The Foundation and University have an agreed policy in respect of the drawdown of funds by the University. Following the receipt of an authorised drawdown request from the University, the requested amount is transferred from Designated Reserves to Creditors.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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20. RELATED PARTY TRANSACTIONS

Included in income for the year is an amount of €203,040 (2016: €119,430) received in the form of donations from board members or companies associated with board members.

NUI Galway: The Foundation is engaged in fund raising activities in support of National University of Ireland, Galway. Galway University Foundation CLG is an independent body which is not controlled by NUI Galway. During the year, the Foundation committed €18,289,389 (2016: €5,299,718) in support of the University. At 30 June 2017, €5,922,372 (30 June 2016, €87,870) was outstanding. Amounts paid and payable to NUI Galway are reflected in these financial statements. Note 19 outlines an agreed policy in respect of the drawdown of funds by the University. As has been the practice, no remuneration has been paid to any staff member of NUI Galway.

21. CONTROLLING INTEREST

In the opinion of the directors, there is no one identifiable controlling party of the company.

22. ACCUMULATED RESERVES

The specific reserve relates to the funding of the company's operating activities.

The general reserve consists of unrestricted donor funds which may be applied to University related projects at the discretion of the directors.

23. EVENTS AFTER END OF REPORTING PERIOD

There have been no significant events affecting the company since the year-end.

24. CASH AND CASH EQUIVALENTS

	2017	2016
	€	€
Cash and bank balances	<u>3,196,233</u>	<u>6,215,338</u>

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28th September 2017.