

Ollscoil na hÉireann, Gaillimh

Annual Report and Consolidated Financial Statements

Year Ended 30 September 2016

Contents	Page number(s)
Bursar's Report	3
Annual Statement of Governance and Internal Control	4 - 8
Statement of Responsibilities of Údarás na hOllscoile	9
Report of the Comptroller & Auditor General	10 - 11
Consolidated Statement of Comprehensive Income and Retained Reserves	12
Consolidated and University Statement of Financial Position	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 - 40
Reconciliation of HEA- to FRS102-format results	41
<i>Schedules not forming part of the audited financial statements</i>	
Statement of Corporate Social Responsibility	43
Údarás na hOllscoile schedule of meetings and expenses paid to external members	44 - 47
Galway University Foundation Limited: Consolidated Financial Statements for the year ended 30 June 2016	48 - 71

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

The attached Financial Statements are the first to be prepared under the new financial reporting standard FRS 102 which introduces new income and expenditure recognition principles as well as additional disclosure notes.

In line with best practice, the Financial Statements comply with the SORP (Statement of Recommended Practice) on Further & Higher Education.

The Financial Statements consolidate the financial results of subsidiary and associate companies that the University controls, (e.g. student residences and conferencing activities) with the University's core pedagogic and research activities. The accounting policies set out in the notes on pages 15 to 20 form part of the financial statements.

Overview

The turnaround in Ireland's economic fortunes is reflected in decreasing rates of unemployment, increasing numbers of returning emigrants, increasing property prices and improving levels of Foreign Direct Investment. However, the University's heavy reliance on Government funding and delays in implementing the recommendations of the Cassells Report on the financing of third level education continue to present significant challenges in matching expenditure with income. These difficulties are set to continue until University funding (both recurrent and capital) is placed on a firmer footing.

The impact of Brexit allied to the changing political landscape in the US and the Middle East has yet to be accurately assessed in terms of the University's operations and strategy. Pending clarification of issues such as the applicability of non-EU fee rates to UK resident students studying in Ireland, import/export tariffs, border controls etc. the University continues to operate on a budget neutral basis in respect of these developments. A key defence against the continued depletion of revenue reserves is the University's stringent control over Pay, Non-pay, and Capital expenditure. Against this background of economic uncertainty, the University community is to be commended yet again for its many successes in these difficult circumstances.

Operating Results

The reported deficit of €2m must be viewed in the context of the new reporting standard referred to above. The financial statements record (on page 12) a €1.5m credit to income from non-government (capital) sources and the re-stated 2015 comparatives show a significantly enhanced surplus of €26m due to a similar €27m non-government (capital) credit. These credits would heretofore have been treated as deferred capital grants and released to income over the useful life of the asset.

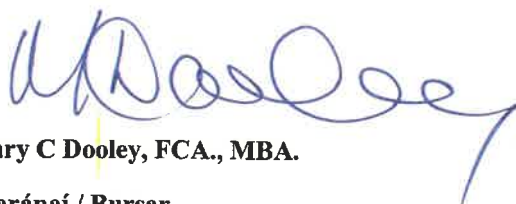
The schedule on page 41 reconciles this €2m deficit to the deficit incurred on 'core' University business of some €0.7m (under the HEA-format financial statements).

This University's 'core' deficit represents an improved performance when compared to the prior-year 'core' deficit of €1.5m. However, this is the third consecutive year that University 'core' recurrent expenditure has exceeded its recurrent income and this level of depletion of reserves is not sustainable. A key focus now is to diversify income sources and to respond to emerging markets, including the provision of pedagogic programmes to overseas students.

The University's Statement of Financial Position remains relatively strong as evidenced by continued investment in buildings, equipment and infrastructure, allied to a significant level of liquidity.

Strategic Plan 2015 - 2020

As the University progresses into the second year of its Strategic Plan 'Vision 2020', it is reassuring to note progress on the targets contained therein, including international University rankings and development of much-needed additional student residences.



Mary C Dooley, FCA., MBA.

Sparánaí / Bursar

Date: 27/9/2017

Annual Statement of Governance and Internal Control

for the year ended 30 September 2016

1. **General:** The Governing Authority (Údarás na hOllscoile) of Ollscoil na hÉireann, Gaillimh is responsible for and is satisfied that the University is materially compliant with all statutory obligations applicable to the University that may be set out in legislation governing the establishment and role of the University and other relevant legislation.
2. A revised Code of Practice for the Governance of State Bodies was received from the Department of Public Expenditure and Reform in September 2016. This is being considered sectorally by the IUA.

Údarás na hOllscoile approved the revised sectoral Code of Governance for Universities in late 2012. This was developed in consultation with the HEA, the IUA and the Department of Education and Skills.

Údarás na hOllscoile also adopted in December 2009, a Code of Conduct for members of the Údarás.

A formal Code of Conduct for Employees, an initial draft of which was approved by Údarás na hOllscoile in December 2010, was confirmed /approved by Údarás na hOllscoile in October, 2011. The final version of the Code added specific provisions dealing with conflicts of interest and ethical considerations in relation to gifts and hospitality offered to staff members.

Údarás na hOllscoile has also approved, in October 2014, a protected disclosures or whistleblowing policy in line with the Protected Disclosures Act 2014.

Employee conduct is required to comply with a range of University policies (such as Principles of Natural Justice, Computer Access Policy, Equal Opportunity Policy, Disciplinary and Grievance Procedures, Anti-Bullying Policy, Substance Abuse Policy and Consultancy work policy, etc.). These policies are available electronically to all staff.

3. **Finance:** The most significant financial developments affecting Ollscoil na hÉireann, Gaillimh in the past year to September 2016 include:
 - a. The overall economic environment in which the University operates remains difficult. Growth & efficiency programmes are in place to meet the challenges of matching income and expenditure levels and the situation continues to be monitored closely.
 - b. The University operates three defined benefit pension schemes: The 'Joint', 'Model' and 'SPS' Schemes. All three schemes are financed on a PAYG (Pay As You Go) basis.

Accounting standards require valuation and inclusion of a related pension liability in the University's Annual Financial Statements, which will be prepared in accordance with FRS102. It is University Sector practice to include a balancing asset value in their financial statements on the basis that the pension liabilities are guaranteed by the State.

Whilst this accounting treatment is acceptable to the Comptroller & Auditor General on the basis of his drawing attention to it in his audit report, the external management auditors (KPMG) continue to qualify their Audit Report on an 'Except For' basis in respect of the recognition of this asset for the 'Model' Scheme and also for pension supplementation for all three pension schemes.

- c. Staffing restrictions imposed by the implementation of both the Employment Control Framework and agreed recruitment practices continue to have an adverse impact on the University's ability to meet its obligations in a timely manner. This situation is being monitored on an ongoing basis.
 - d. The level of uncollected student fee and capital grant debt remains high.
4. **Pay:** The University remains compliant with pay policy and the requirements of Section 25 of the Universities Act.

Annual Statement of Governance and Internal Control (continued)

5. Appropriate procedures for financial reporting, internal audit, 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. Internal monitoring is in place to ensure and promote adherence to these obligations.

The 2016 annual procurement compliance review highlighted some instances of non-compliance with procurement guidelines and directives and these are being addressed by management. Nine suppliers were identified in the 2016 financial year, with a combined transactions value of €0.6m, 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 €104m.

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.

Asset Disposal: No disposals of land/buildings took place during the period. The University has implemented a fixed asset module in Agresso which captures details of assets acquired. The University has also piloted a plan to expand this in the short term to make use of an asset tagging module which will facilitate spot checking of physical verification on an ongoing basis.

6. **Capital Projects:** The Guidelines for the Appraisal and Management of Capital Proposals are adhered to.
7. **Travel:** Government travel policy requirements are being implemented in all material respects.
8. **Value for Money:** The Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20 October 2005 and communicated to the Universities, are being followed.
9. **Taxation:** The University believes it is compliant with all relevant tax laws.
10. **Child Protection:** Guidelines on Child Protection in the University were adopted by Údarás na hOllscoile in June 2010. The guidelines are reviewed and updated where necessary and in compliance with recent legislation. Responsibilities relating to the role of University Child Protection Officer and Deputy Child Protection Officer have been assigned. Procedures for Garda Vetting are also in place for relevant sections of the University.
11. **Fees and expenses:** No fees are paid to members of Udarás na hOllscoile. A note on the aggregate expenses paid to external members of Údarás na hOllscoile has not been included heretofore in the statement of Governance and Internal Control but is now included in Schedule 2.
12. **Trading Subsidiaries:** A detailed code of governance in respect of trading subsidiaries was adopted by Údarás na hOllscoile in May 2016. Each subsidiary company produces financial statements which are independently audited and are consolidated with Ollscoil na hÉireann, Gaillimh's core pedagogic Financial Statements. The subsidiary companies' audited statutory financial statements are presented annually to the Finance/Resource Committee and to the Audit Committee for review.

Annual Statement of Governance and Internal Control (continued)

13. 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.
14. 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.
15. (i) 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 four standing Committees –
 1. Standing and Strategic Planning,
 2. Finance/Resource,
 3. Academic Planning and Resource,
 4. Support Services.
 - ~ The four Committees operate to written terms of reference and include a significant number of external members with appropriate expertise.
 - ~ Údarás itself and two of its four 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.
- (ii) 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.

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 four 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 2016 and aligns with Vision 2020, the University's Strategic Plan for 2015-2020.

Annual Statement of Governance and Internal Control (continued)

- (iii) 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.

- (iv) 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.
- (v) 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 two external members and an independent external chair. The Committee reports to the Finance/Resource Committee.
 - The Risk Management Group Annual Report.
 - The oversight 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 four standing committees and by individual managers.

16. The effectiveness of the systems of internal control has been informed by the procedures and committees outlined at 15 above. 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.

However, the Audit Committee Annual Report notes one instance where only limited assurance can be placed on the sufficiency and operation of internal controls, and reasonable assurance on those key inherent risks to which Illness Benefit, Student Fees and Research Grant Management processes are exposed. The University has addressed the key inherent risks identified.

17. There were 6 meetings of Údarás na hOllscoile during the 2015/16 financial year (See Schedule 1).

Annual Statement of Governance and Internal Control (continued)

18. There were 4 meetings of the Audit Committee during the 2015/16 financial year and attendance at convened meetings by the members is noted below:

	Eligible to attend	Attended
Mr. Noel Daly (Chair)	4	4
Mr. Dominic Connolly	1	1
Mr. Jim McGarry	1	1
Mr P.J. Kelly	4	3
Mr Conor Fottrell	4	1
Mr. Niall Donnellan	1	0
Ms Ruth Curran	3	1
Sinéad Uas. Ní Fhatharta	3	3
Cllr John McCartin	3	3
Cllr John Cummins	3	2
Mr. Joe Meade	4	4
Ms Sylva Langford	4	3

19. With assistance from the University School of Psychology, outgoing Údarás na hOllscoile members participated in a 'Collective Intelligence' workshop whereby their experience of contributing to Údarás meetings was appraised and recorded for the benefit of the incoming Údarás (February 2016). This experience continues to be a discussion theme for new Údarás members, particularly in the context of risk management.



Dr James Browne
Chief Officer & President

Date: 27 September 2017

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



Dr James Browne
Chief Officer & President

Date: 27 September 2017



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

Ollscoil na hÉireann, Gaillimh

I have audited the consolidated financial statements of Ollscoil na hÉireann, Gaillimh for the year ended 30 September 2016 under the Universities Act 1997. The financial statements comprise the consolidated 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. The financial reporting framework that has been applied in their preparation is that specified in the Universities Act 1997 and generally accepted accounting practice.

Responsibilities of the Governing Body

The Governing Body is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

- whether the accounting policies are appropriate to the University's circumstances, and have been consistently applied and adequately disclosed,

- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I seek to rely on evidence from an audit of the financial statements by auditors engaged by the Governing Body of the University. I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I assess the consistency of the other information presented with the financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the University and of the University group as at 30 September 2016 and of the income and expenditure of the University group for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

Emphasis of matter – Deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 22 Retirement Benefits.

The recognition of deferred pension funding assets in respect of the Joint Pension Scheme (€756 million) and the Single Public Service Pension Scheme (€6 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of an asset of €381 million in respect of the Model and Pension Supplementation schemes 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 to meet future pension liabilities.

Matters on which I report by exception

I report by exception if I have not received all of the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on the system of governance and internal control does not reflect the University's compliance with the governance arrangements set out in the Code of Governance of Irish Universities, or

- there are other material matters relating to the manner in which public business has been conducted.

Procurement non-compliance

The audit noted that the University made payments totalling €0.6 million to nine suppliers in the year under review in respect of goods and services that were not subject to competitive public procurement.



Seamus McCarthy
Comptroller and Auditor General

29 September 2017

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

	Notes	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s <i>(restated)</i>	University 2015 €000s <i>(restated)</i>
Income:					
State grants	2	40,561	40,561	43,702	43,702
Academic fees	3	107,288	107,288	101,855	101,855
Research grants and contracts	4	59,694	59,694	61,577	61,577
Donations and endowments (unrestricted)		1,469	1,469	27,313	27,313
Other income	5	13,196	9,190	11,623	8,706
Income from other financial assets	6	1,011	1,011	296	296
Other interest receivable and similar income	7	172	158	419	395
Amortisation of deferred capital grants	18	4,675	4,675	5,074	5,074
Net deferred Government funding for pensions	22	44,694	44,694	49,700	49,700
Total income		272,760	268,740	301,559	298,618
Expenditure:					
Staff costs	8	167,277	165,196	163,050	161,207
Other operating expenses	9	69,593	68,741	70,878	70,709
Depreciation	11/12	15,983	15,671	15,510	15,148
Interest on pension scheme liabilities	22	21,793	21,793	25,948	25,948
Total expenditure		274,646	271,401	275,386	273,012
(Deficit)/surplus for the year before taxation		(1,886)	(2,661)	26,173	25,606
Taxation	10	(132)	-	(69)	-
(Deficit)/surplus for the year		(2,018)	(2,661)	26,104	25,606
Actuarial (loss)/gain in respect of pension schemes	22	(102,270)	(102,270)	38,472	38,472
Movement on pension receivable	22	102,270	102,270	(38,472)	(38,472)
Total comprehensive (loss)/income		(2,018)	(2,661)	26,104	25,606
Represented by:					
Restricted comprehensive (loss)/income		269	269	3,083	3,083
Unrestricted comprehensive (loss)/income		(2,287)	(2,930)	23,021	22,523
Total comprehensive (loss)/income for the year		(2,018)	(2,661)	26,104	25,606

The (deficit)/surplus for the year arose solely from continuing operations.

The financial statements on pages 12 to 40 were approved by Údarás na hOllscoile on 28 April 2017 and were signed on its behalf by:

James Browne
Chief Officer & President

27/9/17

Pól Ó Dochartaigh

Registrar

27/9/17

**Consolidated and University Statement Of
Financial Position**

		Consolidate d 2016	University 2016	Consolidate d 2015	Universit y 2015
	Note s	€000s	€000s	€000s (restated)	€000s (restated)
Non-current assets					
Property, plant and equipment	11	357,359	356,372	338,179	337,460
Heritage assets	12	8,915	8,915	9,222	9,222
Financial assets	13	27,605	27,605	21,571	21,571
Pension receivable	22	1,143,499	1,143,499	997,902	997,902
		1,537,378	1,536,391	1,366,874	1,366,155
Current assets					
Inventory	14	99	90	99	90
Receivables	15	56,177	55,698	57,807	58,054
Cash and cash equivalents		22,183	16,888	41,030	36,215
Other investments	16	24,569	24,569	17,998	17,998
		103,028	97,245	116,934	112,357
Creditors: amounts falling due within one year	17	(95,602)	(91,144)	(87,581)	(83,954)
Net current assets		7,426	6,101	29,353	28,403
Total assets less current liabilities		1,544,804	1,542,492	1,396,227	1,394,558
Creditors: amounts falling due after more than one year	18	(144,569)	(144,569)	(139,571)	(139,571)
Provisions for liabilities					
Pension liability	22	(1,143,499)	(1,143,499)	(997,902)	(997,902)
Net assets		256,736	254,424	258,754	257,085
Represented by:					
Income and expenditure un-restricted reserve		219,055	216,743	221,342	219,673
Income and expenditure restricted reserve		37,681	37,681	37,412	37,412
Total reserves		256,736	254,424	258,754	257,085

The financial statements on pages 12 to 40 were approved by Údarás na hOllscoile on 28 April 2017 and were signed on its behalf by:

James Browne

Chief Officer & President

27/9/17

Pól Ó Dochartaigh

Registrar

27/9/17

Consolidated Statement of Cash Flows	Consolidated 2016 €000s	Consolidated 2015 €000s <i>(restated)</i>
<i>Cash flow from operating activities</i>		
(Deficit)/surplus for the year	(2,018)	26,104
<i>Adjustment for non-cash items</i>		
Depreciation	15,983	15,510
Amortisation of deferred capital grants	(4,675)	(5,074)
Increase in inventory	-	(2)
Decrease/(increase) in receivables	1,630	(10,361)
Increase/(decrease) in payables (excluding capital grants)	10,560	(1,553)
<i>Adjustment for investing activities</i>		
Income from other financial assets	(1,011)	(296)
Other interest receivable and similar income	(172)	(419)
Taxation	132	69
Net cash inflow from operating activities	20,429	23,978
Taxation paid	(132)	(69)
Cash flows from investing activities		
Payments made to acquire fixed assets	(37,476)	(27,066)
Disposal of non-current asset investments	644	-
Capital grant receipts	9,754	15,227
Interest income	172	419
Investment income	367	296
Movement in investments	(12,605)	(23,899)
Net cash outflow from investing activities	(39,144)	(35,023)
Decrease in cash and cash equivalents in the year	(18,847)	(11,114)
Cash equivalents at beginning of the year	41,030	52,144
Cash and cash equivalents at the end of the year	22,183	41,030

Notes to the Financial Statements**For the year ended 30 September 2016****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 2016 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 2015 Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.

These are Ollscoil na hÉireann, Gaillimh's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 October 2014. The prior year financial statements were re-stated for material adjustments on adoption of FRS 102 in the current year. The result of this adoption can be seen in Note 24.

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 University and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the period are included in the consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group income and profits are eliminated fully on consolidation.

Associates are those undertakings in which the University has a participating interest in the equity share capital and over which it is able to exercise significant influence. Associates are accounted for using the equity method.

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 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-recurrent grants from the Higher Education Authority or other government bodies received (or, in the case of certain capital grants, receivable) 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.

Revenue grants (including research grants) from non-government sources are recognised in income when the university is entitled to the income and performance-related conditions 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.

Fee income is stated gross of any 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 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

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserves until such time it is utilised in line with the restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds. Investment income and appreciation/depreciation of endowments are recorded in income in the year in which they arise.

There are four types of donations and endowments identified within reserves:

1. Restricted donations – the donor has specified that the donations must be used for a specific objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective for the use of the funds and the University can convert the endowed capital into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

h. 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.

1. Accounting Policies (continued)**i. 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.

j. 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.

k. Leased assets

Leasing agreements that transfer to the University substantially all the benefits and risks of ownership of the assets are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Statement of Comprehensive Income and Expenditure in proportion to the reducing capital element outstanding. Assets held under finance leases are capitalised and depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

1. Accounting Policies (continued)**l. Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

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. 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.

q. 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.

1. Accounting Policies (continued)

r. 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.

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.

1. Accounting Policies (continued)

s. Cash and cash equivalents

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

t. 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.

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 2016 €000s	University 2016 €000s	Consolidated 2015 €000s	University 2015 €000s
State grants allocated for recurrent purposes	40,561	40,561	43,702	43,702

Grantor	Government funding Department	Opening (deferred)/due 1 October 2015 €000s	Grant received €000s	Closing (deferred)/due 30 September 2016 €000s	Amount taken to income €000s
Higher Education Authority	Dept of Education and Skills	8,648	39,294	(8,637)	39,305
An Roinn Cultúir, Oidhreacht agus Gaeltachta	Department of Culture, Heritage and the Gaeltacht	-	462	716	1,178
Department of Education and Skills	Department of Education and Skills	-	78	-	78
		8,648	39,834	(7,921)	40,561

3. Academic fees

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s <i>(restated)</i>	University 2015 €000s <i>(restated)</i>
Academic fee income	107,097	107,097	101,631	101,631
Miscellaneous fee income	191	191	224	224
	107,288	107,288	101,855	101,855

Grantor	Government funding Department	Opening deferral 1 October 2015 €000s	Grant received €000s	Closing deferral 30 September 2016 €000s	Amount taken to income €000s
Higher Education Authority	Dept of Education and Skills	-	33,570	-	33,570

4. Research grants and contracts

		Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s <i>(restated)</i>	University 2015 €000s <i>(restated)</i>
State and Semi-State		37,764	37,764	37,344	37,344
European Union		12,446	12,446	11,056	11,056
Industry and commerce		3,371	3,371	3,110	3,110
Other		6,113	6,113	10,067	10,067
Total research grants and contract income		59,694	59,694	61,577	61,577
		Opening (deferred)/due 1 October 2015 €000s	Grant received €000s	Closing deferred/(due) 30 September 2016 €000s	Amount taken to income €000s
Grantor	Government funding Department				
SFI	Dept of Jobs, Enterprise and Innovation	(12,413)	13,284	12,793	(13,664)
HEA PRTLJ	Dept of Jobs, Enterprise and Innovation	(468)	1,892	(140)	(1,284)
Health Research Board	Department of Health	797	4,046	(16)	(4,827)
IRC	Dept of Education and Skills	(188)	2,755	1,812	(4,379)
Enterprise Ireland	Dept of Jobs, Enterprise and Innovation	(523)	7,676	(978)	(6,175)
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	2,173	382	(1,422)	(1,133)
Dept of Agriculture and Food	Dept of Agriculture, Food and the Marine	(162)	1,825	(521)	(1,142)
Marine Institute	Dept of Agriculture, Food and the Marine	421	519	(284)	(656)
Other Irish Government/State agencies	Various Departments	(10)	5,115	(601)	(4,504)
Total Exchequer research grants		(10,373)	37,494	10,643	(37,764)
Total non-Exchequer research grants		(4,718)	18,869	7,779	(21,930)
Total research grants and contract income		(15,091)	56,363	18,422	(59,694)

5. Other income	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€000s	€000s	€000s	€000s
Other rental and licence income	1,178	3,789	1,173	3,903
Funded post income	911	911	1,071	1,071
Catering	592	-	382	-
Student accommodation	6,043	-	4,848	-
Other income	1,818	2,007	2,537	2,739
Insurance proceeds (fire damage)	1,090	1,090	-	-
Science Without Borders programme funds	939	939	835	835
Patent and IP-related income	178	178	2	2
Other subsidiaries income	171	-	619	-
HSE Service Learning Agreement	276	276	156	156
	13,196	9,190	11,623	8,706

Grantor	Government funding Department	Opening (deferred)/due	Grant	Closing (deferred)/due	Amount taken
		1 October 2015	received	30 September 2016	to income
		€000s	€000s	€000s	€000s
HSE	Department of Health	-	906	93	999
Túsla	Department of Health	-	38	-	38
University of Limerick	Dept of Education and Skills	-	29	-	29
HEA	Dept of Education and Skills	-	35	-	35
Dept of Education and Skills	Dept of Education and Skills	-	80	31	111
		-	1,088	124	1,212

6. Income from other financial assets

	Consolidated and University	Consolidated and University
	2016	2015
	€000s	€000s
Other income from financial assets	367	296
Net gain on disposal of financial assets	644	-
	1,011	296

7. Other interest receivable and similar income

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s	University 2015 €000s
Interest income on bank deposits	172	158	419	395

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 2016 Number	University 2016 Number	Consolidated 2015 Number (restated)	University 2015 Number (restated)
Teaching and research	1,320	1,320	1,262	1,262
Technical	104	104	102	102
Central administration and services	721	721	713	713
Other	52	-	52	-
	2,197	2,145	2,129	2,077

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s (restated)	University 2015 €000s (restated)
Salaries and wages	120,536	118,741	116,239	114,662
Social welfare costs	10,455	10,279	9,928	9,768
Contributions to defined benefit plans	13,275	13,275	13,025	13,025
Contributions to defined contribution plans	110	-	106	-
	144,376	142,295	139,298	137,455
Impact of accounting requirements relating to defined-benefit pensions	22,901	22,901	23,752	23,752
Total staff costs	167,277	165,196	163,050	161,207

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 2016 No. of employees	University 2016 No. of employees	Consolidated 2015 No. of employees	University 2015 No. of employees
€60,000 - €69,999	165	163	172	170
€70,000 - €79,999	247	247	240	240
€80,000 - €89,999	103	103	103	103
€90,000 - €99,999	16	12	17	13
€100,000 - €109,999	9	9	12	12
€110,000 - €119,999	24	24	24	24
€120,000 - €129,999	59	59	53	53
€130,000 - €139,999	35	34	32	31
€140,000 - €149,999	3	3	3	3
€160,000 - €169,999	1	1	1	1
€180,000 - €189,999	2	2	2	2
€200,000 - €209,999	2	2	2	2
€240,000 - €249,999	1	1	-	-
	667	660	661	654

(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 2016 amounted to €1.29m (2015: €1.32m).

In total, 10 employees (2015:8) are included in the compensation of key management personnel disclosed above. This includes the Chief Operating Officer and Vice President for Equality & Diversity who were appointed in June 2016 and the Executive Director of Operations who retired in December 2015.

The President's salary in FY 2015/16 was €187,255.

9. Other Operating expenses

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s <i>(restated)</i>	University 2015 €000s <i>(restated)</i>
Scholarships/fellowships and prizes	3,237	3,237	3,679	3,679
Repairs and maintenance (including information technology)	9,650	9,209	10,497	10,097
Travel, subsistence and relocation costs	3,914	3,886	3,439	3,438
Non-pay recurrent costs for research projects	18,776	18,872	18,855	19,055
Consumables (laboratories, etc.)	1,367	1,367	1,345	1,345
Books, periodicals and journals	2,237	2,238	1,876	1,876
Professional, audit and legal (incl. consultancy and recruitment)	6,564	7,375	7,269	7,736
Printing and stationery	1,725	1,707	1,854	1,833
Light and heat	4,281	4,209	4,457	4,392
Rent and rates	976	973	937	1,217
Cleaning and waste disposal	1,939	1,776	1,947	1,806
Insurance	802	738	712	644
Marketing and promotion	1,081	962	1,089	971
Other	6,093	5,285	6,479	6,206
NUI and student levies	3,103	3,103	3,151	3,151
Miscellaneous grants awarded	757	757	522	522
Provision for bad debts	550	550	497	497
Subscriptions and membership fees	721	709	742	738
Telephone	538	512	510	489
Security contract work	525	525	609	609
Postage	461	461	245	245
Bank fees and charges	295	290	164	163
Bank interest	1	-	3	-
	69,593	68,741	70,878	70,709

Other operating expenses include:

Auditors remuneration, including outlay and VAT

- External audit	107	90	105	88
- Statutory audit	33	33	30	30

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 €132,000 (2015: €69,000).

Deferred taxation in the period amounted to €nil (2015: €nil).

11. Property, Plant & Equipment

GROUP	Land and Buildings	Equipment	Assets in course of construction	Total
Cost	€000s	€000s	€000s	€000s
At 1 October 2015	390,003	138,741	20,868	549,612
Additions in year	8,579	805	25,472	34,856
Transfers from assets in course of construction	5,064	748	(5,812)	-
At 30 September 2016	403,646	140,294	40,528	584,468
Depreciation				
At 1 October 2015	85,248	126,185	-	211,433
Charge for year	9,694	5,982	-	15,676
At 30 September 2016	94,942	132,167	-	227,109
Net book value				
At 30 September 2016	308,704	8,127	40,528	357,359
At 30 September 2015	304,755	12,556	20,868	338,179

UNIVERSITY	Land and Buildings €000s	Equipment €000s	Assets in course of construction €000s	Total €000s
Cost				
At 1 October 2015	390,003	135,546	20,868	546,417
Additions in year	8,579	225	25,472	34,276
Transfers from assets in course of construction	5,064	748	(5,812)	-
At 30 September 2016	403,646	136,519	40,528	580,693
Depreciation				
At 1 October 2015	85,248	123,709	-	208,957
Charge for year	9,694	5,670	-	15,364
At 30 September 2016	94,942	129,379	-	224,321
Net book value				
At 30 September 2016	308,704	7,140	40,528	356,372
At 30 September 2015	304,755	11,837	20,868	337,460

12. Heritage assets capitalised

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

	Buildings	Archives	Art works	Total
Cost	€'000	€'000	€'000	€'000
At 1 October 2015	8,900	3,267	111	12,278
Additions	-	-	-	-
At 30 September 2016	8,900	3,267	111	12,278
Depreciation				
At 1 October 2015	3,056	-	-	3,056
Charge for year	307	-	-	307
At 30 September 2016	3,363	-	-	3,363
Net book value At 30 September 2016	5,537	3,267	111	8,915
Net book value At 30 September 2015	5,844	3,267	111	9,222

Other paintings and artefacts that were otherwise acquired, and not capitalised in the Statement of financial position (in accordance with the University's accounting policy), were valued at €2.367m in a 2010 valuation by Whyte's Fine Art Auctioneers and Valuers.

Five year financial summary of heritage asset transactions

Cost	2012	2013	2014	2015	2016
	€'000	€'000	€'000	€'000	€'000
At 1 October	9,725	10,840	11,285	11,580	12,278
Additions	1,115	445	295	698	-
Valuation of other paintings and artefacts	2,367	2,367	2,367	2,367	2,367
Total at 30 September	13,207	13,652	13,947	14,645	14,645

13. Financial assets

	Shares in group undertakings €000s	Other investments other than loans €000s	Total €000s
Cost			
At start of year	3	21,568	21,571
Additions	-	6,034	6,034
At year-end	3	27,602	27,605

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%
Maoín 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.

Other investments	Principal activity	2016 Interest %	2015 Interest %
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%
Seevl Ltd.	Entertainment activities	-	10.00%
MDG Web Ltd.	Database activities	8.63%	8.63%
Orbsen Therapeutics Ltd.	Medical practice activities	8.00%	10.60%
Sláinte Beoga Teoranta	Manufacture of pharmaceutical products	10.00%	10.00%
NVP Energy Ltd.	Software supply	10.00%	10.00%
ePlantech Ltd.	Mobile technology	-	10.00%
Embo Medical Limited	Medical technology and device developer	-	3.00%
Sedicii Innovations Limited	Software Development	10.00%	-
Onkimmume Limited	Cancer Immunotherapies	2.00%	-
HVAC Remote Monitoring Limited	Energy Efficiency	5.00%	-
Signum Surgical Limited	Gastrointestinal Devices	5.33%	-
Vetex Medical Limited	Cardiovascular Devices	10.00%	-

Ollscoil na hÉireann, Gaillimh disposed of its interest in Embo Medical in the year. The proceeds of that disposal are noted in note 6. Both Seevl Ltd. And ePlantech Ltd. – companies in which the University held an interest in prior years – were dissolved in the current year.

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

	2016	2015
	€'000	€'000
University	90	90
Subsidiaries	9	9
	99	99

15. Receivables

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s (restated)	University 2015 €000s (restated)
Research grant debtors	19,685	19,685	16,514	16,514
Other debtors	2,097	2,097	2,215	1,439
Accounts receivable	2,043	1,564	1,360	1,360
Staff housing loans	4	4	6	6
Capital grants receivable from Galway University Foundation	32,348	32,348	37,712	37,712
Intercompany balances	-	-	-	1,023
	56,177	55,698	57,807	58,054

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.

Accounts receivable are stated net of a provision for bad debts of €0.042m (2015: €0.042m).

An amount of €3.5m has been reclassified from receivables to creditors falling due within one year representing an amount that should have been set against a credit balance, consistent with the current year.

16. Other investments

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s (restated)	University 2015 €000s (restated)
Bank deposits with maturity date greater than three months and less than or equal to one year	24,569	24,569	17,998	17,998

17. Creditors: amounts falling due within one year

	Consolidated 2016 €000s	University 2016 €000s	Consolidated 2015 €000s (restated)	University 2015 €000s (restated)
Trade creditors and accruals	29,024	24,334	30,180	26,427
Pension accruals	325	325	1,010	1,010
Research grants and contracts received in advance	38,107	38,107	31,605	31,605
Retention monies	1,803	1,803	1,153	1,153
Fees received in advance	21,213	21,213	18,494	18,494
Intercompany balances	-	232	-	126
State grants received in advance	490	490	580	580
Deferred capital grants (Note 18)	4,640	4,640	4,559	4,559
	95,602	91,144	87,581	83,954

An amount of €3.5m has been reclassified from receivables to creditors falling due within one year representing an amount that should have been set against a credit balance, consistent with the current year.

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

Deferred capital grants: Consolidated and University

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 I&E			
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

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

Deferred capital grants

Consolidated and University

As at 1 October 2014 <i>(restated)</i>	HEA	Other grants/ benefactors	Total <i>(restated)</i>
Buildings	108,180	23,727	131,907
Equipment	203	1,867	2,070
Total	108,383	25,594	133,977
Received and receivable			
Buildings	6,019	8,456	14,475
Equipment	168	584	752
Total	6,187	9,040	15,227
Released to I&E			
Buildings	(3,258)	(1,156)	(4,414)
Equipment	(357)	(303)	(660)
Total	(3,615)	(1,459)	(5,074)
As at 30 September 2015			
Buildings	110,941	31,027	141,968
Equipment	14	2,148	2,162
Total	110,955	33,175	144,130
Less than one year <i>(Note 17)</i>	3,057	1,502	4,559
Greater than one year	107,898	31,673	139,571

Grantor	Government funding Department	Name of grant	Grant term	Amount of total grant awarded €000s	Opening debtor 1 Oct. 2015 €000s	Grant awarded €000s	Grant received €000s	Closing debtor 30 Sept. 2016 €000s
HEA - PRTL	Dept of Jobs, Enterprise and Innovation	PRTL Cycle 5	5 - 7 years	32,884	9,647	-	(3,318)	6,329
HEA - other	Dept of Education and Skills	3rd Level general Capital Programme	5 years	13,380	6,014	-	(6,014)	-
				46,264	15,661	-	(9,332)	6,329

19. Lease Commitments

At 30 September 2016 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	83
	<hr/>
	270
Operating lease payments recognised as an expense were €0.037m (2015: €0.037m)	

20. Capital commitments

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€000s	€000s	€000s	€000s
Contracted for but not provided	7,268	7,268	39,679	39,679
Authorised but not contracted out	8,870	8,870	7,565	7,565

21. 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 2016 was owed €nil by the company (2015: €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.

22. 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 €968m (2015: €865m) 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 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. The associated receivable from the State is €176m (2015: €133m).

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 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 2016. While this report is not publically available, the more salient points are reproduced in this note.

22. Retirement benefits (continued)

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

	At year-end 30 September 2016 (€'000)	At year-end 30 September 2015 (€'000)
Assumed annual rate		
Discount rate	1.50%	2.20%
Rate of increase in CPI	1.45%	1.60%
Rate of increase in pensionable salaries	2.70%	2.85%
Rate of increase in social welfare offset	1.95%	2.10%
Rate of increase in pensions	1.95%/1.45%	2.10%/1.60%
Average expected future life at age 65 for		
Male	22.3	22.0
Female	23.8	23.7
<i>Change in benefit obligation</i>		
Opening value of schemes liabilities	997,902	987,970
Current service cost	36,176	35,960
Past service costs	-	817
Interest cost on schemes' liabilities	21,793	25,948
Member contributions	5,069	4,668
Actuarial losses/(gains)	102,270	(38,472)
Benefits paid	(19,711)	(18,989)
Gross University pension liability at end of year	1,143,499	997,902
Pension receivable from State	1,143,499	997,902
Total asset value at end of year	1,143,499	997,902
Net pension deficit at year end	-	-

22. Retirement benefits (continued)

	At year-end 30 September 2016 (€'000)	At year-end 30 September 2015 (€'000)
<i>Change in pension receivable from State</i>		
Opening receivable	997,902	987,970
Movement included in statement of comprehensive income & expenditure	102,270	(38,472)
State-funded interest expense	21,793	25,948
Movement relating to staff costs	22,901	23,752
Member contributions	5,069	4,668
Benefits paid	(19,711)	(18,989)
Employer contributions	13,275	13,025
Closing pension receivable	1,143,499	997,902
<i>Amounts recognised in Statement of Financial Position</i>		
Net pension liability	1,143,499	997,902
Pension receivable and net deficit	(1,143,499)	(997,902)
Net pension deficit	-	-
<i>Analysed as:</i>		
Joint Pension Scheme	967,799	865,099
Other	175,700	132,803
	1,143,499	997,902
<i>Components of pension income</i>		
<i>Net deferred Government funding (to cover)</i>		
Staff costs	22,901	23,752
Interest expense	21,793	25,948
Amount recognised in I&E account	44,694	49,700
<i>Analysed as:</i>		
Joint Pension Scheme	33,292	36,810
Other	11,402	12,890
	44,694	49,700

22. Retirement benefits (continued)

	At year-end 30 September 2016 (€'000)	At year-end 30 September 2015 (€'000)
<i>Components of pension expense</i>		
<i>Staff costs</i>		
Employer contributions	13,275	13,025
<i>Impact of accounting standard for defined-benefit pensions:</i>		
- current service cost	22,901	22,935
- past service cost	-	817
Total impact of accounting standard for defined-benefit pensions	22,901	23,752
Current and past service costs	36,176	36,777
<i>Analysed as:</i>		
Joint Pension Scheme	21,607	22,371
Other	14,569	14,406
	36,176	36,777
<i>Interest expense</i>		
Interest cost on schemes' liabilities	21,793	25,948
<i>Analysed as:</i>		
Joint Pension Scheme	18,846	21,768
Other	2,947	4,180
	21,793	25,948

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

Financial year ending 30 September	2016	2015	2014	2013	2012
	€'000	€'000	€'000	€'000	€'000
Defined benefit obligation	1,143,499	997,902	987,970	869,822	771,433
Fair value of plan assets	-	-	-	-	-
Pension receivable from State	1,143,499	997,902	987,970	869,822	771,433
Deficit	-	-	-	-	-
Experience gains on plan liabilities	(28,123)	(24,870)	(97,881)	(55,285)	(35,723)
% of plan liabilities	(2.46%)	(2.49%)	(9.91%)	(6.36%)	(4.63%)
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 2017 are estimated to be €19.5m.

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.

23. 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.

24. Transition to FRS 102

Reconciliation of Capital and Reserves	Consolidated as at 01 October 2014	Consolidated as at 30 September 2015	University as at 01 October 2014	University as at 30 September 2015
	€000s	€000s	€000s	€000s
Capital and reserves (as previously stated)	159,782	160,327	158,611	158,658
Creation of accrual for staff holiday pay	(1,211)	(1,251)	(1,211)	(1,251)
Recognition in reserves of non-government grants received in prior years where the performance obligations have been met	74,079	74,079	74,079	74,079
Recognition of income from non-Government capital grants where performance conditions have been met	-	27,313	-	27,313
Recognition of income in respect of non-government research grants received using the performance model	-	2,118	-	2,118
Reduction in grant amortisation arising from the recognition of non-government grants using the performance model	-	(3,832)	-	(3,832)
Capital and reserves (as restated)	232,650	258,754	231,479	257,085

Reconciliation of surplus for year

	Consolidated year ended 30 September 2015	University year ended 30 September 2015
	€000s	€000s
Surplus for year (as previously stated)	545	47
Staff holiday pay accrual	(40)	(40)
Recognition of income from non-government capital grants using the performance model	27,313	27,313
Recognition of income in respect of non-government grants received where the performance obligations have been met	2,118	2,118
Reduction in grant amortisation arising from the recognition of non-government grants using the performance model	(3,832)	(3,832)
Surplus for year	26,104	25,606

25. Approval of financial statements

Údarás na hOllscoile approved these consolidated financial statements on 28 April 2017.

Reconciliation of HEA deficit to FRS102-format (deficit)/surplus	2016	2015
	€'000	€'000
		<i>(restated)</i>
Deficit as per HEA-format financial statements	(710)	(1,512)
Capital grant amortisation	4,675	5,074
Reversal of capital project funding from I&E account	6,252	5,362
Adjustment to income from research activity	(601)	1,939
Net impact from miscellaneous subsidiaries activity	880	860
Capital expenditure aligned	1,472	2,334
Net impact of accrued sundry expenditure for post-year end entries	602	(533)
Net internal balances reversal	(1,134)	831
Intercompany provisions aligned	-	(14)
Depreciation (including subsidiaries)	(15,983)	(15,510)
Insurance proceeds for building refurbishment	1,090	-
Holiday pay accrual impact	(40)	(40)
Donations from non-government entities for capital projects	1,479	27,313
	<hr/>	
(Deficit)/surplus as per consolidated FRS102 financial statements	(2,018)	26,104
	<hr/>	

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

SCHEDULES

The information on the following pages does not form part of the audited 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 imbuelement 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.

Schedule 1: Údarás na hOllscoile Meetings

<u>Attendance*</u>	<u>Eligible to Attend</u>	<u>Attended</u>
Cathaoirleach:		
Mrs Justice Catherine McGuinness	6	5
President:		
Dr James Browne	6	6
Registrar and Deputy-President:		
An tOll. Pól Ó Dochartaigh	6	6
Profs/Associate Professors (5):		
Professor Kathy Murphy	2	2
Professor Antony Wheatley	2	1
Professor Vincent O'Flaherty	6	3
An tOll. Dáibhí Ó Cróinín	2	1
Professor Terry Smith	6	5
Professor Grace McCormack	4	2
Professor Tim O'Brien	4	4
Professor Breda Sweeney	4	3
Other Academic Staff (5):		
Dr Lucy Byrnes	2	2
Ms Ursula Connolly	6	4
Dr Pat Morgan	6	5
Dr Anthony Grehan	6	5
Dr Emer Mulligan	2	2
Dr Anne O'Connor	4	3
Dr Gerard Wall	4	4

Schedule 1: Údarás na hOllscoile Meetings (continued)

Attendance*	Eligible to Attend	Attended
Other Employees (3):		
Ms Sinead Beacom	6	6
Dr Eric Mortimer	6	4
Mr Brendan O'Looney	6	6
Elected Officers of Comhaltas na Mac Léinn (2):		
Ms Rebecca Melvin (SU President)	6	6
Mr Phelim Kelly (VP/Education)	6	5
Postgraduate Student:		
Ms Máire Bell	2	0
Ms Charlotte May-Simera	4	4
Nominations of External Organisations (3):		
Mr Donagh O'Donoghue	6	5
Ms Máire Ní Chuinneagáin	2	2
Mr Niall O'Donnellan	2	2
Ms Sinead Ní Fhatharta	4	4
Ms Ruth Curran	4	1
Graduates (4):		
Ms Sandra Butler	2	1
Mr Conor Fottrell	6	5
Mr John Loftus	2	2
Prof Hubert McDermott	2	2
BGen Ger Aherne	4	3
Mr John Glynn	4	3
Ms Maria Keogh	4	4

Schedule 1: Údarás na hOllscoile Meetings (continued)

<u>Attendance*</u>	<u>Eligible to Attend</u>	<u>Attended</u>
Local Authority Nominees (7):		
Cllr Peter Keane (Galway City Council)	2	0
Cllr Pearce Flannery (Galway City Council)	4	3
Cllr Eileen Mannion (Galway County Council)	6	4
Cllr P.J. Kelly (Clare County Council)	6	6
Cllr Margaret Adams (Mayo County Council)	2	1
Cllr Richard Finn (Mayo County Council)	4	3
Cllr John McCartin (Leitrim County Council)	6	6
Cllr Jim McGarry (Sligo County Council)	2	2
Cllr Seamus Kilgannon (Sligo County Council)	4	2
Cllr Domnick Connolly (Roscommon County Council)	2	1
Cllr John Cummins (Roscommon County Council)	4	4
NUI Nominees**		
Dr Catherine Caulfield	5	2
Mr Noel Daly	5	2
President of St Angela's College, Sligo:		
Dr Anne Taheny	6	3
Artistic/Cultural Category (1):		
Dr Jane O'Leary	2	2
Mr Garry Shannon	4	2
Minister's Nominees (3)***:		
Mr Harry McGee	2	2
Dr John Greally	2	2
Ms Madeleine Taylor-Quinn	2	2

Schedule 1: Údarás na hOllscoile Meetings (continued)

* 6 Údarás meetings took place from 1st October 2015 to 30th September 2016. The new Údarás term began on February 1st 2016. Two meetings took place prior to this date and four after.

** There was a gap in appointment for the 2 NUI Nominees from February 2016 to April 2016. They were eligible to attend five meetings.

*** There was a gap in appointment for the 3 Ministerial Nominees from February 2016 to September 2016. They were reappointed to Údarás in September 2016. They were eligible to attend two meetings.

Schedule 2:

The aggregate expenses paid to external members of Údarás na hOllscoile is €13,758.10.

Galway University Foundation Limited
Directors' Report and Consolidated Financial Statements
for the year ended 30 June 2016

Galway University Foundation Limited

CONTENTS

	Page
Directors and Other Information	3
Directors' Report	4 - 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 - 8
Consolidated Income Statement	9
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15 - 24

Galway University Foundation Limited DIRECTORS AND OTHER INFORMATION

Directors	John P MacNamara (Chairman) Mary Dooley (Resigned 24 March 2016) Dr. James Browne Tom Costello Dr. Irial Finan Alfie Lydon Domhnal Slattery Michael Higgins Brian Joyce Liam O'Coinne (Deceased 15 July 2016) Dr. Finian O'Sullivan Mark Moran Pól Ó'Dochartaigh Helen Ryan (Appointed 1 September 2015) Brendan Jennings (Appointed 1 September 2015) Ronan Lambe (Resigned 9 December 2015) Patrick Mara (Deceased 15 January 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	Bank of Ireland Main Concourse NUI Galway Galway Allied Irish Bank, Newcastle Road, Newcastle, Galway.
Solicitors	RDJ Glynn Solicitors Aengus House Long Walk Galway Ivor Fitzpatrick & Co. Solicitors 44-45 St. Stephens Green Dublin 2

Galway University Foundation Limited

DIRECTORS' REPORT

for the year ended 30 June 2016

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2016.

Principal Activity and Review of the Business

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 has been no significant change in these activities during the year ended 30 June 2016.

The Foundation has recently commenced focusing its fundraising on research activity, scholarships and selected capital projects and the Foundation Research Leadership programme launched in 2016 represents a significant new initiative.

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 €52.4 million including €51.7 million of restricted 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 consolidated (deficit)/surplus for the year after providing for depreciation amounted to (€922,023) (2015 - €1,907,358).

At the end of the year the group had assets of €52,685,326 (2015 - €56,866,047) and liabilities of €253,720 (2015 - €745,956). The net assets of the company have decreased by €3,688,485.

Directors and Secretary

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

John P MacNamara (Chairman)
Mary Dooley (Resigned 24 March 2016)
Dr. James Browne
Tom Costello
Dr. Irial Finan
Alfie Lydon
Domhnal Slattery
Michael Higgins
Brian Joyce
Liam O'Coinne (Deceased - 15 July 2016)
Dr. Finian O'Sullivan
Mark Moran
Pól Ó'Dochartaigh
Helen Ryan (Appointed 1 September 2015)
Brendan Jennings (Appointed 1 September 2015)
Ronan Lambe (Resigned 9 December 2015)
Patrick Mara (Deceased 15 January 2016)

The secretary who served throughout the year was Dónal Cahalane

Galway University Foundation Limited
DIRECTORS' REPORT
for the year ended 30 June 2016

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

It is with regret that the Board reports that Mr. Liam O'Coinne passed away on 15th of July 2016 and Mr. Patrick Mara passed away on 15th January 2016. The Board gratefully acknowledges their service.

Future Developments

The Foundation will continue to work closely with a range of organisations and individuals to secure philanthropic funding for University priority projects. The Foundation will seek 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.

Post Statement of Financial Position Events

On September 29th 2016 the Board approved the transfer of €3,252,277 to NUI Galway, supported by a request for such an amount in line with the agreed policy as set out in note 19 to these financial statements. The effect of this transfer is to increase current liabilities and decrease the designated reserves of the Foundation by €3,252,277, which has not been reflected in the financial position as at the 30th June 2016.

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 practice, Galway University Foundation 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 2016, the total amount levied on donor income was €4,620. The comparative figure 2015 was €10,989.

Accounting Records

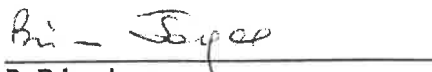
To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's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

Signed on behalf of the Board


John MacNamara

Director

Date: 7/11/16


Dr Brian Joyce

Director

Date: 7/11/16

Galway University Foundation Limited
DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 30 June 2016

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.

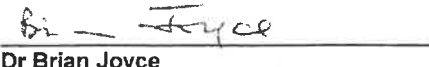
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and surplus or deficit of the company to be determined 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


John MacNamara

Director

Date: 7/11/16


Dr Brian Joyce

Director

Date: 7/11/16

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway University Foundation Limited

We have audited the group and parent company financial statements of Galway University Foundation Limited for the year ended 30 June 2016 which comprise the Consolidated 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, the Accounting Policies 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 2016 and of the group's results 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.

INDEPENDENT AUDITOR'S REPORT to the Members of Galway University Foundation Limited

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.



Dermot Nolan
for and on behalf of
MAZARS
Chartered Accountants & Statutory Audit Firm
Mazars Place
Salthill
Galway

Date: 11th November 2016

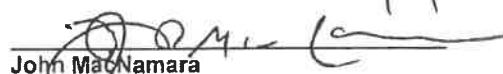
Galway University Foundation Limited


CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2016

	Notes	2016 €	2015 €
Income	4	4,385,834	8,121,189
Administration expenses		(1,415,244)	(1,353,891)
Monies transferred to projects		(7,637,772)	(12,813,042)
Deficit on ordinary activities	6	(4,667,182)	(6,045,744)
(Loss)/Gain on financial assets at fair value through the income statement	7	(811,599)	1,970,231
Interest receivable and similar income	8	1,786,596	1,258,330
Deficit for the year		(3,692,185)	(2,817,183)
Transfer from designated reserves		2,770,162	4,724,541
Retained (deficit)/surplus for the year		(922,023)	1,907,358

Approved by the Board on 29/07/16 and signed on its behalf by:


 John MacNamara
 Director


 Dr Brian Joyce
 Director

Galway University Foundation Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

	2016 €	2015 €
(Deficit)/surplus for the year	(922,023)	1,907,358
Currency difference on translation of subsidiary	3,700	99,187
Total comprehensive income relating to the year	(918,323)	2,006,545

Galway University Foundation Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 €	2015 €
Non-Current Assets			
Tangible assets	11	4,772	4,536
Investments	12	33,377,050	33,363,789
		<u>33,381,822</u>	<u>33,368,325</u>
Current Assets			
Debtors	13	84,994	213,432
Investments	14	13,003,172	19,177,597
Cash and cash equivalents		6,215,338	4,106,693
		<u>19,303,504</u>	<u>23,497,722</u>
Creditors: Amounts falling due within one year	15	(253,720)	(745,956)
Net Current Assets		<u>19,049,784</u>	<u>22,751,766</u>
Total Assets less Current Liabilities		<u>52,431,606</u>	<u>56,120,091</u>
Reserves			
Accumulated reserves	22	728,322	836,163
Designated reserves	19	51,703,284	55,283,928
Equity attributable to owners of the company		<u>52,431,606</u>	<u>56,120,091</u>

Approved by the Board on 29/07/16 and signed on its behalf by:


John MacNamara

Director


Dr Brian Joyce

Director

Galway University Foundation Limited

COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 €	2015 €
Non-Current Assets			
Tangible assets	11	4,772	4,536
Investments	12	33,391,306	33,377,050
		<u>33,396,078</u>	<u>33,381,586</u>
Current Assets			
Debtors	13	84,994	195,557
Investments	14	13,003,172	19,177,597
Cash and cash equivalents		5,629,285	3,703,461
		<u>18,717,451</u>	<u>23,076,615</u>
Creditors: Amounts falling due within one year	15	<u>(305,392)</u>	<u>(787,853)</u>
Net Current Assets		<u>18,412,059</u>	<u>22,288,762</u>
Total Assets less Current Liabilities		<u>51,808,137</u>	<u>55,670,348</u>
Reserves			
Accumulated reserves	22	740,190	848,390
Designated reserves	19	51,067,947	54,821,958
Equity attributable to owners of the company		<u>51,808,137</u>	<u>55,670,348</u>

Approved by the Board on 29/09/16 and signed on its behalf by:

John MacNamara

Director

Dr Brian Joyce

Director

Galway University Foundation Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	General reserve €	Specific reserve €	Designated reserves €	Total €
Balance at 1 July 2014	43,615	756,234	58,038,238	58,838,087
Surplus/(Deficit) the year	10,016	23,928	(4,821,358)	(4,787,414)
Foreign currency difference on translation of subsidiary	-	2,370	96,817	99,187
Revaluation of financial fixed assets	-	-	1,970,231	1,970,231
At 30 June 2015	53,631	782,532	55,283,928	56,120,091
Surplus/(Deficit) the year	8,900	(116,817)	(2,772,669)	(2,880,586)
Foreign currency difference on translation of subsidiary	-	76	3,624	3,700
Revaluation of financial fixed assets	-	-	(811,599)	(811,599)
At 30 June 2016	62,531	665,791	51,703,284	52,431,606

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	General reserve €	Specific reserve €	Designated reserves €	Total €
Balance at 30 June 2014	65,563	745,497	57,599,502	58,410,562
Net surplus/(deficit) for the year	10,016	27,314	(4,747,396)	(4,710,066)
Revaluation of financial assets	-	-	1,969,852	1,969,852
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)
Revaluation of financial assets	-	-	(810,481)	(810,481)
Balance at 30 June 2016	84,479	655,711	51,067,947	51,808,137

Galway University Foundation Limited

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Notes	2016 €	2015 €
Cash flows from operating activities			
Deficit for the year		(3,692,185)	(2,817,183)
<i>Adjustments for:</i>			
Investment income		(1,659,998)	(921,613)
Fair value gains and losses		811,599	(1,970,231)
Interest receivable and similar income		(126,598)	(336,717)
Depreciation		3,520	2,268
Foreign exchange differences		3,700	99,187
		<u>(4,659,962)</u>	<u>(5,944,289)</u>
<i>Movements in working capital:</i>			
Movement in debtors		128,438	58,898
Movement in creditors		(491,738)	652,855
Cash used in operations		<u>(5,023,262)</u>	<u>(5,232,536)</u>
Cash flows from investing activities			
Interest received		126,598	336,717
Dividends received		1,659,998	921,613
Payments to acquire tangible fixed assets		(3,756)	(6,804)
Payments to acquire investments, net		(824,737)	(12,302,101)
Realisation of short term investments		6,174,425	9,585,876
Net cash generated from/(used in) investment activities		<u>7,132,528</u>	<u>(1,464,699)</u>
Net increase/(decrease) in cash and cash equivalents		2,109,266	(6,697,235)
Cash and cash equivalents at beginning of financial year		4,106,072	10,803,307
Cash and cash equivalents at end of financial year	24	<u>6,215,338</u>	<u>4,106,072</u>

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1. GENERAL INFORMATION

Galway University Foundation Limited 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 consolidated financial statements comprising the Consolidated 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 Limited for the financial year ended 30 June 2016.

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 2016 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 accrues 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 expensed 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.

for the year ended 30 June 2016

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 statement of financial position 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

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 statement 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.

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

Taxation

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

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 2016.

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

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.

4. INCOME

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

	2016 €	2015 €
Ireland	3,781,560	7,722,758
Switzerland	200	52,106
United Kingdom	4,002	65,903
Rest of the World	2,387	3,639
United States	597,685	276,783
	<u>4,385,834</u>	<u>8,121,189</u>

Income attributable to geographical markets outside the Republic of Ireland amounted to 13.7% for the year.

5. 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 €360,500 (2015: €363,322).

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

6.	OPERATING DEFICIT	2016	2015
		€	€
	Operating deficit is stated after charging/(crediting):		
	Depreciation of property, plant and equipment	3,520	2,268
	(Gain)/loss on foreign currencies	(615)	7,494
		<u> </u>	<u> </u>
7.	OTHER GAINS AND LOSSES	2016	2015
		€	€
	(Loss)/gain on investments at fair value through the Income Statement	(811,599)	1,970,231
		<u> </u>	<u> </u>
8.	INTEREST RECEIVABLE AND SIMILAR INCOME	2016	2015
		€	€
	Bank interest	126,598	336,717
	Investment income	1,659,998	921,613
		<u> </u>	<u> </u>
		<u>1,786,596</u>	<u>1,258,330</u>

9. EMPLOYEES AND REMUNERATION

Number of employees

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

	2016	2015
	Number	Number
Management and administration	9	8
	<u> </u>	<u> </u>
The staff costs comprise:	2016	2015
	€	€
Wages and salaries	651,943	581,669
Social welfare costs	50,444	59,268
Pension costs	88,293	83,220
	<u> </u>	<u> </u>
	<u>790,680</u>	<u>724,157</u>

10. 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 €918,681 (2015: €2,007,180).

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

11. TANGIBLE FIXED ASSETS

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>

11.1. TANGIBLE FIXED ASSETS – PRIOR YEAR

Group and Company

	Office equipment €	Software €	Total €
Cost			
At 1 July 2014	49,572	11,610	61,182
Additions	6,804	-	6,804
Disposals	(10,745)	-	(10,745)
At 30 June 2015	<u>45,631</u>	<u>11,610</u>	<u>57,241</u>
Depreciation			
At 1 July 2014	49,572	11,610	61,182
Charge for the year	2,268	-	2,268
On disposals	(10,745)	-	(10,745)
At 30 June 2015	<u>41,095</u>	<u>11,610</u>	<u>52,705</u>
Net book value			
At 30 June 2015	<u>4,536</u>	<u>-</u>	<u>4,536</u>
At 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

12. INVESTMENTS Group

	Listed Investments	Total
	€	€
Investments		
Cost		
At 1 July 2015	30,177,078	30,177,078
Additions	824,737	824,737
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

	Investment in Subsidiary	Listed Investments	Total
	€	€	€
Investments			
Cost			
At 1 July 2015	21,948	30,162,383	30,184,331
Additions	-	824,737	824,737
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>

Galway University Foundation Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

12.1. INVESTMENTS PRIOR YEAR Group

	Listed investments	Total
	€	€
Investments		
Cost		
At 1 July 2014	17,874,977	17,874,977
Additions	12,306,522	12,306,522
Disposals	(4,421)	(4,421)
At 30 June 2015	<u>30,177,078</u>	<u>30,177,078</u>
Fair Value Movements		
At 1 July 2014	1,216,480	1,216,480
Movement for the year	1,970,231	1,970,231
At 30 June 2015	<u>3,186,711</u>	<u>3,186,711</u>
Net book value		
At 30 June 2015	<u><u>33,363,789</u></u>	<u><u>33,363,789</u></u>
At 30 June 2014	<u><u>19,091,457</u></u>	<u><u>19,091,457</u></u>

Company

	Investment in Subsidiary	Listed investments	Total
	€	€	€
Investments			
Cost			
At 1 July 2014	21,948	17,861,869	17,883,817
Additions	-	12,300,514	12,300,514
At 30 June 2015	<u>21,948</u>	<u>30,162,383</u>	<u>30,184,331</u>
Fair Value Movements			
At 1 July 2014	-	1,222,867	1,222,867
Movement for the year	-	1,969,852	1,969,852
At 30 June 2015	<u>-</u>	<u>3,192,719</u>	<u>3,192,719</u>
Net book value			
At 30 June 2015	<u><u>21,948</u></u>	<u><u>33,355,102</u></u>	<u><u>33,377,050</u></u>
At 30 June 2014	<u><u>21,948</u></u>	<u><u>19,084,736</u></u>	<u><u>19,106,684</u></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 €33,369,358 (2015: €33,355,102). 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\$716,538 and surplus for the year amounted to US\$188,763.

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 Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

13. DEBTORS	2016 €	2015 €
Group		
Other debtors	1,086	301
Prepayments and accrued income	83,908	213,131
	<u>84,994</u>	<u>213,432</u>
	2016 €	2015 €
Company		
Other debtors	1,086	301
Prepayments and accrued income	83,908	195,256
	<u>84,994</u>	<u>195,557</u>

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

14. CURRENT ASSET INVESTMENTS	2016 €	2015 €
Group and Company		
Other unlisted investments	13,003,172	19,177,597

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 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.

15. CREDITORS	2016 €	2015 €
Amounts falling due within one year		
Group		
Bank overdrafts	-	621
Trade creditors	115,487	637,221
Taxation (Note 16)	20,300	20,259
Accruals	117,933	87,855
	<u>253,720</u>	<u>745,956</u>
Company		
Bank overdrafts	-	621
Trade creditors	112,572	636,218
Amounts owed to group companies	71,249	58,093
Taxation (Note 16)	20,300	20,259
Accruals	101,271	72,662
	<u>305,392</u>	<u>787,853</u>

The repayment terms of trade creditors vary between on demand and ninety days. 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 Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

16.	TAXATION	2016	2015
		€	€
	Group		
	Creditors:		
	PAYE / PRSI	20,300	20,259
		<u> </u>	<u> </u>

17. FINANCIAL COMMITMENTS

Galway University Foundation Limited 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 on behalf of the National University of Ireland, Galway in the United States.

During the year ended 30 June 2011, Galway University Foundation Limited 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 Limited. As at the 30 June 2016, Galway University Foundation Limited has subscribed €690,241 and is committed to subscribe a further €309,759 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.

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 includes the following designated reserves which have been set aside out of unrestricted funds by the trustees for specific purposes:

GROUP	2016	2015
	€	€
Designated reserves at beginning of the year	55,283,928	58,038,238
Transfer to income statement	(2,772,669)	(4,821,358)
Foreign currency translation	3,624	96,817
Revaluation of investments	(811,599)	1,970,231
	<u>51,703,284</u>	<u>55,283,928</u>
 COMPANY		
Designated reserves at beginning of the year	54,821,958	57,599,502
Transfer to income statement	(2,943,530)	(4,747,396)
Revaluation of investments	(810,481)	1,969,852
	<u>51,067,947</u>	<u>54,821,958</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 Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2016

20. RELATED PARTY TRANSACTIONS

Included in income for the year is an amount of €119,430 (2015: €165,749) received in the form of donations from board members or companies associated with board members.

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

On September 29th 2016 the Board approved the transfer of €3,252,277 to NUI Galway, supported by a request for such an amount in line with the agreed policy as set out in note 19 to these financial statements. The effect of this transfer is to increase current liabilities and decrease the designated reserves of the Foundation by €3,252,277, which has not been reflected in the financial position as at the 30th June 2016.

24. CASH AND CASH EQUIVALENTS

	2016 €	2015 €
GROUP		
Cash and bank balances	6,215,338	4,106,693
Bank overdrafts	-	(621)
	<u>6,215,338</u>	<u>4,106,072</u>

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on

29/09/16