

Ollscoil na hÉireann, Gaillimh

Annual Report and Consolidated Financial Statements

Year Ended 30 September 2018

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Bursar's Report on Consolidated Financial Statements

Introduction

As noted in last year's report, the relevance and applicability of the FRS 102 reporting standard to third level institutions may be called into question because of the volatility it generates for the annual reported surplus/(deficit) which in NUI Galway's case displays the following movements:

2017/18 - €8m surplus

2016/17 – (€5m) deficit

2015/16 – (€2m) deficit

2014/15 – €26m surplus

The University also publishes annual financial accounts in an agreed 'HEA Harmonised' format and these may be viewed as more appropriate to local management decision making.

The attached Financial Statements consolidate the financial results of subsidiary and associate companies which it controls, (e.g. student residences and conferencing activities) with the University's core teaching and research activities. The accounting policies set out in the notes on pages 15-21 form part of the financial statements.

Overview

The University continues to effectively manage its affairs and associated risks against a backdrop of Government inaction/indecision on much needed revision of third level funding. The recent and rapid developments in finalising Britain's exit from the EU continue to pose a major threat to the Irish economy with potential negative impact for the University. Whilst attempts have been made to quantify the financial impact of Brexit in the University, the absence of detailed particulars call the merits of the exercise into question, e.g. clarification on the number of years post Brexit that UK students will continue to be charged EU fee rates, not to mention the number of such students who may have a dual (other EU country) passport.

As demographic projections have shown, the trend is for increasing numbers of second level students taking the leaving certificate examination coupled with increases in the proportion progressing to third level education. These trends are reflected in attached accounts as noted below under 'Operating Results'. The general economic outlook remains favourable with buoyant fiscal returns and the number of people on the 'live register' (availing of or claiming unemployment assistance) at its lowest level for the past decade.

As the University embarks on the important task of developing the successor to its current strategic plan (Vision 2020), it does so with an increased emphasis on non-state income streams. Foremost in this category is that of non-EU student fees as well as related high standard 'on-campus' student accommodation and associated summer lettings.

Operating Results

The reported surplus for the year at €8m is attributable in no small part to an €18m increase in Research grants and contracts income in addition to buoyant income and well controlled costs. Notwithstanding the case that research income rarely covers the true overhead costs associated with this activity, the University's strong Contract Research activities have delivered a significant boost to the bottom line - as reported under FRS 102.

Bursar's Report on Consolidated Financial Statements cont'd

Fee income has risen by some €6m by virtue of increasing student numbers which has also generated additional Government Grant income via the 'RGAM' funding mechanism. Pay costs have increased by €8m during the year due to a mix of increased Contract Research noted above, restoration of pay cuts/increments, and increased staff headcount. As noted under 'Contingent Liabilities' (note 25), no provision is made for the cost of paying a June 2018 settlement which may apply to our Academic Medical Consultants while awaiting direction and particulars from Government.

Liquidity

The continuing strong level of liquidity displayed in the Balance Sheet reflects the business model in which the University operates with much of its core funding being 'front loaded'. The University also has significant reserves as measured under the aforementioned FRS 102 which discounts/ignores transfers of income, which are made in funding much needed capital developments.

Conclusion

While the range of challenges facing the University are many and varied, it can rely on the solid foundation of its talented and committed staff and students to meet same. The continued success of the University is assured by virtue of its committed teams who deliver day in, day out, on its strategic objectives, high teaching and research standards, and professional services.



Sharon Bailey FCCA, AITI, MSc Mgmt.

Sparánaí / Bursar

Annual Statement on Governance and Internal Control**for the year ended 30 September 2018**

1. On behalf of Údarás na hOllscoile, I acknowledge that Údarás has overall responsibility for the University's system of internal control, covering all material controls, including financial, operational, compliance controls and risk management systems that support the achievement of the University's policies, aims and objectives, while safeguarding the wider public interest.
2. The system of internal control, established by Údarás na hOllscoile, is designed to manage risk and to provide reasonable and not absolute assurances against material error.
3. The following procedures have been put in place by the Governing Authority, to provide effective internal control.
 - (i) The effectiveness of the systems of internal control has been informed by the procedures and committees outlined at Sections (vi – ix) below.
 - (ii) The reviews of internal control did not identify breaches of internal control such as would require disclosure in the financial statements or the auditor's report on the financial statements. However, the Audit Committee Annual Report notes one instance where only limited assurance can be placed on the sufficiency and operation of internal controls (Payroll Processes and Controls) and reasonable assurance on those key inherent risks to which Travel and Subsistence are exposed. The University is addressing the key inherent risks identified.
 - (iii) The reviews of internal control did not identify any weaknesses that have resulted in material losses, contingencies or uncertainties, such as would require disclosure in the financial statements or the auditor's report on the financial statements.
 - (iv) The statement on the System of Internal Controls has been reviewed by the Audit Committee, Risk Management Group and the Governing Authority to ensure it accurately reflects the control system in operation during the reporting period.
 - (v) Údarás na hOllscoile has established an appropriate control environment through:
 - the allocation of defined management responsibilities through the University Management Team members; the establishment of appropriate delegated authority; the documentation of policies, procedures and regulations; the implementation of robust planning, performance monitoring and information systems to ensure timely reporting to Management and Údarás. Vision 2020, the University's Strategic Plan for 2015-2020, was launched in March 2015.
 - Údarás provides direction on the development and implementation of key University strategy and policy.
 - Údarás provides governance oversight to ensure that the processes put in place by management provide an adequate level of assurance.
 - Údarás is supported in this role by its five standing Committees –
 - a) Standing and Strategic Planning,
 - b) Finance/Resource,
 - c) Academic Planning and Resource,
 - d) Support Services,
 - e) Equality, Diversity and Inclusion Committee.
 - The five Committees operate to written terms of reference and include a significant number of external members with appropriate expertise.
 - Údarás itself and its five standing Committees (Finance/Resource and Academic Planning and Resource) are chaired by independent external Chairpersons.
 - A Vice-President for Equality and Diversity has been appointed to the University Management Team.

Annual Statement on Governance and Internal Control (continued)

- (vi) The University's risk management is undertaken within a governance framework comprising of a defined risk policy, risk appetite, assurance processes and an underlying policy and control environment. The University has in place a comprehensive set of processes for the identification, evaluation and management of significant risks that threaten the achievement of its strategic objectives. It records them in the Strategic Risk Register.

The risk management framework established in the University includes:

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

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

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

Annual Statement on Governance and Internal Control (continued)

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

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

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

74 suppliers were identified in the 2017/18 financial year, with a combined transactions value of €4.45m million, for which national public procurement guidelines were not fully applied. The University's non-pay expenditure, including both recurrent costs and capital costs during the year amounted to €108m.

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

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



Ciarán Ó hÓgartaigh

Chief Officer & President

Date: 19/7/2019

Statement Of Responsibilities of Údarás na hOllscoile

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

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

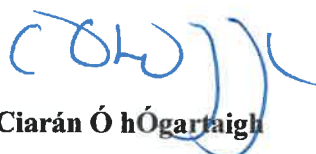
In preparing those financial statements, Údarás na hOllscoile is required to:

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

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

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

On behalf of Údarás na hOllscoile



Ciarán Ó hÓgartaigh

Chief Officer & President

Date: 19/7/2019



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Ollscoil na hÉireann, Gaillimh

Opinion on the financial statements

I have audited the financial statements of Ollscoil na hÉireann, Gaillimh for the year ending 30 September 2018 as required under the provisions of the Universities Act 1997. The financial statements comprise

- the consolidated and University statement of comprehensive income and retained reserves
- the consolidated and University statement of financial position
- the consolidated statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the University and of the University group at 30 September 2018 and of the income and expenditure of the University and the University group for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter — deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to Note 24 Retirement Benefits and to the recognition as at 30 September 2018 of an asset of €1,050 million in respect of deferred pension funding.

The recognition of a deferred pension funding asset in respect of the Joint Pension Scheme (€654.3 million) and the Single Public Service Pension Scheme (€13.6 million) reflects statutory provisions relating to the funding of those schemes.

The recognition of an asset of €382.4 million in respect of the Model Pension Scheme and pension supplementation anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the University and have fulfilled my other ethical responsibilities in accordance with the standards.

In conducting my audit, I seek to rely on evidence from an audit of the financial statements by independent auditors engaged by the University.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report of the C&AG (continued)

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

The University has presented certain other information together with the financial statements. This comprises the Bursar's report, the annual statement of governance and internal control, a statement of responsibilities of Údarás na hOllscoile, a reconciliation between the financial statements and a university funding statement for 2017/2018 prepared for the Higher Education Authority, a statement of corporate social responsibility and audited consolidated financial statements for Galway University Foundation Company Limited by Guarantee for the year ended 30 June 2018.

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

Procurement non-compliance

The statement on governance and internal control discloses that in 2017/2018 the University incurred significant expenditure on goods and services the procurement of which was not compliant with the relevant procedures.



Seamus McCarthy
Comptroller and Auditor General

23 July 2019

Appendix to the report

Responsibilities of members of Údarás na hOllscoile

The members are responsible for

- the preparation of financial statements in the form prescribed under the Universities Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Universities Act 1997 to audit the financial statements of the University and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty

exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the University to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

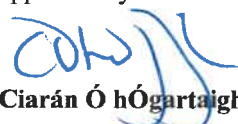
I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

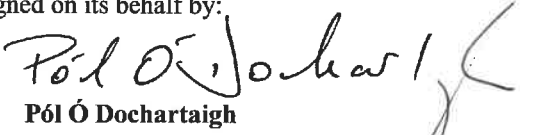
- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Consolidated and University Statement of Comprehensive Income and Retained Reserves for the year ended 30 September

	Notes	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Income:					
State grants	2	45,000	45,000	40,524	40,524
Academic fees	3	113,741	113,741	107,976	107,976
Research grants and contracts	4	76,559	76,559	58,724	58,724
Donations and endowments (unrestricted)	1g	-	-	1,900	1,900
Other income	5	11,857	8,092	12,561	8,934
Income from other financial assets	6	-	-	3	-
Other interest receivable and similar income	7	117	117	67	66
Amortisation of deferred capital grants	20	5,940	5,940	5,380	5,380
Net deferred Government funding for pensions	24	45,590	45,590	48,965	48,965
Total income		298,804	295,039	276,100	272,469
Expenditure:					
Staff costs	8	179,452	177,175	180,339	178,288
Other operating expenses	9	75,541	74,852	70,257	69,292
Depreciation	11/12	13,759	13,292	14,629	14,260
Interest on pension scheme liabilities	24	22,344	22,344	17,041	17,041
Total expenditure		291,096	287,663	282,266	278,881
Surplus/(deficit) for the year before taxation		7,708	7,376	(6,166)	(6,412)
Taxation	10	(214)	-	(65)	-
Surplus/(deficit) for the year		7,494	7,376	(6,231)	(6,412)
Actuarial (loss)/gain in respect of pension schemes	24	(28,572)	(28,572)	208,550	208,550
Movement on pension receivable	24	28,572	28,572	(208,550)	(208,550)
Total comprehensive surplus/(deficit)		7,494	7,376	(6,231)	(6,412)
Represented by:					
Restricted comprehensive (loss)/income		(384)	(384)	(2,804)	(2,804)
Unrestricted comprehensive income/(loss)		7,878	7,760	(3,427)	(3,608)
Total comprehensive income/(loss) for the year		7,494	7,376	(6,231)	(6,412)
Opening reserves at 1 October		250,505	248,012	256,736	254,424
Total closing reserves at 30 September		257,999	255,388	250,505	248,012

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



 Ciarán Ó hÓgartaigh
 Chief Officer & President
 19/7/2019


 Pól Ó Dochartaigh
 Registrar
 19/7/2019


**Consolidated and University Statement Of
Financial Position as at 30 September**

	Notes	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Non-current assets					
Property, plant and equipment	11	374,676	373,339	355,459	354,178
Heritage assets	12	8,590	8,590	8,749	8,749
Financial assets	13	16,848	16,848	27,929	27,929
		400,114	398,777	392,137	390,856
Current assets					
Inventory	14	102	90	106	90
Receivables	15	43,455	42,177	48,302	47,853
Cash and cash equivalents		83,638	76,816	52,883	48,044
Other investments	16	36,188	36,188	57,600	57,600
		163,383	155,271	158,891	153,587
Creditors: amounts falling due within one year	17	(124,857)	(118,019)	(117,671)	(113,579)
Net current assets		38,526	37,252	41,220	40,008
Total assets less current liabilities		438,640	436,029	433,357	430,864
Creditors: amounts falling due after more than one year	18	(180,641)	(180,641)	(182,852)	(182,852)
Provisions for liabilities					
Pension receivable	24	1,050,275	1,050,275	978,878	978,878
Pension liability	24	(1,050,275)	(1,050,275)	(978,878)	(978,878)
Total net assets		257,999	255,388	250,505	248,012
Represented by:					
Income and expenditure un-restricted reserve		255,996	253,385	248,118	245,625
Income and expenditure restricted reserve		2,003	2,003	2,387	2,387
Total reserves		257,999	255,388	250,505	248,012

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


Ciarán Ó hÓgartaigh
Chief Officer & President

19/17/2019


Pól Ó Dochartaigh
Registrar

19/17/2019

Consolidated Statement of Cash Flows for the year ending 30 September	Consolidated 2018 €000s	Consolidated 2017 €000s
<i>Cash flow from operating activities</i>		
Surplus/(deficit) for the year	7,494	(6,231)
<i>Adjustment for non-cash items</i>		
Depreciation	13,759	14,629
Profit on disposal of fixed assets	-	(47)
Amortisation of deferred capital grants	(5,940)	(5,380)
Income from other financial assets	-	(3)
Other interest receivable and similar income	(117)	(67)
Operating cashflow before movement in working capital	15,196	2,901
Decrease/(increase) in inventory	4	(7)
(Increase)/decrease in receivables	(8,573)	3,775
Increase in payables (excluding capital grants)	2,631	22,404
<i>Other movements</i>		
Capital grants recognised using the performance model	-	(1,900)
Taxation	214	65
Net cash inflow from operating activities	9,472	27,238
Taxation received/(paid)	1	(65)
Cash flows from investing activities		
Payments made to acquire fixed assets	(29,163)	(13,243)
Proceeds from disposal of fixed assets	-	81
Capital grant receipts	17,835	10,974
Interest income	117	67
Investment income	-	3
Movement in investments	32,493	(33,355)
Net cash inflow/(outflow) from investing activities	21,282	(35,473)
Cash flows from financing activities		
Proceeds from loans	-	39,000
Increase in cash and cash equivalents in the year	30,755	30,700
Cash equivalents at beginning of the year	52,883	22,183
Cash and cash equivalents at the end of the year	83,638	52,883

Notes to the Financial Statements

For the year ended 30 September 2018

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 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council and the Statement of Recommended Practice: Accounting for Further and Higher Education 2015, which has been voluntarily adopted by the university.

d. Basis of Preparation

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

e. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its subsidiary undertakings made up to 30 September 2018. A subsidiary is an entity that is controlled by the holding undertaking. The results of subsidiary undertakings are included in the consolidated Statement of Comprehensive Income and Expenditure from the date that control commences until the date that control ceases.

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

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

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

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

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 financial statements are appended to these consolidated financial statements. 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.

1. Accounting Policies (continued)**f. Recognition of income**

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

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

Government sourced non-recurrent/non-revenue grants received (or, in the case of certain capital grants, receivable) from the Higher Education Authority or other government bodies in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the related assets.

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

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

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

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

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

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

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

g. Donations and Endowments

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

Non-exchange transaction income is recognised as follows;

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

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

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

h. Interest receivable and interest payable

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

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

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

i. Foreign currency translation

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

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

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

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

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

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

Equipment

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

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

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

1. Accounting Policies (continued)**k. Heritage assets**

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

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

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

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

l. Operating leases

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

m. Financial assets

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

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

n. Inventory

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

o. Trade and other debtors/creditors

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

p. Interest-bearing borrowings classified as basic financial instruments

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

q. Taxation

As an exempt charity, the University is not liable for Corporation Tax or Income Tax on any of its charitable activities. It is registered for Value Added Tax, but since the supply of education is an exempt activity on which no output tax is charged it is unable to recover input tax on the majority of its purchases.

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

1. Accounting Policies (continued)

r. Deferred taxation

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

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

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

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

s. Employee Benefits

Short-term Benefits

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

Retirement Benefits

The University operates the following defined-benefit pension schemes:

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

Defined Benefit Pension Schemes

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

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

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

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

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

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

1. Accounting Policies (continued)**s. Employee Benefits (continued)****Defined Benefit Pension Schemes (continued)**

This asset is recognised on foot of:

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

Personal Retirement Savings Accounts (PRSA) pension facility

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

t. Cash and cash equivalents

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

u. Critical accounting judgements and key sources of estimation uncertainty

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

Non-Traded Financial Assets

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

Impairment of Property, Plant and Equipment

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

Depreciation and Residual Values

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

Retirement Benefit Obligation and related asset

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

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

The assumptions can be affected by:

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

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

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

2. State grants

		Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
State grants allocated for recurrent purposes		45,000	45,000	40,524	40,524
		Opening deferred/(due) 1 October 2017 €000s	Grant received €000s	Closing (deferred)/due 30 September 2018 €000s	Amount taken to income €000s
Grantor	Government funding Department				
Higher Education Authority	Dept of Education and Skills	8,432	46,941	(11,351)	44,022
An Roinn Cultúir, Oidhreacht agus Gaeltachta	Department of Culture, Heritage and the Gaeltacht	(250)	404	746	900
			78		78
Department of Education and Skills	Department of Education and Skills				
		8,182	47,423	(10,605)	45,000

3. Academic fees

		Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Academic fee income		113,438	113,438	107,647	107,647
Miscellaneous fee income		303	303	329	329
		113,741	113,741	107,976	107,976
		Opening deferred/(due) 1 October 2017 €000s	Grant received €000s	Closing (deferred)/due 30 September 2018 €000s	Amount taken to income €000s
Grantor	Government funding Department				
Higher Education Authority	Dept of Education and Skills	-	35,549	-	35,549

4. Research grants and contracts

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
State and Semi-State	52,788	52,788	35,814	35,814
European Union	13,064	13,064	10,097	10,097
Industry and commerce	5,589	5,589	9,274	9,274
Other	5,118	5,118	3,539	3,539
Total research grants and contract income	76,559	76,559	58,724	58,724

Grantor	Government funding Department	Opening deferred/(due) 1 October 2017 €000s	Grant received €000s	Closing (deferred)/due 30 September 2018 €000s	Amount taken to income €000s
SFI	Dept of Jobs, Enterprise and Innovation	29,783	20,648	(23,799)	26,632
HEA PRTLTI	Dept of Jobs, Enterprise and Innovation	(504)	(1)	518	13
Health Research Board	Department of Health	(346)	5,825	607	6,086
IRC	Dept of Education and Skills	2,558	4,142	(1,576)	5,124
Enterprise Ireland	Dept of Jobs, Enterprise and Innovation	(671)	5,959	438	5,726
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	(1,354)	1,327	1,297	1,270
Dept of Agriculture and Food	Dept of Agriculture, Food and the Marine	(515)	557	1,343	1,385
Marine Institute	Dept of Agriculture, Food and the Marine	(312)	452	969	1,109
Other Irish Government/State agencies	Various Departments	78	4,890	475	5,443
Total Exchequer research grants		28,717	43,799	(19,728)	52,788
Total non-Exchequer research grants		13,371	24,237	(13,837)	23,771
Total research grants and contract income		42,088	68,036	(33,565)	76,559

5. Other income

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Other rental and licence income	1,545	3,853	1,195	3,559
Funded post income	1,184	1,184	1,422	1,422
Catering	453	-	391	-
Student accommodation	5,213	-	5,447	-
Other income	2,296	2,856	3,153	3,471
Patent and IP-related income	1	1	319	319
Other subsidiaries income	967	-	471	-
HSE Service Learning Agreement	198	198	163	163
	11,857	8,092	12,561	8,934

Grantor	Government funding Department	Opening deferred/(due) 1 October 2017 €000s	Grant received €000s	Closing (deferred)/due 30 September 2018 €000s	Amount taken to income €000s
HSE	Department of Health	-	995	-	995
Túsla	Department of Health	-	150	-	150
HEA	Dept of Education and Skills	-	167	-	167
		-	1,312	-	1,312

6. Income from other financial assets

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Other income from financial assets	-	-	3	-
Net gain on disposal of financial assets	-	-	-	-
	-	-	3	-

7. Other interest receivable and similar income

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Interest income on bank deposits	117	117	67	66

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 2018 Number	University 2018 Number	Consolidated 2017 Number	University 2017 Number
Teaching and research	1,380	1,380	1,364	1,364
Technical	103	103	105	105
Central administration and services	736	736	719	719
Other	55	-	45	-
	2,274	2,219	2,233	2,188

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Salaries and wages	132,157	130,192	127,505	125,747
Social welfare costs	11,854	11,667	10,977	10,806
Contributions to defined benefit plans	12,070	12,070	9,811	9,811
Contributions to defined contribution plans	125	-	122	-
	156,206	153,929	148,415	146,364
Impact of accounting requirements relating to defined-benefit pensions	23,246	23,246	31,924	31,924
Total staff costs	179,452	177,175	180,339	178,288

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 2018 No. of employees	University 2018 No. of employees	Consolidated 2017 No. of employees	University 2017 No. of employees
€60,000 - €69,999	156	154	193	190
€70,000 - €79,999	107	107	268	267
€80,000 - €89,999	240	239	84	84
€90,000 - €99,999	86	85	42	41
€100,000 - €109,999	13	11	5	3
€110,000 - €119,999	11	11	24	24
€120,000 - €129,999	70	70	51	51
€130,000 - €139,999	16	16	48	47
€140,000 - €149,999	37	36	3	3
€150,000 - €159,999	1	1	-	-
€160,000 - €169,999	-	-	1	1
€170,000 - €179,999	1	1	-	-
€180,000 - €189,999	2	2	2	2
€190,000 - €199,999	1	1	1	1
€200,000 - €209,999	-	-	2	2
€210,000 - €219,999	2	2	-	-
€240,000 - €249,999	-	-	1	1
€250,000 - €259,999	1	1	-	-
	744	737	725	717

(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 (UMT). There was a significant expansion of the UMT in 2018 to include Deans and the Academic Secretary.

Total compensation (i.e. remuneration plus employer PRSI and employer pension contributions) paid to key management personnel in 2018 amounted to €2.35m (2017: €1.35m).

In total, 16 employees (2017:8) are included in the compensation of key management personnel disclosed above.

The President's salary in the year ending 30 September 2018 was €194,114 (2017: €189,732).

(c) Other

The University concluded a number of employment related settlements during the year. An amount of €240k is included in wages and salaries covering these settlements. The cases related to equality settlements. In addition, an allowance of up to €20k per claimant is available to backfill any impacted teaching duties of while on sabbatical. Subject to an ongoing independent external assessment, provision is made for related legal costs of the settlements under the relevant non-pay expense category. The full costs of these settlements has been met from the University's non-exchequer income.

9. Other Operating expenses

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s <i>(as restated)</i>	University 2017 €000s <i>(as restated)</i>
Building maintenance, repairs and renewals	6,683	6,334	6,242	5,850
Light and heat	3,662	3,609	4,059	3,997
Travel, subsistence and relocation costs	3,175	3,171	3,494	3,481
Consultancy, professional, audit and legal	3,780	3,683	3,286	3,264
Scholarships/fellowships and prizes	3,088	3,088	3,123	3,123
IT consumables, maintenance, peripherals and software	3,295	3,160	3,037	2,930
Books, periodicals and journals	1,841	1,841	2,089	2,089
Cleaning and waste disposal	1,789	1,789	2,010	1,840
Non-pay recurrent costs for research projects	23,713	23,910	20,043	20,196
Other	7,582	7,648	6,778	6,855
Subsidiaries miscellaneous costs	945	-	983	-
Bank interest	37	37	7	-
Bank fees and charges	157	128	154	152
Telephone	363	351	368	358
Postage	407	407	393	389
Provision for bad debts	514	514	451	451
Subscriptions and membership fees	803	802	679	676
Security contract work	767	644	712	582
Miscellaneous grants awarded	1,232	1,232	739	739
Rent and rates	929	902	826	812
Insurance	905	839	831	769
Consumables (laboratories, etc.)	937	937	937	937
Marketing and communications	1,122	1,086	999	960
Training and other courses	891	922	1,101	1,118
Printing, stationery and office supplies	1,674	1,660	1,651	1,637
NUI and student levies	1,686	2,371	1,725	2,474
Non-capitalised equipment	1,613	1,601	1,742	1,734
Other services purchased	1,951	2,186	1,798	1,879
	75,541	74,852	70,257	69,292

Other operating expenses include:

Auditors remuneration, including outlay and VAT

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

10. Taxation

The majority of the University's activities are not liable to corporation taxation. The corporation taxation charge in the year in respect of trading activities administered through subsidiary companies amounted to €214,000 (2017: €65,000).

Deferred taxation in the period amounted to €nil (2017: €nil).

11. Property, Plant & Equipment

GROUP	Land and Buildings €000s	Equipment €000s	Assets in course of construction €000s	Total €000s
Cost				
At 1 October 2017	443,588	144,632	8,738	596,958
Additions in year	1,918	4,928	25,971	32,817
Disposals in year	-	-	-	-
Transfers from assets in course of construction	31,271	477	(31,748)	-
At 30 September 2018	476,777	150,037	2,961	629,775
Depreciation				
At 1 October 2017	104,084	137,415	-	241,499
Charge for year	9,835	3,765	-	13,600
Disposals in year	-	-	-	-
At 30 September 2018	113,919	141,180	-	255,099
Net book value				
At 30 September 2018	362,858	8,857	2,961	374,676
At 30 September 2017	339,504	7,217	8,738	355,459

The value of borrowing costs capitalised in the year is €649k (2017: €198k)

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

<u>UNIVERSITY</u>	Land and Buildings €000s	Equipment €000s	Assets in course of construction €000s	Total €000s
Cost				
At 1 October 2017	443,588	140,194	8,738	592,520
Additions in year	1,918	4,405	25,971	32,294
Disposals in year	-	-	-	-
Transfers from assets in course of construction	31,271	477	(31,748)	-
At 30 September 2018	476,777	145,076	2,961	624,814
Depreciation				
At 1 October 2017	104,084	134,258	-	238,342
Charge for year	9,835	3,298	-	13,133
Disposals in year	-	-	-	-
At 30 September 2018	113,919	137,556	-	251,475
Net book value				
At 30 September 2018	362,858	7,520	2,961	373,339
At 30 September 2017	339,504	5,936	8,738	354,178

The value of borrowing costs capitalised in the year is €649k (2017: €198k)

12. Heritage assets capitalised

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

Cost	Buildings €000s	Archives €000s	Art works €000s	Total €000s
At 1 October 2017	8,900	3,267	122	12,289
Additions	-	-	-	-
At 30 September 2018	8,900	3,267	122	12,289
Depreciation				
At 1 October 2017	3,540	-	-	3,540
Charge for year	159	-	-	159
At 30 September 2018	3,699	-	-	3,699
Net book value 30 September 2018	5,201	3,267	122	8,590
Net book value 30 September 2017	5,360	3,267	122	8,749

Other paintings and artefacts that were purchased, or otherwise acquired, and not capitalised in the balance sheet (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.

12b. Five year financial summary of heritage asset transactions

Cost	2014 €000s	2015 €000s	2016 €000s	2017 €000s	2018 €000s
At 1 October	11,285	11,580	12,278	12,278	12,289
Additions	295	698	-	11	-
Cost at 30 September	11,580	12,278	12,278	12,289	12,289
Valuation of other paintings and artefacts	2,367	2,367	2,367	2,367	2,367
Total at 30 September	13,947	14,645	14,645	14,656	14,656

13. Financial assets

	Shares in group undertakings €000s	Other investments other than loans €000s	Total €000s
Cost			
At start of year	2	27,927	27,929
Recategorisation to current assets	-	(11,002)	(11,002)
Other net movements in year	(1)	(78)	(79)
At year-end	1	16,847	16,848

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

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

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

Maoin Champais Teoranta leases buildings to and from the university. Related lease income and expenses was €1.3m in both the current and previous years.

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	2018 Interest %	2017 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%
MDG Web Ltd.	Database activities	8.63%	8.63%
Orbsen Therapeutics Ltd.	Medical practice activities	6.23%	6.70%
Sláinte Beoga Teoranta	Manufacture of pharmaceutical products	7.00%	7.00%
NVP Energy Ltd.	Software supply	10.00%	10.00%
Loci Therapeutics Limited	Orthopaedic implants technology	2.52%	5.00%
Bioprobe Therapeutics Limited	Technology for the detection of legionella	9.65%	10.00%
Sedicii Innovations Limited	Software Development	7.50%	8.84%
Onkimmume Limited	Cancer Immunotherapies	2.00%	2.00%
HVAC Remote Monitoring Limited	Energy Efficiency	5.00%	5.00%
Signum Surgical Limited	Gastrointestinal Devices	5.33%	5.33%
Vetex Medical Limited	Cardiovascular Devices	10.00%	10.00%
Neurent Medical Limited	Device for the treatment of rhinitis	4.30%	-
Kite Medical Limited	Device for the detection of kidney reflux	5.66%	-

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

	2018	2017
	€'000	€'000
University	90	90
Subsidiaries	12	16
	102	106

15. Receivables

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Research grant debtors	21,856	21,856	15,565	15,565
Other debtors	2,930	1,616	1,702	1,076
Accounts receivable	1,084	1,084	1,068	1,068
Staff housing loans	4	4	4	4
Pension account debtor	2,753	2,753	1,715	1,715
Capital grants receivable from Galway University Foundation	14,828	14,828	28,248	28,248
Intercompany balances	-	36	-	177
	43,455	42,177	48,302	47,853

Under the terms of the agreed transfer schedule with GUF, €8.25m of the €14.828m capital grants receivable from GUF is due to be paid to the University within twelve months of the balance sheet date. The remaining balance is due to be paid thereafter.

Accounts receivable are stated net of a provision for bad debts of €0.074m (2017: €0.042m).

16. Other investments

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Bank deposits with maturity date greater than three months and less than or equal to one year	36,188	36,188	57,600	57,600

17. Creditors: amounts falling due within one year

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Trade creditors and accruals	31,946	24,936	27,255	22,967
Research grants and contracts received in advance	55,421	55,421	57,649	57,649
Retention monies	1,795	1,795	1,533	1,533
Fees received in advance	30,278	30,278	25,996	25,996
Intercompany balances	-	172	-	196
State grants received in advance	(220)	(220)	287	287
Deferred capital grants (Note 20)	5,637	5,637	4,951	4,951
	124,857	118,019	117,671	113,579

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

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Bank loans (Note 19)	39,000	39,000	39,000	39,000
Deferred capital grants (Note 20)	141,641	141,641	143,852	143,852
	180,641	180,641	182,852	182,852

19. Bank loans/borrowings

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
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Bank loans are repayable as follows:

Amounts falling due in one year or less

-	-	-	-
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Amounts falling due after more than one year

Between one and two years	867	867	-	-
Between two and five years	3,468	3,468	4,333	4,333
In five years or more	34,665	34,665	34,667	34,667
	39,000	39,000	39,000	39,000

19. Bank loans/borrowings (continued)

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

This loan facilitates three significant projects:

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

The facility is repayable over a maximum of 25 years (i.e. to 2042) and currently incurs interest at Euribor plus a margin. The undrawn element of the EIB facility is €21m at 30 September 2018 (2017: €21m).

20. Deferred capital grants: Consolidated and University

As at 1 October 2017	HEA	Other grants/ benefactors	Total
Buildings	117,200	28,599	145,799
Equipment	5	2,999	3,004
Total	117,205	31,598	148,803
Received and receivable			
Buildings	2,308	-	2,308
Equipment	-	2,107	2,107
Total	2,308	2,107	4,415
Released to SOCI			
Buildings	(3,875)	(1,214)	(5,089)
Equipment	(5)	(846)	(851)
Total	(3,880)	(2,060)	(5,940)
As at 30 September 2018			
Buildings	115,633	27,385	143,018
Equipment	-	4,260	4,260
Total	115,633	31,645	147,278
Less than one year (Note 17)	3,545	2,092	5,637
Greater than one year	112,088	29,553	141,641

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

Grantor	Government funding Department	Name of grant	Grant term	Amount of total grant awarded €000s	Opening debtor 1 October 2017 €000s	Grant received €000s	Closing debtor 30 September 2018 €000s
HEA - PRTLTI	Dept of Jobs, Enterprise and Innovation	PRTLTI Cycle 5	5 - 7 years	32,884	3,040	(2,308)	732
HEA - other	Dept of Education and Skills	3rd Level general Capital Programme	5 years	13,380	-	-	-
				46,264	3,040	(2,308)	732

21. Lease commitments

At 30 September 2018 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	9
	<u>196</u>

Operating lease payments recognised as an expense were €0.037m (2017: €0.037m)

22. Capital commitments

	Consolidated 2018 €000s	University 2018 €000s	Consolidated 2017 €000s	University 2017 €000s
Contracted for but not provided	9,026	9,026	34,193	34,193
Authorised but not contracted out	6,856	6,856	11,187	11,187

23. Related parties

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

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

Bimini Limited is an associate company of the University (as UCG Research Applications Limited has a 28% holding). The company holds a patent. It accounts for the income and related expenses of this patent through the company. The University as at 30 September 2018 was owed €nil by the company (2017: €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. Both parties have agreed in principle on the legal agreement model for the incorporation and the HEA has sanctioned the employment of a director to oversee the incorporation.

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

24. Retirement benefits

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

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

Joint and Model Pension Schemes

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

On foot of this legislation, the University has recognised a pension receivable from the State of €857m (2017: €814m) in respect of the Joint Pension Scheme, including supplementation.

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

Accordingly, the University has also recognised a matching pension receivable in the Statement of Financial Position at an amount equivalent to the full pension liability for the MPS for each reported period. The associated receivable from the State is €180m (2017: €157m).

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

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

It is the responsibility of the employer to collect and remit **Single Scheme** member contributions for the benefit of the Exchequer. The Single Scheme is included within the University pension liability and, as provided for by the Act, within the associated receivable from the State. The associated receivable from the State is €13m (2017: €8m).

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 amounts included in these financial statements in relation to pensions liabilities are taken from an actuarial valuation report of the pension liabilities prepared by an independent actuary. This report is based on actuarial data as at 30 September 2018. While this report is not publically available, the more salient points are reproduced in this note.

24. Retirement benefits (continued)

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

	At year-end 30 September 2018 (€'000)	At year-end 30 September 2017 (€'000)
Assumed annual rate		
Discount rate	2.20%	2.30%
Rate of increase in Consumer Prices Index	1.80%	1.75%
Rate of increase in pensionable salaries	3.05%	3.00%
Rate of increase in social welfare offset	2.30%	2.25%
Rate of increase in pensions	2.30%/1.80%	2.25%/1.75%

Average expected future life at age 65 for

Male	21.2	21.1
Female	23.8	23.7

	At year-end 30 September 2018 (€'000)	At year-end 30 September 2017 (€'000)
<i>Change in benefit obligation</i>		
Opening value of schemes liabilities	978,878	1,143,499
Current service cost	35,316	41,735
Interest cost on schemes' liabilities	22,344	17,041
Member contributions	5,680	5,309
Actuarial loss/(gains)	28,572	(208,550)
Benefits paid	(20,515)	(20,156)
Gross University pension liability at end of year	1,050,275	978,878
Pension receivable from State	1,050,275	978,878
Total asset value at end of year	1,050,275	978,878
Net pension deficit at year end	-	-

24. Retirement benefits (continued)

	At year-end 30 September 2018 (€'000)	At year-end 30 September 2017 (€'000)
<i>Change in pension receivable from State</i>		
Opening receivable	978,878	1,143,499
Investments reclassified to financial assets	-	-
Movement included in SOCI	28,572	(208,550)
State-funded interest expense	22,344	17,041
Movement relating to staff costs	23,246	31,924
Transfer of assets to NPRF	-	-
Member contributions	5,680	5,309
Benefits paid	(20,515)	(20,156)
Employer contributions	12,070	9,811
Closing pension receivable	1,050,275	978,878
<i>Amounts recognised in balance sheet</i>		
Pension liability	1,050,275	978,878
Pension receivable	(1,050,275)	(978,878)
Net pension deficit	-	-
<i>Analysed as:</i>		
Joint Pension Scheme (no supplementation)	654,303	623,387
Joint Pension Scheme (supplementation only)	202,431	190,672
Other	193,541	164,819
	1,050,275	978,878
<i>Components of pension income (FRS17)</i>		
<i>Net deferred Government funding (to cover)</i>		
Staff costs	23,246	31,924
Interest expense	22,344	17,041
Amount recognised in I&E account	45,590	48,965
<i>Analysed as:</i>		
Joint Pension Scheme	31,444	31,757
Other	14,146	17,208
	45,590	48,965
<i>Components of pension expense</i>		
<i>Staff costs</i>		
Employer contributions	12,070	9,811
<i>Impact of accounting standard for defined-benefit pensions:</i>		
- current service cost	23,246	31,924
Total impact of accounting standard for defined-benefit pensions	23,246	31,924
Current and past service costs	35,316	41,735
<i>Analysed as:</i>		
Joint Pension Scheme	20,209	23,872
Other	15,107	17,863
	35,316	41,735

24. Retirement benefits (continued)

	At year-end 30 September 2018 (€'000)	At year-end 30 September 2017 (€'000)
<i>Components of pension expense (continued)</i>		
<i>Interest expense</i>		
Interest cost on scheme liabilities	22,344	17,041
<i>Analysed as:</i>		
Joint Pension Scheme	18,519	14,390
Other	3,825	2,651
	22,344	17,041

History of defined benefit obligations, assets and experience gains and losses

Financial year ending 30 September	2018 €'000	2017 €'000	2016 €'000	2015 €'000	2014 €'000
Defined benefit obligation	1,050,275	978,878	1,143,499	997,902	987,970
Fair value of plan assets	-	-	-	-	-
Pension receivable from State	1,050,275	978,878	1,143,499	997,902	987,970
Deficit	-	-	-	-	-
Experience gains on plan liabilities	(3,935)	(54,276)	(28,123)	(24,870)	(97,881)
% of plan liabilities	(0.37%)	(5.54%)	(2.46%)	(2.49%)	(9.91%)
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 2019 are estimated to be €14m.

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

25. Contingent liabilities

The University employs a number of Academic Medical Consultants who may be entitled to avail of a claim settlement which was reached on 15th June 2018 relating to their pay/pensions entitlements. The related legal proceedings were initiated against the HSE/Department of Finance (DPER) for failure to pay remuneration and/or pension entitlements in accordance with the terms of their contract of employment, the Consultant Contract 2008. Whilst awaiting direction and confirmation of funding from the HEA/DES, the University is not in a position to compute or disclose a value for this claim but is operating on the basis that the costs will be fully funded by Government.

Shortly after the year end, on 22nd October 2018, the University issued a Standby Letter of Credit for USD \$225,511 in favour of Wells Fargo Bank related to a US Department of Education Federal Aid programme for US student borrowers. In the opinion of management, this credit line will never be executed.

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

26. Restatement of prior-year figures

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

27. Approval of financial statements

Údarás na hOllscoile approved these consolidated financial statements on 11 December 2018.

SCHEDULES

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

Reconciliation of HEA to FRS102-format surplus/(deficit)	2018	2017
	€000s	€000s
Surplus/(deficit) as per HEA-format financial statements	371	(1,398)
Capital grant amortisation	5,940	5,380
Reversal of capital project funding from SOCI	3,273	2,519
Adjustment to income from research activity	5,814	(3,508)
Net impact from miscellaneous subsidiaries activity	799	615
Capital expenditure aligned	2,539	1,511
Net impact of accrued sundry expenditure for post-year end entries	(70)	600
Adjustment for financial assets carrying value	(1)	(2)
Net internal balances reversal	940	(604)
Depreciation (including subsidiaries)	(13,759)	(14,629)
Adjustment to provision for bad debts	400	-
Holiday pay accrual impact	(81)	(68)
Donations from non-government entities and student levy for capital projects	1,543	3,418
Surplus/(deficit) as per consolidated FRS102 financial statements	7,708	(6,166)

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

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

The University has developed a policy that confirms its commitment to CSR with a focus on regulatory compliance, professional management, ethical investment, sustainable energy, family friendly practices, community engagement, as well as equality, diversity and inclusion.

The University 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. A formal Sustainability Strategy was launched by senator Alice Mary Higgins in November 2017.

This commitment to sustainable energy practices resulted in formal certification of the University's Energy Management System to ISO 50001, following an energy audit carried out by Lucideon (formally known as CICS) in 2018.

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.

The University is actively involved in sustainable energy/environmentally friendly projects like SEAFUEL which aims to use hydrogen as a renewable car-fleet power resource and CAUSEWAY to develop a network of natural gas/clean energy refueling facilities for the motor transport sector.

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

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

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

Other initiatives that demonstrates the University's corporate social responsibility include; -

- Reinvestment of energy cost savings into new sustainable technologies
- Implementation of ethical investment policies including divestment from fossil fuels
- Environmentally friendly & socially responsible Procurement policy/procedures

Galway University Foundation Company Limited by Guarantee
Directors' Report and Consolidated Financial Statements
for the year ended 30 June 2018

Galway University Foundation Company Limited by Guarantee

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Galway University Foundation Company Limited by Guarantee DIRECTORS AND OTHER INFORMATION

Directors	Dr. James Browne (Resigned 5 January 2018) Tom Costello (Resigned 31 March 2018) Domhnal Slattery (Resigned 5 January 2018) Dr. Brian Joyce Dr. Finian O'Sullivan Mark Moran (Board Chair) Professor Pól Ó Dochartaigh Dr Helen Ryan Brendan Jennings Margaret Sweeney Professor Ciarán Ó hÓgartaigh (Appointed 22 March 2018)
Company Secretary	Dónal Cahalane
Company Number	279868
Charity Number	CHY 12894
Charity Regulatory Authority Number	CRA 20038823
Registered Office and Business Address	Gate Lodge University Road Galway
Auditors	Mazars Chartered Accountants & Statutory Audit Firm Mayoralty House, Flood Street, Galway
Bankers	Allied Irish Bank, Newcastle Road, Newcastle, Galway. Bank of Ireland Main Concourse NUI Galway Galway
Solicitors	Arthur Cox Ten Earlsfort Terrace Dublin 2

Galway University Foundation Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 30 June 2018

The directors present their report and the audited financial statements for the year ended 30 June 2018.

About Galway University Foundation

Vision

Since its establishment in 1998, Galway University Foundation CLG has been engaged in generating financial support for NUI Galway's programmes and activities from a range of private individuals and institutions. A core part of our work is in nurturing lasting relationships with donors who share NUI Galway's vision for the future.

Mission

The mission of the Foundation is to raise philanthropic funding in support of the objectives of NUI Galway. We gratefully acknowledge all of the visionary and generous individuals and organisations who have supported our activities in the year ended 30 June 2018. Their support, and the support of donors over many years, has transformed the NUI Galway campus, supported our students and funded life-changing research.

Strategy

The Foundation has recently successfully completed its Campus of the Future fundraising campaign and is engaged in preparing a new strategic plan to support the mission and objectives of NUI Galway.

Activities in FY2018

The Foundation supported the following NUI Galway projects and programmes in FY2018:

Alumni Relations

During the year, Galway University Foundation continued its engagement with alumni nationally and internationally as part of its management of the Alumni Network on behalf of NUI Galway. Alumni engagement events were held in Galway, Dublin, Chicago and New York which were attended by approximately 1,400 graduates. The Alumni Relations team also engaged with approximately 70,000 graduates via social media.

Due to successful donor engagement and support, the Foundation was able to provide substantial financial support for the following NUI Galway projects:

Capital Projects

Mainstreaming Programme

Student Scholarships

Medical Research

Innovation Programmes

Other Programmatic

Student Sports Clubs & Societies

Research Lectureships

Financial Review

The results for the year are set out in the Statement of Financial Activities on page 12.

Incoming Resources

Total income for FY2018 was €3.49M (2017: €9.87M) which comprised of:

- Donor Income €2.4M (2017: €7.4M)
- Interest & Similar Income €1.43M (2017: €3.02M)
- Movement on Unrealised Investment Gain (€352K) (2017: (€595K))
- The Foundation received no income from State sources

Galway University Foundation Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 30 June 2018

Expenditure

Total expenditure in FY2018 was €27.88M (2017: €22.69M)

- 97% of expenditure (€27.03M (2017:€21.79)) related to Charitable Activities and comprised of the following:
- Transfers to NUI Galway projects €24.2M (2017: €19M)
- Transfers to Tusla Mainstreaming Programme €2.48M (2017: €2.18M)
- Operating expenses - Other Charitable activities €295K (2017: €518K)
- Beneficiaries of Charitable Expenditure included Capital Projects, Medical Research, Student Scholarships, Innovation Programmes and student supports at NUI Galway
- Other expenditure related to fundraising costs which totalled €846K (2017: €894K). Pay costs were approximately 62% of operating expenditure.

As has been the practice, the 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 2018, the total amount levied on donor income was €5,618 (2017: €6,169).

The net expenditure for the year after providing for depreciation amounted to (€24,383,232) (2017 – (€12,814,656)).

At the end of the year, the group had fixed and current assets of €38,260,135 (2017 - €45,723,098) and liabilities of €23,057,583 (2017 - €6,123,684). Following transfers to projects, the net assets of the group have decreased by (€24,396,862).

Cashflow, Bank and Investment Balances

FY2018 review: Bank and investment balances are carefully monitored by the Foundation and are subject to the Foundation's Investment Policy. At 30 June 2018, the Foundation had bank balances of €5.71M (2017: €3.19M) and investment balances of €32.53M (2017: €42.51M).

Investment Policy: The Board of the Foundation adopted its current Investment Policy in June 2014. The Board monitors performance of investments and compliance with the Investment Policy via regular reporting to both the Board's Investment Committee and the Board itself.

Borrowings policy: The Foundation does not have any bank borrowings.

Restricted and Unrestricted Funds

FY2018 review: At 30 June 2018, the Foundation had total funds of €15.2M (2017: €39.6M). Restricted funds comprising of funds directed to specific NUI Galway projects totalled €10.41M (2017: €34.7M). Unrestricted Funds totalled €4.8M (2017: €4.85M) including operating funds.

In September 2017, the Board of the Foundation adopted the Charities Statement of Recommended Practice (SORP) format financial statements in line with evolving corporate governance.

Looking Forward

Plans and Challenges for FY2019

The Foundation will continue to work closely with a range of organisations and individuals to secure philanthropic funding for University priority projects. A number of specific initiatives are planned in order to strengthen the linkages between the University and its alumni and development functions. 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.

Galway University Foundation Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 30 June 2018

Risks and Risk Management

Principal Risks and Uncertainties

The directors consider that the principal risks and uncertainties faced by the group 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 group 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.

Fundraising risk:

Fundraising risk is the risk that the entity will lose the support of its principal or other funders. The group pro-actively manages its relationship with its key funders to ensure that it is protected and actively seek new funders on an ongoing basis.

Structure, Governance and Management

Legal Structure

Galway University Foundation Company Limited by Guarantee is a registered charity in Ireland. The entity is governed by its Constitution and is controlled by its Board of Directors. The Chief Executive Officer reports to the Board.

Best Practise Governance

In June 2016, the Foundation adopted The Governance Code which sets out principles of good governance for charitable organisations. The Foundation continues to monitor evolving corporate governance in the charitable sector. All operational expenditure is subject to an annual budget approved by the Board. Board approval is required for expenditure above stated limits.

In accordance with its Constitution, the Foundation is controlled by a Board of Directors who meet at least four times per annum. The Board has the power to appoint additional directors. The Board has a minimum of five members with no maximum limit on membership. Board members include the President of NUI Galway who is an ex-officio member. Other directors include graduates and friends of NUI Galway. The Board currently has two sub committees, namely the Investment Committee and the Audit Committee.

Internal controls

The Directors acknowledge their overall responsibility for the Foundation's system of internal control. This system includes financial controls, which enable the Board to meet its responsibilities for the integrity and accuracy of the Foundation's accounting records.

The Board acknowledges their wider responsibility to maintain, review and report on all internal controls including operational as well as financial.

Key elements of the internal control system include:

- Board approved policies and procedures are in place to govern processes relating to donations, income, expenditure, treasury, fixed assets and travel and subsistence;
- All policies and procedures are documented and communicated to staff;
- Organisational structure in place with defined roles, responsibilities and segregation of duties; and
- The Audit Committee reports to the Board on all aspects of controls and risks.

Galway University Foundation Company Limited by Guarantee

DIRECTORS' REPORT

for the year ended 30 June 2018

Directors and Secretary

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

Mark Moran (Board Chair)
Dr. James Browne (Resigned 5 January 2018)
Tom Costello (Resigned 31 March 2018)
Domhnal Slattery (Resigned 5 January 2018)
Dr. Brian Joyce
Dr. Finian O'Sullivan
Professor Pól Ó Dochartaigh
Dr Helen Ryan
Brendan Jennings
Margaret Sweeney
Professor Ciarán Ó hÓgartaigh (Appointed 22 March 2018)

The secretary who served throughout the year was Dónal Cahalane.

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

As a registered charity and in accordance with the Constitution, Directors are not entitled to any remuneration for their roles as Board members. The Foundation may incur, or reimburse Directors for, expenses such as travel and accommodation which arise in carrying out their roles in support of the Foundation's mission to support NUI Galway.

Taxation

Galway University Foundation CLG is a registered charity (CHY number 12894) and is exempt from Corporation tax.

Subsidiary Company

The group owns 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 seeks to provide support for the mission and objectives of NUI Galway.

Post Statement of Financial Position Events

There were no significant events affecting the group since the year end.

Auditors

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

Statement on relevant audit information

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

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

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 group's office at Gate Lodge, University Road, Galway.

Signed on behalf of the Board



Mark Moran (Board Chair)
Director

Date: 28/11/18



Brendan Jennings
Director

Date: 28/11/18

Galway University Foundation Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES STATEMENT

for the year ended 30 June 2018

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 and Statement of Recommended Practice (Charities SORP (FRS 102)), issued by the Charity Commissioners for England and Wales and the Office of the Scottish Charities Regulator.

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 group as at the financial year end date and of the surplus or deficit of the group 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 group's financial statements and then apply them consistently;
 - make judgements and accounting 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 group will continue in business.
- Directors are required to observe methods and principles in Charity SORP.

The directors are responsible for ensuring that the group keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the group, enable at any time the assets, liabilities, financial position and surplus or deficit of the group 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 readily and properly audited. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board


Mark Moran (Board Chair)
Director

Date: 28/11/18


Brendan Jennings
Director

Date: 28/11/18

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway University Foundation Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the group and parent company financial statements of Galway University Foundation Company Limited by Guarantee ('the group') and its subsidiaries ('the group') for the year ended 30 June 2018 which comprise the Group Statement of Financial Activity, the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2018 and of the group's deficit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with 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 group were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

INDEPENDENT AUDITOR'S REPORT

to the Members of Galway University Foundation Company Limited by Guarantee

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

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 for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. The description forms part of our Auditor's Report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the group'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 group'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 any responsibility to anyone other than the group and the group's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Austin Sammon

for and on behalf of

MAZARS

Chartered Accountants & Statutory Audit Firm

Mayoralty House,

Flood Street,

Galway

Date: 30 October 2018

Galway University Foundation Company Limited by Guarantee CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY

for the year ended 30 June 2018

	Notes	Restricted Funds	Unrestricted Funds	Designated Funds	Total Funds 2018	Total 2017
					€	€
Income from:						
Donations and legacies	4	2,356,013	58,890	857	2,415,760	7,442,081
Interest and similar income	5	24,023	-	1,407,510	1,431,533	3,027,216
Loss on investments at fair value	6	-	-	(351,869)	(351,869)	(595,221)
Total		2,380,036	58,890	1,056,498	3,495,424	9,874,076
Expenditure on:						
Raising funds	7	-	-	(845,866)	(845,866)	(894,360)
Charitable activities	8	(26,682,799)	(55,084)	(294,907)	(27,032,790)	(21,794,372)
Total		(26,682,799)	(55,084)	(1,140,773)	(27,878,656)	(22,688,732)
Net expenditure		(24,302,763)	3,806	(84,275)	(24,383,232)	(12,814,656)
Transfer between funds		(16,291)	(2,506)	18,797	-	-
Net movement in funds		(24,319,054)	1,300	(65,478)	(24,383,232)	(12,814,656)
Other recognised gains/(losses)						
Foreign exchange movement on net investments		(13,601)	-	(29)	(13,630)	(17,533)
		(24,332,655)	1,300	(65,507)	(24,396,862)	(12,832,188)
Total funds at 1 July 2017		34,745,727	65,181	4,788,506	39,599,414	52,431,603
Total funds at 30 June 2018		10,413,072	66,481	4,722,999	15,202,552	39,599,414

There were no recognised gains and losses in the current or prior year other than those included in the Statement of Financial Activities.
All incoming resources and resources expended derive from continuing activities.

Approved by the Board on 30/10/18 and signed on its behalf by:


Mark Moran (Board Chair)


Brendan Jennings

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 €	2017 €
Non-Current Assets			
Intangible assets	13	6,375	-
Tangible Assets	14	1,835	4,003
Financial assets	15	32,529,221	32,355,390
		<u>32,537,431</u>	<u>32,359,393</u>
Current Assets			
Debtors	16	9,337	12,637
Investments	17	-	10,154,835
Cash and cash equivalents		5,713,367	3,196,233
		<u>5,722,704</u>	<u>13,363,705</u>
Creditors: Amounts falling due within one year	18	<u>(16,357,583)</u>	<u>(6,123,684)</u>
Net Current (Liabilities)/Assets		<u>(10,634,879)</u>	<u>7,240,021</u>
Creditors:			
Amounts falling due after more than one year	19	<u>(6,700,000)</u>	-
Net Assets		<u>15,202,552</u>	<u>39,599,414</u>
Funds			
Restricted Funds	23	10,413,072	34,745,727
Unrestricted Funds	22	66,481	65,181
Designated Funds	22	4,722,999	4,788,506
Total Funds		<u>15,202,552</u>	<u>39,599,414</u>

Approved by the board on 30/10/18 and signed on its behalf by:


 Mark Moran (Board Chair)
 Director


 Brendan Jennings
 Director

Galway University Foundation Company Limited by Guarantee
COMPANY STATEMENT OF FINANCIAL POSITION

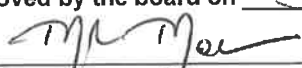
as at 30 June 2018

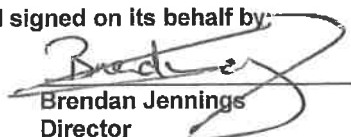
	Notes	2018 €	2017 €
Non-Current Assets			
Intangible assets	13	6,375	-
Tangible assets	14	1,835	4,003
Financial assets	15	32,539,744	32,366,811
		<u>32,547,954</u>	<u>32,370,814</u>
Current Assets			
Debtors	16	760	12,637
Investments	17	-	10,154,835
Cash and cash equivalents		4,928,331	2,624,643
		<u>4,929,091</u>	<u>12,792,115</u>
Creditors: Amounts falling due within one year	18	<u>(16,263,084)</u>	<u>(6,187,670)</u>
Net Current (Liabilities)/Assets		<u>(11,333,993)</u>	<u>6,604,445</u>
Creditors:			
Amounts falling due after more than one year	19	(6,700,000)	-
Net Assets		<u>14,513,961</u>	<u>38,975,259</u>
Funds			
Restricted Funds	23	9,704,909	34,101,103
Unrestricted Funds	22	88,431	87,131
Designated Funds	22	4,720,621	4,787,025
Total Funds		<u>14,513,961</u>	<u>38,975,259</u>

RESULTS OF THE COMPANY FOR THE YEAR

The net expenditure for the year of the parent company after providing for depreciation amounted to (€24,461,298) (2017- (€12,832,878)). Further details of the results for the year is include in Note 11.

Approved by the board on 30/10/18 and signed on its behalf by:


 Mark Moran (Board Chair)
 Director


 Brendan Jennings
 Director

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

as at 30 June 2018

	Restricted Funds	Unrestricted Funds	Designated Funds	Total
	€	€	€	€
Balance at 30 June 2016	49,329,640	62,529	3,039,435	52,431,604
Net surplus/(deficit) for the year	(14,566,421)	2,652	2,344,333	(12,219,436)
Foreign Currency difference on translation of subsidiary	(17,492)	-	(41)	(17,533)
Fair value movement	-	-	(595,221)	(595,221)
Balance at 30 June 2017	34,745,727	65,181	4,788,506	39,599,414
Net surplus/(deficit) for the year	(24,319,054)	1,300	286,391	(24,031,363)
Foreign Currency difference on translation of subsidiary	(13,601)	-	(29)	(13,630)
Fair value movement	-	-	(351,869)	(351,869)
Balance at 30 June 2018	10,413,072	66,481	4,722,999	15,202,552

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

	Restricted Funds	Unrestricted Funds	Designated Funds	Total
	€	€	€	€
Balance at 30 June 2016	48,685,710	84,479	3,037,948	51,808,137
Net surplus/(deficit) for the year	(14,584,607)	2,652	2,347,228	(12,234,727)
Fair value movement	-	-	(598,151)	(598,151)
Balance at 30 June 2017	34,101,103	87,131	4,787,025	38,975,259
Net surplus/(deficit) for the year	(24,396,194)	1,300	286,441	(24,108,453)
Fair value movement	-	-	(352,845)	(352,845)
Balance at 30 June 2018	9,704,909	88,431	4,720,621	14,513,961

Galway University Foundation Company Limited by Guarantee
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2018

	Note	2018 €	2017 €
Cash flows from charitable activities			
Net expenditure for the year		(24,383,232)	(12,814,656)
<i>Adjustments for:</i>			
Investment Income		(1,180,715)	(2,749,402)
Fair value gains and losses		351,869	596,455
Interest received and similar income		(250,819)	(277,814)
Depreciation		2,168	3,520
Foreign Exchange differences		(13,630)	(17,532)
		<u>(25,474,359)</u>	<u>(15,259,429)</u>
<i>Movements in working capital:</i>			
Movement in Debtors		3,298	72,357
Movement in Creditors		16,933,899	5,869,964
		<u>16,937,197</u>	<u>5,942,321</u>
Cash used in charitable operations		<u>(8,537,162)</u>	<u>(9,317,108)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(2,751)
Payments to acquire intangible fixed assets		(6,375)	-
Payments to acquire investments		(1,342,198)	(2,757,792)
Receipts from sale of investments		816,420	3,182,993
Realisation of short term investments		10,154,915	2,848,337
Interest and similar income received		250,819	277,814
Income received on investments		1,180,715	2,749,402
		<u>11,054,296</u>	<u>6,298,003</u>
Net cash flow from investing activities		<u>11,054,296</u>	<u>6,298,003</u>
Net increase/(decrease) in cash and cash equivalents		2,517,134	(3,019,105)
Cash and cash equivalents at 1 July 2017		3,196,233	6,215,338
		<u>3,196,233</u>	<u>6,215,338</u>
Cash and cash equivalents at 30 June 2018	28	<u>5,713,367</u>	<u>3,196,233</u>

Galway University Foundation Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

1. GENERAL INFORMATION

Galway University Foundation Company Limited by Guarantee (Galway University Foundation CLG) is a company limited by guarantee and does not have a share capital. The company was incorporated in the Republic of Ireland and is a registered charity (CRA 20038823). The address of the registered office is Gate Lodge, University Road, Galway. The principal activity for which the group is established is engaging in fundraising activities for the purposes of the furtherance of education and research carried out by the National University of Ireland, Galway, in its pursuit of education, teaching and research.

The consolidated financial statements comprising the Consolidated Statement of Financial Activity, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes constitute the individual financial statements of Galway University Foundation CLG for the financial year ended 30 June 2018.

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

In order to provide information relevant to understanding the stewardship of the directors and the performance and financial position of the charity, Galway University Foundation CLG has prepared its financial statements in accordance with the formats provided for in the Charities SORP.

As permitted by section 291(3)(4) of the Companies Act 2014, the Group has varied the standard formats specified in that Act for the Statement of Financial Activities, the Statement of Financial Position and the Statement of Cash Flows. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with Sections 4.7, 10.6 and 15.2 of the Charities SORP. The Company has taken advantage of the exemption available to it under section 304 of the Companies Act 2014, which permits a company that publishes its company and group financial statements together not to present its own statement of financial activities and related notes.

2. ACCOUNTING POLICIES

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

Statement of compliance

The financial statements of the group for the year ended 30 June 2018 have been prepared on the going concern basis and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) (FRS 102) "Accounting and Reporting by Charities".

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 and the Statement of Recommended Practice (Charities SORP (FRS102)) as published by the Charity Commission for England and Wales and the Office of the Scottish Regulator which is recognised by the UK Accounting Standards Board (ASB) as the appropriate body to issue SORPs for the charity sector in the UK. Financial reporting in line with SORP is considered best practice for charities in Ireland. As noted above, the directors consider that the adoption of the SORP requirements is the most appropriate accounting to properly reflect and disclose the activities of the organisation.

Galway University Foundation Company Limited by Guarantee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2018

Income

All income is included in the Statement of Financial Activities when the group is entitled to the income, the amount can be measured with reasonable accuracy and receipt is probable. The following specific policies are applied to particular categories of income:

Fundraising Income: Fundraising income is credited to the Statement of Financial Activities in the year in which it is receivable by the group.

Donations and legacies: Voluntary income including donations, gifts and legacies are recognised where there is entitlement, receipt is probable, and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or the donors have imposed conditions which must be met before the charity has unconditional entitlement.

Investment Income: Income earned on funds held on deposit or in short-term or long-term funds is treated as income and is credited when earned.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred and is recorded as part of the expenditure to which it relates. Cost of raising funds comprises the costs associated with attracting voluntary income.

Expenditure on charitable activities is those costs incurred by the charity in the delivery of its services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them, including alumni activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. Where costs cannot be directly attributed, they have been allocated in proportion to estimated benefits received.

Support costs arise from those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include finance, ICT, administration, legal and compliance fees. Costs are charged to each service and activity in proportion to expenditure, which is considered to reflect estimated benefits received. Costs are not allocated to designated or capital funds.

Financial Instruments

Financial 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 statement of financial position 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 and MedTech Accelerator Fund 1 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.

At the end of the reporting period, if the fair value can be measured reliably, the investments are measured at fair value through the Statement of Financial Activity.

Income from fixed assets, together with any related tax credit, is recognised in the Statement of Financial Activity in the year in which it is receivable.

Galway University Foundation Company Limited by Guarantee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2018

Provisions

A provision is recognised in the statement of financial position when the group 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.

Related Party Transactions

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

Tangible Fixed Assets and depreciation

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

Intangible Assets

Intangible Assets are valued at cost less accumulated amortisation. At each reporting date the directors consider the impairment of the software costs, any impairment charge is recognised in the Statement of Financial Activity

Financial assets

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

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

Trade and other debtors

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

Cash and cash equivalents

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

Trade and other creditors

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

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

Employee benefits

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

Taxation

Galway University Foundation CLG is a registered charity (CHY number 12894) and is exempt from Corporation tax.

Galway University Foundation Company Limited by Guarantee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

continued

for the year ended 30 June 2018

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 Statement of Financial Activity.

Short Term Benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service contract is received. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

Charity's funds

Restricted Funds: Restricted funds are funds received which can only be used for particular purposes specified by the donors and are binding on the group. Such purposes are within the overall aims of the group.

Unrestricted Funds: Unrestricted funds are those which are expendable at the discretion of the group in furtherance of any of the objects of the charity. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the group's discretion to apply the fund.

Designated Funds: Designated funds consist primarily of funds which have been allocated towards the funding of the group's operating activities and may be utilised at the discretion of the Board for that purpose.

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 2018.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based in historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

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

Galway University Foundation Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

4. DONATIONS AND LEGACIES

	Total 2018	Restricted Funds	Unrestricted Funds	Designated Funds	Total 2017
	€	€	€	€	€
Donations and legacies	2,415,760	7,380,347	60,792	942	7,442,081
	<u>2,415,760</u>	<u>7,380,347</u>	<u>60,792</u>	<u>942</u>	<u>7,442,081</u>

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

	2018	2017
	€	€
Ireland	1,632,734	6,454,397
Australia	12,948	91,324
Canada	9,653	-
United Kingdom	58,210	99,046
United States	699,155	794,154
Rest of World	3,060	3,160
	<u>2,415,760</u>	<u>7,442,081</u>

Income attributable to geographical markets outside the Republic of Ireland amounted to 32% for the year. Income from Irish domiciled donors is included in the Ireland figures above.

Galway University Foundation Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

5. INTEREST AND SIMILAR INCOME		2018	2017
		€	€
Bank Interest		10,818	37,814
Other Income		240,000	240,000
Investment Income		1,180,715	2,749,402
		<u>1,431,533</u>	<u>3,027,216</u>
These balances have been classified as;			
Restricted funds		24,023	164,089
Unrestricted funds		-	-
Designated funds		1,407,510	2,863,127
		<u>1,431,533</u>	<u>3,027,216</u>
6. LOSS ON INVESTMENTS AT FAIR VALUE		2018	2017
		€	€
(Loss)/Gain on investments at fair value through the Statement of Financial Activity		<u>(351,869)</u>	<u>(595,221)</u>
7. COST OF RAISING FUNDS		2018	2017
		€	€
Direct Staff Costs		367,204	414,250
Other Costs		212,757	261,848
Support Costs		265,905	218,262
		<u>845,866</u>	<u>894,360</u>
8. EXPENDITURE ON CHARITABLE ACTIVITIES		2018	2017
		€	€
Restricted funds:	Transfers to NUI Galway projects	24,200,180	19,035,223
	Transfers to TUSLA Mainstreaming Programme	2,482,619	2,185,301
		<u>26,682,799</u>	<u>21,220,524</u>
Unrestricted funds:	Transfers to NUI Galway projects	55,084	55,536
Designated funds:	Operating Expenses	294,907	518,312
		<u>27,032,790</u>	<u>21,794,372</u>

Galway University Foundation Company Limited by Guarantee

9. SUPPORT COSTS AND ALLOCATION OF EXPENDITURE

(a) Support Costs

Support costs include Finance, Governance and Administration which are allocated across Charitable Activities and Fundraising on the basis of headcount. Costs are not allocated to designated or restricted funds.

(b) Allocation of expenditure

	Charitable Activities	Cost of Raising Funds	Total
	€	€	€
Direct Expenditure	26,948,107	579,961	27,528,068
Governance	42,050	79,301	121,351
Finance	38,497	176,762	215,259
Information Technology	1,376	2,752	4,128
Other	2,760	7,090	9,850
Total Resources Expended	27,032,790	845,866	27,878,656

(c) Governance costs

	2018	2017
	€	€
External Audit	11,439	5,000
Board Expenses	20,777	48,962
Annual Report	17,285	14,428
Legal and compliance fees	71,850	31,100
	121,351	99,490

Members of the Board do not receive remuneration for their services as Directors. Board Expenses include expenses related to the performance of Directors' roles in the furtherance of the Foundation's mission to support NUI Galway which are incurred by the Foundation or reimbursed to Directors.

10. NET EXPENDITURE

	2018	2017
	€	€
Net expenditure is stated after charging/ (crediting):		
Depreciation of tangible assets	2,168	3,520
Auditors' remuneration – for external audit services	11,439	5,000
Auditors' remuneration – other non-audit services	21,357	29,756

11. DEFICIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

In accordance with section 304 of the Companies Act 2014 a separate Statement of Financial Activity for the company has not been presented in these financial statements. The net expenditure for the year of the parent company after providing for depreciation amounted to (€24,461,298) (2017- (€12,832,878))

Galway University Foundation Company Limited by Guarantee

12. EMPLOYEES AND STAFF COSTS

(a) Number of employees

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

	2018 Number	2017 Number
Management and administration	<u>8</u>	<u>9</u>
Employees by category:		
Management & Fundraising:	2	2
Fundraising:	3	3
Charitable Activities:	2	3
Administration:	<u>1</u>	<u>1</u>

(b) The staff costs comprise:

	2018 €	2017 €
Wages and salaries	587,272	661,592
Social welfare costs	46,043	53,747
Pension costs	<u>47,160</u>	<u>96,383</u>
	<u>680,475</u>	<u>811,722</u>

In addition to the above expenses, a total of 41 persons were employed on a temporary basis at a cost of €22,269. In 2017, a total of 42 persons were employed on a temporary basis at a cost of €26,348.

(c) Senior staff remuneration

	2018 Number	2017 Number
The number of staff earning salaries (excluding the benefits and pension costs outlined below) over €60,000 is:		
Band: €60,000 - €69,999	2	2
Band: €80,000 - €89,999	-	1
Band: €90,000 - €99,999	1	1
Band: €180,000 - €189,999	1	1

The Chief Executive's salary is subject to contract which has been approved by the Board. All staff, who are required to travel as part of their roles, may claim vouched expenses or subsistence allowances and mileage allowances in line with Revenue approved rates. The Foundation does not operate a health insurance scheme for employees. All remuneration amounts are reported to Revenue and are fully taxable.

(d) Key management remuneration

The directors and key management have the authority and responsibility for planning, directing and controlling the activities of the group. They are considered to be the key personnel. The directors do not receive any remuneration. The total remuneration in respect of key management was €297,474 (2017: €339,537).

(e) Pension Costs

All Foundation staff are eligible to join the Foundation's defined contribution scheme or a personal retirement savings account (PRSA) scheme of their choice. The cost of employer contributions in FY2018 was €47,160 (2017: €96,383).

Galway University Foundation Company Limited by Guarantee

13. INTANGIBLE FIXED ASSETS Group and Company

	Software €	Total €
Cost		
At 1 July 2017	11,610	11,610
Additions	6,375	6,375
	<u>17,985</u>	<u>17,985</u>
At 30 June 2018	17,985	17,985
Provision for diminution in value:		
At 1 July 2017	11,610	11,610
At 30 June 2018	11,610	11,610
Net book value		
At 30 June 2018	<u>6,375</u>	<u>6,375</u>
At 30 June 2017	<u>-</u>	<u>-</u>

14. TANGIBLE ASSETS Group and Company

	Office Equipment €	Total €
Cost		
At 1 July 2017	48,994	48,994
Disposals	(2,535)	(2,535)
	<u>46,459</u>	<u>46,459</u>
At 30 June 2018	46,459	46,459
Depreciation		
At 1 July 2017	44,991	44,991
Charge for the year	2,168	2,168
On disposals	(2,535)	(2,535)
	<u>44,624</u>	<u>44,624</u>
At 30 June 2018	44,624	44,624
Net book value		
At 30 June 2018	<u>1,835</u>	<u>1,835</u>
At 30 June 2017	<u>4,003</u>	<u>4,003</u>

Galway University Foundation Company Limited by Guarantee

15. FINANCIAL ASSETS Group

	Listed investments	Total
	€	€
Investments		
Cost		
At 1 July 2017	30,576,732	30,576,732
Additions	1,342,006	1,342,006
Disposals	(816,420)	(816,420)
At 30 June 2018	<u>31,102,318</u>	<u>31,102,318</u>
Fair Value Movement:		
At 1 July 2017	1,778,658	1,778,658
Movement for the year	(351,755)	(351,755)
At 30 June 2018	<u>1,426,903</u>	<u>1,426,903</u>
Net book value		
At 30 June 2018	<u><u>32,529,221</u></u>	<u><u>32,529,221</u></u>
At 30 June 2017	<u><u>32,355,390</u></u>	<u><u>32,355,390</u></u>

Company

	Subsidiary Undertakings shares	Other investments	Total
	€	€	€
Investments			
Cost			
At 1 July 2017	21,948	30,560,776	30,582,724
Additions	-	1,342,198	1,342,198
Disposals	-	(816,420)	(816,420)
At 30 June 2018	<u>21,948</u>	<u>31,086,554</u>	<u>31,108,502</u>
Fair Value Movement:			
At 1 July 2017	-	1,784,087	1,784,087
Movement for the year	-	(352,845)	(352,845)
At 30 June 2018	<u>-</u>	<u>1,431,242</u>	<u>1,431,242</u>
Net book value			
At 30 June 2018	<u><u>21,948</u></u>	<u><u>32,517,796</u></u>	<u><u>32,539,744</u></u>
At 30 June 2017	<u><u>21,948</u></u>	<u><u>32,344,863</u></u>	<u><u>32,366,811</u></u>

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

The group 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 funds of the company amounted to US\$828,348 (2017: US\$737,334) and surplus for the year amounted to US\$91,015 (2017: US\$20,795).

Unlisted investments are carried at cost less impairment because their fair value cannot be measured reliably.

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

Galway University Foundation Company Limited by Guarantee

16. DEBTORS	2018	2017
	€	€
Group		
Other debtors	760	34
Prepayments and accrued income	8,577	12,603
	<u>9,337</u>	<u>12,637</u>

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

	2018	2017
	€	€
Company		
Other debtors	760	34
Prepayments and accrued income	-	12,603
	<u>760</u>	<u>12,637</u>

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

17. CURRENT ASSET INVESTMENTS	2018	2017
	€	€
Group and Company		
Other unlisted investments	-	10,154,835
	<u>-</u>	<u>10,154,835</u>

The current asset investments relate to deposit accounts which have original maturities of greater than 3 months. Of these all investments mature within one year from the year end date. The current asset investments are measured at cost with gains and of losses recognised in the Statement of Financial Activity.

18. CREDITORS	2018	2017
Amounts falling due within one year	€	€
Group		
Trade creditors	16,235,518	6,023,293
Taxation (Note 20)	17,109	19,720
Other creditors	11,792	9,142
Accruals	93,164	71,529
	<u>16,357,583</u>	<u>6,123,684</u>

Galway University Foundation Company Limited by Guarantee

CREDITORS (cont'd)	2018	2017
Amounts falling due within one year	€	€
Company		
Trade creditors	16,096,415	6,022,435
Amounts owed to group companies	56,613	77,112
Taxation (Note 20)	17,109	19,720
Other creditors	11,792	9,142
Accruals	81,155	59,261
	<u>16,263,084</u>	<u>6,187,670</u>

The repayment terms of trade creditors vary as required by creditors. This balance includes amounts payable to NUI Galway (€16,157,403, see Note 24 below). No interest is payable on trade creditors.

Tax and social insurance are subject to the terms of the relevant legislation. 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.

19. CREDITORS	2018	2017
Group and Company	€	€
Amounts falling due after more than one year		
	<u>6,700,000</u>	-
Trade creditors: between one and five years	<u>6,700,000</u>	-

The repayment terms of trade creditors vary as required by creditors. This balance relates to amounts payable to NUI Galway (see Note 24 below). No interest is payable on trade creditors.

20. TAXATION	2018	2017
Group and Company	€	€
Creditors:		
PAYE/PRSI	<u>17,109</u>	<u>19,720</u>

21. 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.

22. FUNDS

The designated fund relates to the funding of the group's operating activities.

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

Following adoption of Charities SORP we reviewed the classification of certain fund balances and this resulted in the reclassification of a balance amounting to €4,267,055 from opening restricted funds to opening designated funds.

Galway University Foundation Company Limited by Guarantee

23. RESTRICTED FUNDS

The funds of the charity includes the following restricted funds which have been set aside by the trustees for specific purposes in accordance with donors wishes:

Group	2018 €	2017 €
Restricted funds at beginning of the year	34,745,727	49,329,640
Transfer to/(from) statement of financial activity	(24,319,054)	(14,566,421)
Foreign currency translation	(13,601)	(17,492)
	<u>10,413,072</u>	<u>34,745,727</u>
Company	2018 €	2017 €
Restricted funds at beginning of the year	34,101,103	48,685,710
Restricted funds utilised	(24,396,194)	(14,584,607)
	<u>9,704,909</u>	<u>34,101,103</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 Restricted Funds to Creditors.

24. RELATED PARTY TRANSACTIONS

Included in income for the year is an amount of €136,745 (2017: €203,040) received in the form of donations from board members or companies associated with board members.

NUI Galway: The Foundation is engaged in fund raising activities in support of National University of Ireland, Galway. Galway University Foundation CLG is an independent body which is not controlled by NUI Galway. During the year, the Foundation committed €23,506,411 (2017: €18,289,389) in support of the University. At 30 June 2018, €22,857,403 (30 June 2017, €5,922,372) was outstanding. Amounts paid and payable to NUI Galway are reflected in these financial statements. Note 23 outlines an agreed policy in respect of the drawdown of funds by the University. As has been the practice, no remuneration has been paid to any staff member of NUI Galway.

25. FINANCIAL COMMITMENTS

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

During the year ended 30 June 2011, Galway University Foundation CLG became a limited partner in the Bank Of Ireland Seed and Early Stage Equity Fund 2009. The partnership is made up of the following entities; Scribe Holdings Limited, Enterprise Ireland, The University of Limerick Foundation and Galway University Foundation CLG. As at the 30 June 2018, Galway University Foundation CLG has subscribed €885,554 (2017: €855,085) and is committed to subscribe a further €114,446 (2017: €144,915) to the said partnership, bringing the total commitment to €1,000,000, which equates to 3.125% of the total investment value. The remaining payments from the designated funds will be over a number of years; the exact timing of which has not yet been determined.

Similarly, on 4 December 2017, the Foundation became a limited partner in the Medtech Accelerator Fund 1 Limited Partnership. During the year ended 30 June 2018, the Foundation contributed €225,000 to that fund out of a total commitment of €450,000 (30.5% of the total investment value). This has left a remaining commitment of €225,000 at year end.

26. CONTROLLING INTEREST

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

Galway University Foundation Company Limited by Guarantee

27. EVENTS AFTER END OF REPORTING PERIOD

There were no significant events affecting the group since the year end.

28. CASH AND CASH EQUIVALENTS

	2018 €	2017 €
Cash and bank balances	<u>5,713,367</u>	<u>3,196,233</u>

29. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30/10/18.