

***Ollscoil na hÉireann, Gaillimh***

**Annual Report and Consolidated Financial Statements**

**Year Ended 30 September 2014**

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**CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| BURSAR'S REPORT  | 2           |
| STATEMENT OF RESPONSIBILITIES OF ÚDARÁS NA hOLLSCOILE          | 3           |
| ANNUAL STATEMENT OF GOVERNANCE AND INTERNAL CONTROL            | 4 – 7       |
| REPORT OF THE COMPTROLLER AND AUDITOR GENERAL                  | 8 – 9       |
| STATEMENT OF ACCOUNTING POLICIES                               | 10 – 13     |
| CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT                    | 14          |
| CONSOLIDATED AND UNIVERSITY BALANCE SHEET                      | 15          |
| CONSOLIDATED CASH FLOW STATEMENT                               | 16          |
| CONSOLIDATED STATEMENT OF HISTORIC COST SURPLUSES AND DEFICITS | 17          |
| CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES    | 17          |
| NOTES TO THE FINANCIAL STATEMENTS                              | 18 – 33     |
| RECONCILIATION OF HEA-FORMAT RESULTS TO GAAP SURPLUS           | 34          |
| SCHEDULE OF ÚDARÁS NA hOLLSCOILE MEETINGS                      | 35 – 36     |

## Bursar's Report on Consolidated Financial Statements

The attached consolidated financial statements are prepared under the Historical Cost convention in accordance with the Generally Accepted Accounting Practice (GAAP). Relevant accounting policies set out in the notes on pages 10 to 13. These accounts combine the results of the University's commercial and IP entities with its core pedagogic and research activities as required under GAAP. As such, the financial statements reflect a more inclusive view of the financial affairs of the University.

### Overview

The 2013/14 financial/academic year was another difficult one in terms of balancing the core recurrent budget and funding capital developments. Unlike the HEA 'harmonised reporting format' of accounts, the GAAP format of financial reporting does not permit the direct funding of capital expenditure from recurrent sources. Hence, management decisions to fund elements of capital expenditure in this way are reversed in GAAP accounts and the elimination of that 'cost' results in a much increased bottom line surplus.

This factor is the main contributor to the reported surplus of some €3M in the attached accounts. Other factors are detailed in the reconciliation (of HEA-format to GAAP-format) at page 34. For these same reasons, accumulated revenue reserves are recorded at €160M on the balance sheet notwithstanding that the bulk of this is invested in capital infrastructure and is not therefore available to 'balance the budget'.

Levels of Government recurrent and capital financial support continue to decline and the significant challenge faced by this University and others in the sector is to find alternate sources of funding. If we are to maintain pedagogic, research, and academic support standards, and associated quality of our graduates, we cannot continue to cut costs while at the same time maintaining, let alone increasing, student numbers.

### Operating Results

Increased student fee income during the year of €2M was more than offset by a drop of €5M in state grants. Contract Research Income displays a drop of €5M which is centred in 'State/Semi State' categories e.g. wind down of DERI and REMEDI C sets. Other income was also down on the prior year with interest income dropping by €700K and Funded Posts income down €500K.

### Balance Sheet

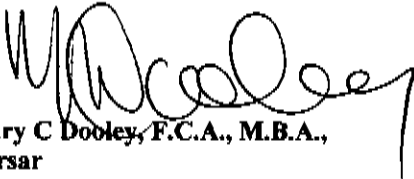
The Balance Sheet demonstrates an improved working capital position with net current assets of €22M that includes capital grants received/receivable from Galway University Foundation of €17M. This is in respect of completed projects, principally the Orbsen and New Engineering Buildings.

The reported recurrent surplus of €3M is added to revenue reserves brought forward of €157M to give a cumulative total of €160M. The bulk of this is locked into financing of investment in infrastructure i.e. Fixed Assets gross historical cost of €529M.

### Strategic Plan 2015 – 2020

The University has published its latest strategic plan which was adopted by Governing Authority on 16<sup>th</sup> December 2014. From a finance perspective, the plan contains a strong focus on expanding the income base of the University as alluded to above. As might be expected, there is an emphasis on increased commercial income from 'on campus' retail, contract research, and overseas/non EU fee income. It is also anticipated that Galway University Foundation will play an ever important role in the generation of capital funding.

As economic commentators express positive sentiments for an improving public and private sector outlook, again, I wish to thank and commend University staff and in particular my own team in the Bursar's office for their hard work, dedication and commitment, in what are, hopefully, improving circumstances.

  
Mary C Dooley, F.C.A., M.B.A.,  
Bursar

01 November 2016

**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 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 results 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 accounts, 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 proper books of account which 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 accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in 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*



**James Browne**  
**President**

**01 November 2016**

## ANNUAL STATEMENTS OF GOVERNANCE AND INTERNAL CONTROL

1. **General:** The Governing Authority (Údarás na hOllscoile) of NUI Galway is responsible for and is satisfied that the University is materially compliant with all statutory obligations applicable to the University that may be set out in legislation governing the establishment of the University or in other relevant legislation.

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

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

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

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

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

3. **Finance:** The more significant financial developments affecting NUI Galway in the past year to Meán Fómhair 2014 include:

- a. Poor national economic environment over the last few years has resulted in significant and ongoing reductions in State funding. The University has put plans in place to meet these funding restrictions through cost reductions and efficiency programmes and it is monitoring the situation closely.
- b. The University's Model Pension Scheme is a PAYG (Pay As You Go) Scheme. Financial Reporting Standard (FRS17) requires valuation and inclusion of a related pension liability in the University's Annual GAAP (Generally Accepted Accounting Principles) Financial Statements. University Sector practice is to include a balancing asset value in these Accounts. Whilst this accounting treatment is acceptable to the Comptroller & Auditor General on the basis of his drawing attention to it in his audit report, the external management auditors (KPMG) have qualified their Audit Report on an 'Except For' basis to reflect the absence of a State Guarantee in this regards.
- c. Staffing restrictions imposed by the implementation of the Employment Control Framework continue to have an adverse impact on the University's ability to meet its obligations in a timely manner; this situation is being monitored on an ongoing basis.
- d. The level of uncollected student fees remains high, although lower than prior years, resulting in loss of income.
- e. The appointment of a Consultancy Firm to undertake investigation/review of case management of Industrial Relations matters concerning individual members of staff.

4. **Pay:** The University remains compliant with pay policy and the requirements of section 25 of the Universities Act.

5. Appropriate procedures for financial reporting, internal audit, procurement and disposal of assets are in place.

The University adopted a formal procurement policy in 2012 and a Corporate Procurement Plan in 2013. The policy mandates compliance with procurement policy obligations as a single public authority bound by EU directives and national policy. The University endeavours to ensure full compliance with procurement procedures and guidelines. Internal monitoring is in place to ensure and promote adherence to these obligations. The University is actively working with the Office of Government Procurement (OGP) and with the Education Procurement Services (EPS) to ensure that procurement activities are taking place in accordance with the operating model put in place by the OGP.

Eight suppliers were identified in the 2014 financial year, with a combined transactions value of €1.08 million, for which national public procurement guidelines were not fully applied. The University's non-pay expenditure with suppliers, including both recurrent costs and capital costs during the year amounted to €96 million.

**ANNUAL STATEMENTS OF GOVERNANCE AND INTERNAL CONTROL *cont'd***

One of the instances of non-compliance with procurement policy referred to above was monitored and controlled by an existing centralised contract for office supplies as it was not possible to match the output of the OGP process to the procurement requirements of the University.

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

6. **Capital Projects:** The Guidelines for the Appraisal and Management of Capital Proposals are adhered to where appropriate.
7. **Travel:** The NUI Galway Travel & Subsistence Policy and Procedures are made available to all staff on the University website. Government travel policy requirements are being implemented in all material respects. For exceptional mission critical services involving extensive travel throughout the country (for school liaison visits), the University Management Team have authorised an extension of the higher rate threshold. This has resulted in 7 mid-ranking employees being paid a combined non-compliance value of €7,350. Offsetting this is the University's decision to limit the engine size for all claims to the lower 1,200 CC category.
8. **Value for Money:** The Guidelines on Achieving Value for Money in Public Expenditure as set out in the address by the Minister for Finance of 20 Deireadh Fómhair 2005 and communicated to the Universities, are being followed.
9. **Taxation:** The University believes it is compliant with tax laws.
10. **Child Protection:** Guidelines on Child Protection in the University were adopted by Údarás na hOllscoile in Meitheamh 2010. The guidelines are reviewed and updated where necessary and in compliance with recent legislation. Responsibilities relating to the role of University Child Protection Officer and Deputy Child Protection Officer have been assigned.
11. **Fees and expenses:** Fees are not paid to members of Údarás na hOllscoile. The aggregate expenses of external members of Údarás have been included in the University annual report submitted to Údarás by the President. A note on the aggregate expenses paid to external members of Údarás na hOllscoile has not been included heretofore in the statement of Governance and Internal Control but has been furnished separately to the HEA. It will be included henceforth in the statement.
12. **Trading Subsidiaries:** A detailed code of governance in respect of trading subsidiaries was adopted by Údarás na hOllscoile in May 2016. Each subsidiary company produces financial statements which are independently audited and are consolidated with NUI Galway's core pedagogic Financial Statements. The subsidiary companies' audited statutory financial statements are presented annually to the Finance/Resource Committee and to the Audit Committee for review.
13. On behalf of Údarás na hOllscoile, I acknowledge that Údarás has overall responsibility for the University's system of internal control, covering all material controls, including financial, operational, compliance controls and risk management systems that support the achievement of the University's policies, aims and objectives, while safeguarding the wider public interest.
14. The system of internal control, established by Údarás na hOllscoile, is designed to manage risk and to provide reasonable and not absolute assurances against material error.
15. (i) Údarás na hOllscoile (Údarás) 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.
  - ~ Údarás provides direction on the development and implementation of key University strategy and policy.
  - ~ Údarás provides governance oversight to ensure that the processes put in place by management provide an adequate level of assurance.
  - ~ Údarás is supported in this role by its four standing Committees –

ANNUAL STATEMENTS OF GOVERNANCE AND INTERNAL CONTROL *cont'd*

1. Standing and Strategic Planning,
  2. Finance and Resource,
  3. Academic Planning and Resource,
  4. Support Services.
- ~ The four Committees operate to written terms of reference and include a significant number of external members with appropriate expertise.
- ~ Údarás itself and two of its four standing Committees (Finance/Resource and Academic Planning and Resource) are chaired by independent external Chairpersons.

- (ii) The University has in place a comprehensive set of processes for the identification, evaluation and management of significant risks.

The risk management framework established in the University includes:

- a) a Risk Management Group, comprising all members of the University Management team (UMT). An experienced external member was appointed in 2014. 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 including 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. Each year these risks are reassessed and recalibrated. This cycle was duly completed in 2014.

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 being made to ensure that risk is at least an annual agenda item on the four standing committees of the Údarás.

The University's major risks are regularly reviewed by the relevant members of the Risk Management Group, covering all major areas of the University, and at year-end each member 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.

- (iii) Information systems are in place to ensure that appropriate information is available in relation to
  - (a) operational, strategic, financial and academic affairs, and
  - (b) planning and monitoring including a comparison of actual and planned results.
- (iv) A comprehensive set of financial policies and procedures has been formally adopted to address *inter alia* the financial implications of major business risk, including financial instructions and notes of procedures, delegation practices such as authorisation limits, segregation of duties, budget monitoring, risk assessments and management and multiple internal and external audit routines.
- (v) The procedures for monitoring the effectiveness of the system of internal control include the following:
  - The monitoring role of the Internal Audit and Risk Management, Procurement, and Health and Safety Functions in relation to the adequacy and effectiveness of systems of internal control including risk management.
  - The Audit Committee's role in providing independent oversight of the University's control environment.
  - The 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.

**ANNUAL STATEMENTS OF GOVERNANCE AND INTERNAL CONTROL** *cont'd*

- Consideration by management and the Audit Committee of comments made by the External Auditors in their management letters and other reports.
- A programme of Quality reviews of all areas.

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

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

The annual review of internal controls did not identify any weaknesses that have resulted in material losses, contingencies or uncertainties, such as those which require disclosure in the financial statements or the auditor's report on the financial statements.

However, the Audit Committee Annual Report notes one instance where only limited assurance can be placed on the sufficiency and operation of internal controls, and reasonable assurance on those key inherent risks to which Milcage, HR, Recruitment, Acadamh, Freedom of Information and Health and Safety Processes are exposed. NUI Galway has addressed the key inherent risks identified.

17. There were 6 meetings of Údarás na hOllscoile during the 2013/14 financial year (See Schedule 1)

18. There were 5 meetings of Audit Committee during the 2013/14 financial year and attendance at convened meetings by the member is noted below:

|                                     |     |
|-------------------------------------|-----|
| Mr. Noel Daly (Chair)               | 2/2 |
| Clr Domnick Connolly (Acting Chair) | 3/5 |
| Clr Jim McGarry                     | 4/5 |
| Clr P.J. Kelly                      | 4/5 |
| Mr Conor Fottrell                   | 3/5 |
| Mr Niall O'Donnellan                | 1/5 |
| Mr Joe Meade                        | 5/5 |

Mr Noel Daly (Chair) was appointed in June, 2014.

19. While Údarás na hOllscoile does not have a specific formal mechanism whereby it reviews its own performance internally or externally, An Runai maintains ongoing dialogue with Údarás members, particularly Chairs of Údarás Committees on matter of governance, internal control and the implementation of Údarás decisions. However, it is planned to put a formal mechanism in place for the incoming new Údarás whereby its performance can be appraised with external assistance.

20. The President's salary in FY 2013/14 was €187,255.



\_\_\_\_\_  
President

01 November 2016

\_\_\_\_\_  
Date





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

### Ollscoil na hÉireann, Gaillimh

I have audited the consolidated financial statements of Ollscoil na hÉireann, Gaillimh for the year ended 30 September 2014 under the Universities Act 1997. The financial statements comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated and university balance sheets, the consolidated cash flow statement, the consolidated statement of historic cost surpluses and deficits, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is that specified in the Universities Act 1997 and generally accepted accounting practice.

#### Responsibilities of the Governing Body

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

#### Responsibilities of the Comptroller and Auditor General

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

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

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

#### Scope of audit of the financial statements

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

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

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

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

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

#### Opinion on the financial statements

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the University and of the University group as at 30 September 2014 and of the income and expenditure of the University group for the year then ended; and
- have been properly prepared in accordance with generally accepted accounting practice.

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

#### Relationship with Foundation

Without qualifying my opinion on the financial statements, I draw attention to the statement of accounting policies which discloses that the financial statements of Galway University Foundation Limited have not been consolidated with those of the University group, on the basis that the Foundation is not controlled by the University.

The Foundation's main purpose is to engage in fundraising activities for the purposes of the furtherance of education and research carried out by the University, and it cooperates with the

University in respect of specific development projects. At 30 June 2014, the Foundation had accumulated reserves of over €57.6 million which will ultimately be passed to the University. At 30 September 2014, the University's financial statements recognise €17.5 million as being due from the Foundation in relation to projects that were completed in 2011.

#### **Future pension arrangements**

Without qualifying my opinion on the financial statements, I draw attention to Note 19 and to the recognition as at 30 September 2014 of an asset of €986 million in respect of deferred pension funding.

The defined benefit pension arrangements operated by the University consist of the National University of Ireland Galway (Closed) Pension Scheme 2010, the Model Pension Scheme and the Single Public Service Pension Scheme (Single Scheme).

The Single Scheme is a defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013. The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 provides for all pension payments for the scheme to be made by the University from funds provided by the Oireachtas for that purpose. Note 19 discloses that the University has treated the Single Scheme, for accounting purposes, as if it were a defined contribution scheme, on the basis that the amounts and disclosures are not material.

The Financial Measures (Miscellaneous Provisions) Act 2009 provided for the transfer of the assets of the National University of Ireland Galway (Closed) Pension Scheme 2010 to the National Pensions Reserve Fund. This transfer was effected on 31 March 2010. Any annual deficiency between superannuation contributions withheld or retained and benefits payable under the closed scheme are made good by payments to the University from funds provided by the Oireachtas for that purpose.

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

#### **Matters on which I report by exception**

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

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

#### **Procurement non-compliance**

In the course of audit, payments totalling €1.08 million made in 2013/14 to eight suppliers of goods and services were identified that had not been subject to competitive public procurement.



**Seamus McCarthy**  
**Comptroller and Auditor General**

**28 November 2016**

## STATEMENT OF ACCOUNTING POLICIES

The significant accounting policies adopted by the University are as follows:

### **Basis of preparation**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland. Accounting standards (generally accepted in Ireland in preparing financial statements giving a true and fair view) are those issued by the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland and the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.

### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

### **Basis of consolidation**

The consolidated financial statements include the University and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group income and profits are eliminated fully on consolidation.

Associates are those undertakings in which the University has a participating interest in the equity share capital and over which it is able to exercise significant influence. Associates are accounted for using the equity method and the University's share of results is included in the consolidated income and expenditure account. The University's interest in their net assets or liabilities is included as a fixed asset investment in the consolidated balance sheet at an amount representing the University's share of the fair values of the net assets at acquisition plus the University's share of post-acquisition profits or losses.

Investments in associates are shown in the University's own balance sheet at cost less provisions for impairments in value.

In accordance with FRS2, the activities of the Students Unions have not been consolidated because the University does not control those activities. The financial statements of Galway University Foundation Limited are also excluded as that entity is not controlled by the University.

### **Recognition of income**

Recurrent grants from the Higher Education Authority are recognised in the period in which they are receivable.

Non-recurrent grants from the Higher Education Authority or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the related assets.

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.

Income from research grants, contracts, non-capital government grants and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. All income from short-term bank deposits is credited to the income and expenditure account in the period in which it is earned.

### **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.

### **Tangible fixed assets**

#### **(a) Land and buildings**

Freehold land is not depreciated. Freehold buildings (including fixtures and fittings) are depreciated over their expected useful economic life to the University – normally fifty years. Leasehold buildings are included in the balance sheet 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. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

## STATEMENT OF ACCOUNTING POLICIES

### Tangible fixed assets (continued)

#### (a) Land and buildings (continued)

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.

The University has considered the application of FRS5 "Reporting the Substance of Transactions" with regard to certain assets used by the University where the legal form of these transactions would indicate that all or part of the assets are not owned by the University. The financial substance of all transactions has been reflected in the financial statements and, as such, the full value of these assets is included in tangible fixed assets.

#### (b) Equipment

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

|                                  |         |
|----------------------------------|---------|
| Computer equipment               | 3 years |
| Other equipment                  | 5 years |
| Furniture, fixtures and fittings | 5 years |

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

#### (c) 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 balance sheet at original cost. Further, archives purchased for the benefit of the University's academic mission are also capitalised in the balance sheet at original cost and not depreciated.

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

#### Leased assets

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

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

#### Financial assets

Fixed asset investments are carried at historical cost less any provision for impairment in their value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

#### Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the University on books and consumable stocks financed from recurrent grants is charged to the Income and Expenditure account.

## STATEMENT OF ACCOUNTING POLICIES

### 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.

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.

### 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 balance sheet 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 balance sheet 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 balance sheet 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.

### Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### 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 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 JPS and MPS, the actuarially-assessed present value of the various schemes’ liabilities (calculated using the projected unit credit method) is disclosed as a liability on the balance sheet.

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

**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 Income & Expenditure account.

**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. These are recognised in the statement of total recognised gains and losses (STRGL).

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**STATEMENT OF ACCOUNTING POLICIES****Defined Benefit Pension Schemes (continued)**

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 balance sheet.

Movements on this pension receivable are included in the Income & Expenditure account (i.e. current service costs and interest cost) or in the statement of total recognised gains and losses (i.e. actuarial gains or losses) in order to mirror the underlying movement on the pension liability.

This asset is recognised on foot of:

- a) guarantees enshrined in the Financial Measures (Miscellaneous Provisions) Act, 2009 in respect of JPS pension benefits at retirement *and*
- 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.

**The Single Public Service Pension Scheme** is a multi-employer defined benefit scheme. On the basis that the relevant figures and disclosures are not material in 2014 and 2013, it has been treated, for accounting purposes, as if it were a defined contribution scheme. Consequently, the amounts charged to the income and expenditure account represent the contributions payable to the scheme in respect of the accounting period.

**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.

**Cash/liquid resources**

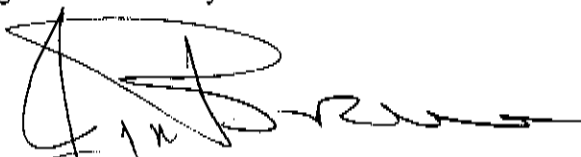
These include sums on short-term deposits with recognised banks and building societies and government securities.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
 Year Ended 30 September 2014

|  | Notes | Consolidated<br>2014<br>€'000 | Consolidated<br>2013<br>€'000 |
|--|-------|-------------------------------|-------------------------------|
| <b>Income</b>  |       |                               |                               |
| State grants   | 1     | 46,056                        | 51,017                        |
| Academic fees  | 2     | 101,333                       | 99,165                        |
| Research grants and contracts  | 3     | 53,157                        | 58,350                        |
| Amortisation of deferred capital grants  | 15    | 9,316                         | 6,487                         |
| Other income   | 4     | 13,571                        | 13,685                        |
| Interest income  | 5     | 1,071                         | 1,774                         |
| Net deferred Government funding for pensions                                       | 19    | 44,485                        | 50,686                        |
| <b>Total income</b>  |       | <b>268,989</b>                | <b>281,164</b>                |
| <b>Expenditure</b>   |       |                               |                               |
| Staff costs before impact of accounting standard for defined-benefit pensions      | 6     | 137,901                       | 141,024                       |
| Impact of accounting standard for defined-benefit pensions                         | 19    | 13,863                        | 18,689                        |
| <b>Staff costs</b>   |       | <b>151,764</b>                | <b>159,713</b>                |
| <b>Other operating expenses</b>  | 7     | <b>69,501</b>                 | <b>75,351</b>                 |
| <b>Depreciation</b>  |       | <b>14,259</b>                 | <b>15,016</b>                 |
| <b>Interest on pension scheme liabilities</b>                                      | 19    | <b>30,622</b>                 | <b>31,997</b>                 |
| <b>Total expenditure</b>   |       | <b>266,146</b>                | <b>282,077</b>                |
| <b>Surplus/(deficit) for the year after depreciation of assets before taxation</b> |       | <b>2,843</b>                  | <b>(913)</b>                  |
| Taxation   | 8     | (59)                          | (1)                           |
| <b>Surplus/(deficit) for the year after depreciation of assets and taxation</b>    | 9     | <b>2,784</b>                  | <b>(914)</b>                  |

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

The financial statements on pages 10 to 33 were approved by Údarás na hOllscoile on 01 November 2016 and were signed on its behalf by:

  
**James Browne**  
 President

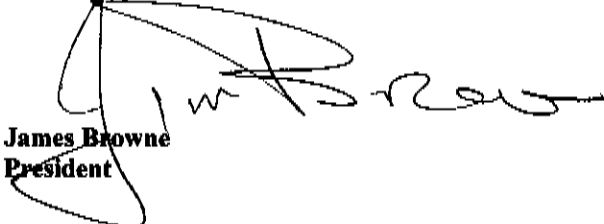
  
**Pól Ó Dochartaigh**  
 Registrar

**BALANCE SHEET**

30 September 2014

|   | Notes | Consolidated    |                 | University      |                 |
|---|-------|-----------------|-----------------|-----------------|-----------------|
|   |       | 2014            | 2013            | 2014            | 2013            |
|   |       | €'000           | €'000           | €'000           | €'000           |
| <b>Fixed assets</b>                                   |       |                 |                 |                 |                 |
| Tangible assets                                       | 10    | 332,773         | 320,579         | 331,990         | 320,324         |
| Financial assets                                      | 11    | 14,485          | 21,747          | 14,485          | 21,747          |
|   |       | <b>347,258</b>  | <b>342,326</b>  | <b>346,475</b>  | <b>342,071</b>  |
| <b>Current assets</b>                                 |       |                 |                 |                 |                 |
| Stocks  | 12    | 97              | 99              | 90              | 90              |
| Debtors   | 13    | 47,446          | 32,822          | 47,537          | 33,133          |
| Cash and bank   |       | 53,329          | 51,797          | 48,677          | 47,103          |
|   |       | <b>100,872</b>  | <b>84,718</b>   | <b>96,304</b>   | <b>80,326</b>   |
| <b>Creditors: Amounts falling due within one year</b> | 14    | <b>(78,838)</b> | <b>(86,666)</b> | <b>(74,658)</b> | <b>(82,782)</b> |
| <b>Net current assets/(liabilities)</b>               |       | <b>22,034</b>   | <b>(1,948)</b>  | <b>21,646</b>   | <b>(2,456)</b>  |
| <b>Total assets less current liabilities</b>          |       | <b>369,292</b>  | <b>340,378</b>  | <b>368,121</b>  | <b>339,615</b>  |
| <b>Net assets excluding pension</b>                   |       | <b>369,292</b>  | <b>340,378</b>  | <b>368,121</b>  | <b>339,615</b>  |
| Pension receivable                                    | 19    | 987,970         | 869,822         | 987,970         | 869,822         |
| Pension liability                                     | 19    | (987,970)       | (869,822)       | (987,970)       | (869,822)       |
| <b>Net assets including pension</b>                   |       | <b>369,292</b>  | <b>340,378</b>  | <b>368,121</b>  | <b>339,615</b>  |
| <b>Represented by:</b>                                |       |                 |                 |                 |                 |
| Deferred capital grants                               | 15    | 209,510         | 183,380         | 209,510         | 183,380         |
| Revenue surplus                                       | 16    | 159,782         | 156,998         | 158,611         | 156,235         |
| <b>Total</b>  |       | <b>369,292</b>  | <b>340,378</b>  | <b>368,121</b>  | <b>339,615</b>  |

The financial statements on pages 10 to 33 were approved by Údarás na hOllscoile on 01 November 2016 and were signed on its behalf by:

  
James Browne  
President

  
Pól Ó Dochartaigh  
Registrar



**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 30 September 2014**

|  | Notes     | Consolidated<br>2014<br>€'000 | Consolidated<br>2013<br>€'000 |
|--|-----------|-------------------------------|-------------------------------|
| <b>Net cash inflow from operating activities</b>                           | <b>20</b> | <b>1,745</b>                  | <b>1,531</b>                  |
| <hr/>  |           |                               |                               |
| <b>Returns on investment and servicing of finance</b>                      |           |                               |                               |
| Net interest received  |           | 1,071                         | 1,774                         |
| <hr/>  |           |                               |                               |
| <b>Net cash inflow from returns on investment and servicing of finance</b> |           | <b>1,071</b>                  | <b>1,774</b>                  |
| <hr/>  |           |                               |                               |
| <b>Taxation paid</b>   |           | <b>(59)</b>                   | <b>(1)</b>                    |
| <hr/>  |           |                               |                               |
| <b>Investment activities</b>   |           |                               |                               |
| Expenditure on capital projects  |           | (26,453)                      | (49,533)                      |
| Receipts from sale of fixed assets   |           | -                             | 61                            |
| Investment movements   |           | 7,262                         | 5,916                         |
| <hr/>  |           |                               |                               |
| <b>Net cash outflow from investment activities</b>                         |           | <b>(19,191)</b>               | <b>(43,556)</b>               |
| <hr/>  |           |                               |                               |
| <b>Net cash outflow before financing</b>                                   |           | <b>(16,434)</b>               | <b>(40,252)</b>               |
| <hr/>  |           |                               |                               |
| <b>Financing</b>   |           |                               |                               |
| Capital grants received  |           | 17,966                        | 9,728                         |
| <hr/>  |           |                               |                               |
| <b>Net cash inflow from financing</b>                                      |           | <b>17,966</b>                 | <b>9,728</b>                  |
| <hr/>  |           |                               |                               |
| <b>Net cash inflow/(outflow) after financing</b>                           |           | <b>1,532</b>                  | <b>(30,524)</b>               |
| <hr/>  |           |                               |                               |
| <b>Increase/(decrease) in cash and cash equivalents</b>                    | <b>21</b> | <b>1,532</b>                  | <b>(30,524)</b>               |
| <hr/>  |           |                               |                               |

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**CONSOLIDATED STATEMENT OF HISTORIC COST SURPLUSES AND DEFICITS**  
**Year Ended 30 September 2014**

There are no material differences between the historical cost profit and the reported profit in 2013 or 2014.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year Ended 30 September 2014**

|  |    | <b>2014</b>  | <b>2013</b>  |
|--|----|--------------|--------------|
|  |    | <b>€'000</b> | <b>€'000</b> |
| Surplus/(deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and tax |    | 2,784        | (914)        |
| Actuarial losses in respect of pension schemes   | 19 | (77,320)     | (48,449)     |
| Movement on pension receivable   | 19 | 77,320       | 48,449       |
|  |    | <hr/>        | <hr/>        |
| Total recognised gains and losses relating to the year   |    | 2,784        | (914)        |
|  |    | <hr/>        | <hr/>        |

## NOTES TO THE FINANCIAL STATEMENTS

| <b>1 State grants</b>  | <b>2014</b>    | <b>2013</b>   |
|--|----------------|---------------|
|  | <b>€'000</b>   | <b>€'000</b>  |
| State grants allocated for recurrent purposes  | 46,056         | 51,017        |
| <p>The above grant income was received predominantly from the Higher Education Authority (€44.276m (2013: €48.525m)) and the Department of Health and Children.</p>  |                |               |
| <b>1a. Deferred Income</b>   | <b>2014</b>    | <b>2013</b>   |
|  | <b>€'000</b>   | <b>€'000</b>  |
| State grant receivable in respect of current year  | 43,634         | 49,902        |
| State grant deferred from prior accounting year  | 13,118         | 14,233        |
| State grant deferred to subsequent accounting years  | (10,696)       | (13,118)      |
| <br>   |                |               |
| State grant per financial statements   | 46,056         | 51,017        |
| <p>State funding is allocated on a calendar year basis. The university financial year is based on the academic year from October to September. In accordance with the university's accounting policies, recurrent grants have been recognised on an accruals basis. In any accounting year, therefore, an element of funding will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.</p> |                |               |
| <b>2 Academic fees</b>   | <b>2014</b>    | <b>2013</b>   |
|  | <b>€'000</b>   | <b>€'000</b>  |
| Academic fee income  | 101,112        | 98,983        |
| Miscellaneous fee income   | 221            | 182           |
| <b>Total fees paid by or on behalf of individual students</b>  | <b>101,333</b> | <b>99,165</b> |
| <p>Academic fee income totalling €36.651 m was received from the HEA (2013: €37.849m).</p>   |                |               |
| <b>3 Research grants and contracts</b>   | <b>2014</b>    | <b>2013</b>   |
|  | <b>€'000</b>   | <b>€'000</b>  |
| State and semi-state   | 34,832         | 42,909        |
| European Union   | 9,592          | 9,194         |
| Industry   | 3,015          | 2,041         |
| Other  | 5,718          | 4,206         |
|  | 53,157         | 58,350        |
| <b>4 Other income</b>  | <b>2014</b>    | <b>2013</b>   |
|  | <b>€'000</b>   | <b>€'000</b>  |
| Other rental and licence income  | 1,175          | 1,301         |
| Investment income  | 1,130          | 622           |
| Funded post income   | 1,167          | 1,720         |
| Catering   | 209            | 378           |
| Student accommodation  | 4,079          | 4,789         |
| Other income   | 5,811          | 4,875         |
|  | 13,571         | 13,685        |
| <b>5 Interest income</b>   | <b>2014</b>    | <b>2013</b>   |
|  | <b>€'000</b>   | <b>€'000</b>  |
| Interest income on bank deposits   | 1,071          | 1,774         |

## NOTES TO THE FINANCIAL STATEMENTS

## 6 Staff costs

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

|                                     | 2014<br>Number        | 2013<br>Number        |
|-------------------------------------|-----------------------|-----------------------|
| Teaching and research               | 1,239                 | 1,269                 |
| Technical                           | 100                   | 108                   |
| Central administration and services | 692                   | 693                   |
| Other                               | 8                     | 15                    |
|                                     | <b>2,039</b>          | <b>2,085</b>          |
|                                     | <b>2014<br/>€'000</b> | <b>2013<br/>€'000</b> |
| Salaries and wages                  | 114,987               | 120,246               |
| Social welfare costs                | 9,664                 | 9,724                 |
| Other pension costs                 | 13,250                | 11,054                |
|                                     | <b>137,901</b>        | <b>141,024</b>        |

## 7 Other operating expenses

|   | 2014<br>€'000 | 2013<br>€'000 |
|---|---------------|---------------|
| Prizes, scholarships and fellowships                              | 3,568         | 3,500         |
| Repairs and maintenance (including information technology)        | 10,182        | 8,811         |
| Travel, subsistence and relocation costs                          | 3,269         | 3,312         |
| Non-pay recurrent costs for research projects                     | 19,843        | 20,050        |
| Consumables (laboratories, etc)                                   | 892           | 1,080         |
| Books, periodicals and journals                                   | 1,723         | 2,197         |
| Professional, audit and legal (incl. consultancy and recruitment) | 6,251         | 5,463         |
| Printing and stationery   | 1,740         | 1,599         |
| Light and heat  | 4,284         | 4,285         |
| Rent and rates  | 1,069         | 1,176         |
| Cleaning and waste disposal                                       | 1,863         | 1,787         |
| Insurance   | 710           | 642           |
| Marketing and promotion   | 995           | 962           |
| Other   | 10,784        | 18,452        |
| Other non-pay costs for subsidiaries                              | 2,165         | 1,994         |
| Bank fees and charges   | 153           | 33            |
| Bank interest   | 10            | 8             |
|   | <b>69,501</b> | <b>75,351</b> |

## NOTES TO THE FINANCIAL STATEMENTS

|   | 2014<br>€'000 | 2013<br>€'000 |
|---|---------------|---------------|
| <b>7 Other operating expenses – continued</b> |               |               |
| Other operating expenses include:             |               |               |
| Auditors remuneration                         |               |               |
| - External audit                              | 106           | 91            |
| - Internal audit                              | 104           | 117           |

**8 Taxation**

The majority of the University's activities are not liable to corporation taxation. The corporation taxation charge in the period in respect of trading activities administered through subsidiary companies amounted to €59,000 (2013: €1,000).

Deferred taxation in the period amounted to €nil (2013: €nil).

|  |              |              |
|--|--------------|--------------|
| <b>9 Surplus/(deficit) after taxation on continuing operations for the year</b>              | <b>2014</b>  | <b>2013</b>  |
|  | <b>€'000</b> | <b>€'000</b> |
| The surplus/(deficit) after tax on continuing operations for the year is made up as follows: |              |              |
| University surplus/(deficit) for the year  | 2,376        | (1,030)      |
| Surplus generated by subsidiary and associate undertakings                                   | 408          | 116          |
|  | <hr/>        | <hr/>        |
| Total  | 2,784        | (914)        |
|  | <hr/>        | <hr/>        |

## NOTES TO THE FINANCIAL STATEMENTS

## 10. Tangible fixed assets

| <b>GROUP</b>                                    | <b>Land and Buildings<br/>€000s</b> | <b>Heritage Assets<br/>€000s</b> | <b>Equipment<br/>€000s</b> | <b>Assets in course of construction<br/>€000s</b> | <b>Subsidiaries equipment<br/>€000s</b> | <b>Total<br/>€000s</b> |
|---|-------------------------------------|----------------------------------|----------------------------|---|---|------------------------|
| <b>Cost</b>                                     |                                     |                                  |                            |   |   |                        |
| At 1 October 2013                               | 317,368                             | 11,285                           | 133,153                    | 46,160  | 2,158                                   | 510,124                |
| Additions in year                               | 6,352                               | 295                              | 1,389                      | 17,663  | 754                                     | 26,453                 |
| Transfers from assets in course of construction | 30,666                              | -                                | 1,009                      | (31,675)  | -                                       | -                      |
| Retirement of fully-depreciated assets          | -                                   | -                                | (4,810)                    | -   | -                                       | (4,810)                |
| Disposals                                       | -                                   | -                                | -                          | -   | (15)                                    | (15)                   |
| <b>At 30 September 2014</b>                     | <b>354,386</b>                      | <b>11,580</b>                    | <b>130,741</b>             | <b>32,148</b>                                     | <b>2,897</b>                            | <b>531,752</b>         |
| <b>Depreciation</b>                             |                                     |                                  |                            |   |   |                        |
| At 1 October 2013                               | 68,676                              | 2,270                            | 116,696                    | -   | 1,903                                   | 189,545                |
| Charge for year                                 | 7,800                               | 310                              | 5,923                      | -   | 226                                     | 14,259                 |
| Retirement of fully-depreciated assets          | -                                   | -                                | (4,810)                    | -   | -                                       | (4,810)                |
| Disposals                                       | -                                   | -                                | -                          | -   | (15)                                    | (15)                   |
| <b>At 30 September 2014</b>                     | <b>76,476</b>                       | <b>2,580</b>                     | <b>117,809</b>             | <b>-</b>  | <b>2,114</b>                            | <b>198,979</b>         |
| <b>Net book value</b>                           |                                     |                                  |                            |   |   |                        |
| At 30 September 2014                            | 277,910                             | 9,000                            | 12,932                     | 32,148  | 783                                     | 332,773                |
| At 30 September 2013                            | 248,692                             | 9,015                            | 16,457                     | 46,160  | 255                                     | 320,579                |

Land and buildings include €1.261m (historical cost) (2013: €1.261m) in respect of freehold land that is not depreciated. It also includes buildings of historical and cultural importance to the State, most notably the Quadrangle, which was the original University building when first built. Also included are other library archives, collections, artworks or artefacts. As disclosed in the accounting policies, these are carried at cost. An integrated fixed asset module was introduced during the period. As part of this process, certain fully-depreciated equipment assets that were old and obsolete were removed from the old register before transferring the remaining assets to the new integrated fixed asset register.

## NOTES TO THE FINANCIAL STATEMENTS

## 10. Tangible fixed assets

| University                                      | Land and Buildings<br>€000s | Heritage Assets<br>€000s | Equipment<br>€000s | Assets in course of construction<br>€000s | Total<br>€000s |
|---|-----------------------------|--------------------------|--------------------|---|----------------|
| <b>Cost</b>                                     |                             |                          |                    |   |                |
| At 1 October 2013                               | 317,368                     | 11,285                   | 133,153            | 46,160                                    | 507,966        |
| Additions in year                               | 6,352                       | 295                      | 1,389              | 17,663                                    | 25,699         |
| Transfers from assets in course of construction | 30,666                      | -                        | 1,009              | (31,675)                                  | -              |
| Retirement of fully-depreciated assets          | -                           | -                        | (4,810)            | -   | (4,810)        |
| Disposals                                       | -                           | -                        | -                  | -   | -              |
| <b>At 30 September 2014</b>                     | <b>354,386</b>              | <b>11,580</b>            | <b>130,741</b>     | <b>32,148</b>                             | <b>528,855</b> |
| <b>Depreciation</b>                             |                             |                          |                    |   |                |
| At 1 October 2013                               | 68,676                      | 2,270                    | 116,696            | -   | 187,642        |
| Charge for year                                 | 7,800                       | 310                      | 5,923              | -   | 14,033         |
| Retirement of fully-depreciated assets          | -                           | -                        | (4,810)            | -   | (4,810)        |
| Disposals                                       | -                           | -                        | -                  | -   | -              |
| <b>At 30 September 2014</b>                     | <b>76,476</b>               | <b>2,580</b>             | <b>117,809</b>     | <b>-</b>                                  | <b>196,865</b> |
| <b>Net book value</b>                           |                             |                          |                    |   |                |
| At 30 September 2014                            | 277,910                     | 9,000                    | 12,932             | 32,148                                    | 331,990        |
| At 30 September 2013                            | 248,692                     | 9,015                    | 16,457             | 46,160                                    | 320,324        |

Land and buildings include €1.261m (historical cost) (2013: €1.261m) in respect of freehold land that is not depreciated. It also includes buildings of historical and cultural importance to the State, most notably the Quatrangle, which was the original University building when first built. Also included are other library archives, collections, artworks or artefacts. As disclosed in the accounting policies, these are carried at cost. An integrated fixed asset module was introduced during the period. As part of this process, certain fully-depreciated equipment assets that were old and obsolete were removed from the old registrar before transferring the remaining assets to the new integrated fixed asset register.

## NOTES TO THE FINANCIAL STATEMENTS

**10. Tangible fixed assets (continued)**

The tables below illustrate those heritage assets for which costs and valuations have been obtained.

**10a. Heritage assets capitalised**

|                      | Buildings<br>€000s | Archives<br>€000s | Art<br>works<br>€000s | Total<br>€000s |
|----------------------|--------------------|-------------------|-----------------------|----------------|
| Cost                 |                    |                   |                       |                |
| At 1 October 2013    | 8,306              | 2,868             | 111                   | 11,285         |
| Additions            | 80                 | 215               | -                     | 295            |
| At 30 September 2014 | 8,386              | 3,083             | 111                   | 11,580         |

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.

**10b. Five year financial summary of heritage asset transactions**

| Cost                                       | 2010<br>€000s | 2011<br>€000s | 2012<br>€000s | 2013<br>€000s | 2014<br>€000s |
|--|---------------|---------------|---------------|---------------|---------------|
| At 1 October                               | 7,890         | 8,602         | 9,725         | 10,840        | 11,285        |
| Additions                                  | 712           | 1,123         | 1,115         | 445           | 295           |
| Cost at 30 September                       | 8,602         | 9,725         | 10,840        | 11,285        | 11,580        |
| Valuation of other paintings and artefacts | 2,367         | 2,367         | 2,367         | 2,367         | 2,367         |
| Total at 30 September                      | 10,969        | 12,092        | 13,207        | 13,652        | 13,947        |



## NOTES TO THE FINANCIAL STATEMENTS

| 11 Financial assets                               | Consolidated  |               | University    |               |
|---|---------------|---------------|---------------|---------------|
|   | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |
| Investments at the year end were held as follows: |               |               |               |               |
| University – other investments                    | 14,485        | 21,747        | 14,485        | 21,747        |

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

| Subsidiary undertakings              | Principal activity                     | Interest % |
|--------------------------------------|--|------------|
| Galway University Press Ltd.         | Press                                  | 100%       |
| Tionól Teo.                          | Conferences                            | 100%       |
| UCG Research Applications Ltd.       | Holding company                        | 100%       |
| Maoín Champais Teo.                  | Leasing                                | 100%       |
| Endenline Limited                    | Educational infrastructure development | 100%       |
| Atalia Student Residences Limited    | Operation of student residences        | 100%       |
| Athrutech Limited *                  | IP rights                              | 100%       |
| College Campus Radio Ltd.            | Radio programming                      | 100%       |
| CCG. Aonad Slainte do Mhicleinn Teo. | University health unit                 | 100%       |
| Samaurium Limited                    | Holds equipment assets                 | 100%       |
| Lintary Limited                      | Digital archiving                      | 100%       |
| <b>Associated undertakings</b>       |  |            |
| Bimini Ltd.**                        | IP rights                              | 28%        |

The registered office and place of work for each of the subsidiary and associated undertakings is NUI, Galway. These investments were carried at €nil (2013: €nil).

\* The University holds 100% of the ordinary shares in Athrutech Limited. Certain of its other share classes are held by other parties.

\*\* The equity holding in Bimini Limited is held by UCG Research Applications Limited, a 100% subsidiary of the University.

The university also holds an interest (through its technology transfer office) in a number of companies, as outlined hereunder.

| Other investments        | Principal activity                      | Interest % |
|--------------------------|---|------------|
| Theta Chemicals Ltd.     | Development of chemicals                | 18.57%     |
| Analyse IQ Ltd.          | Software consultancy/supply             | 10.00%     |
| Qpercom Ltd.             | Consultancy                             | 15.00%     |
| Peracton Ltd.            | Software consultancy/supply             | 10.00%     |
| Seevl Ltd.               | Entertainment activities                | 10.00%     |
| MDG Web Ltd.             | Database activities                     | 8.63%      |
| Orbsen Therapeutics Ltd. | Medical practice activities             | 10.60%     |
| Sláinte Beoga Teoranta   | Manufacture of pharmaceutical products  | 10.00%     |
| NVP Energy Ltd.          | Software supply                         | 10.00%     |
| ePlantech Ltd.           | Mobile technology                       | 10.00%     |
| Embo Medical Limited     | Medical technology and device developer | 3.00%      |

12 Stocks Stocks principally consist of books and consumables.

|              | 2014<br>€'000 | 2013<br>€'000 |
|--------------|---------------|---------------|
| University   | 90            | 90            |
| Subsidiaries | 7             | 9             |
|              | <u>97</u>     | <u>99</u>     |

There is no material difference between the balance sheet amount of stocks and its replacement cost.

## NOTES TO THE FINANCIAL STATEMENTS

| 13 Debtors                        | Consolidated  |               | University    |               |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |
| Research balances                 | 24,928        | 30,377        | 24,928        | 30,377        |
| Other debtors                     | 3,474         | 586           | 3,519         | 418           |
| Accounts receivable               | 1,547         | 1,825         | 1,547         | 1,825         |
| Staff housing loans               | 17            | 34            | 17            | 34            |
| Capital Grant receivable from GUF | 17,480        | -             | 17,480        | -             |
| Intercompany balances             | -             | -             | 46            | 479           |
|                                   | <b>47,446</b> | <b>32,822</b> | <b>47,537</b> | <b>33,133</b> |

| 14 Creditors: Amounts falling due within one year | Consolidated  |               | University    |               |
|---|---------------|---------------|---------------|---------------|
|   | 2014<br>€'000 | 2013<br>€'000 | 2014<br>€'000 | 2013<br>€'000 |
| Trade creditors and accruals                      | 26,566        | 28,448        | 22,272        | 24,452        |
| Pension accruals                                  | 1,022         | 3,837         | 1,022         | 3,837         |
| Research grants and contracts in advance          | 29,664        | 35,757        | 29,664        | 35,757        |
| Retention monies                                  | 1,106         | 830           | 1,106         | 830           |
| Fees received in advance                          | 16,372        | 14,445        | 16,372        | 14,445        |
| Intercompany balances                             | -             | -             | 114           | 112           |
| State grants received in advance                  | 4,108         | 3,349         | 4,108         | 3,349         |
|   | <b>78,838</b> | <b>86,666</b> | <b>74,658</b> | <b>82,782</b> |

## NOTES TO THE FINANCIAL STATEMENTS

| <b>15 Deferred capital grants</b>                        | <b>HEA</b>                             | <b>Other grants/<br/>benefactors</b>   | <b>Total</b>                         |                                      |
|--|--|--|--------------------------------------|--------------------------------------|
| <b>Consolidated and University<br/>At 1 October 2013</b> | <b>€'000</b>                           | <b>€'000</b>                           | <b>€'000</b>                         |                                      |
| Buildings  | 119,494                                | 59,128                                 | 178,622                              |                                      |
| Equipment  | 1,113                                  | 3,645                                  | 4,758                                |                                      |
| Alignment of funding sources: Buildings                  | (15,998)                               | 16,149                                 | 151                                  |                                      |
| Alignment of funding sources: Equipment                  | 1                                      | (152)                                  | (151)                                |                                      |
| <b>Total</b>   | <b>104,610</b>                         | <b>78,770</b>                          | <b>183,380</b>                       |                                      |
| <b>Cash received and receivable</b>                      |  |  |                                      |                                      |
| Buildings  | 5,956                                  | 25,894                                 | 31,850                               |                                      |
| Equipment  | 14                                     | 3,582                                  | 3,596                                |                                      |
| <b>Total</b>   | <b>5,970</b>                           | <b>29,476</b>                          | <b>35,446</b>                        |                                      |
| <b>Released to income and expenditure</b>                |  |  |                                      |                                      |
| Buildings  | (3,325)                                | (2,921)                                | (6,246)                              |                                      |
| Equipment  | (925)                                  | (2,145)                                | (3,070)                              |                                      |
| Alignment of funding sources                             | 2,053                                  | (2,053)                                | -                                    |                                      |
| <b>Total</b>   | <b>(2,197)</b>                         | <b>(7,119)</b>                         | <b>(9,316)</b>                       |                                      |
| <b>At 30 September 2014</b>                              |  |  |                                      |                                      |
| Buildings  | 108,180                                | 96,197                                 | 204,377                              |                                      |
| Equipment  | 203                                    | 4,930                                  | 5,133                                |                                      |
| <b>Total</b>   | <b>108,383</b>                         | <b>101,127</b>                         | <b>209,510</b>                       |                                      |
| <b>16 Reconciliation of movement of reserves</b>         | <b>Consolidated<br/>2014<br/>€000s</b> | <b>Consolidated<br/>2013<br/>€000s</b> | <b>University<br/>2014<br/>€000s</b> | <b>University<br/>2013<br/>€000s</b> |
| Opening reserves at 1 October                            | 156,998                                | 157,912                                | 156,235                              | 157,265                              |
| Total recognised gains and losses relating to the year   | 2,784                                  | (914)                                  | 2,376                                | (1,030)                              |
| <b>Closing reserves at 30 September</b>                  | <b>159,782</b>                         | <b>156,998</b>                         | <b>158,611</b>                       | <b>156,235</b>                       |
| <b>17 Capital commitments</b>                            | <b>Consolidated</b>                    |  | <b>University</b>                    |                                      |
|  | <b>2014<br/>€'000</b>                  | <b>2013<br/>€'000</b>                  | <b>2014<br/>€'000</b>                | <b>2013<br/>€'000</b>                |
| Contracted for but not provided                          | 52,469                                 | 40,907                                 | 52,469                               | 40,907                               |
| Authorised but not contracted out                        | 10,283                                 | 43,112                                 | 10,283                               | 43,112                               |

## NOTES TO THE FINANCIAL STATEMENTS

## 18 Related parties

**Maoin Champais Teo** is a wholly-owned subsidiary company that provides property under lease terms for the provision of education to students. NUIG continues to support the working capital requirements of the company and as at 30 September 2014 was owed €24,319 (2013: €11,519).

**Tionól Teo** is a wholly-owned subsidiary company and its principal function is to operate the University conferencing activities. The University has loaned €62,775 to it, which is fully provided for. There has been no change to this loan balance as at 30 September 2014 and 2013.

**UCG Research Applications Limited** is a wholly-owned subsidiary company incorporated as a holding entity for the University's investments in, predominantly, intellectual property (IP) companies in which it has some active involvement. The University owed €89,757 to the company as at 30 September 2014 (2013: €90,761).

**Galway University Press Limited** is a wholly-owned subsidiary company incorporated to assist academic staff of the University in printing and publishing their work. The company is dormant as at 30 September 2014 and the University continues to support the working capital requirements of the company. The University was owed €14,381 as at 30 September 2014 (2013: €15,080).

**Atalia Student Residences Limited** is a wholly-owned subsidiary company incorporated to operate the student residences of Galway Student Residences and Corrib Village on behalf of the University. The University continues to support the working capital requirements of the company and as at 30 September 2014 was owed €33,499 (2013: €75,015).

**Athrútech Limited** is a wholly-owned subsidiary company incorporated to operate as a patent holding company. Its objectives are to license/sell its technologies, IP and patent portfolio to industry and other third parties. The University supports the working capital requirements of the company and as at 30 September 2014 was owed €30,000 (2013: €443,287).

**CCG Aonad Sláinte do MhicLéinn Teoranta** is a company limited by guarantee and not having a share capital. Its principal activity is the operation of the health centre in NUIG. The University as at 30 September 2014 is owed €124,684 by the company (2013: €79,996).

**College Campus Radio Limited** is a wholly-owned subsidiary company incorporated to meet, primarily, the radio entertainment needs of third-level students in the Galway City area. The University as at 30 September 2014 was owed €13,560 by the company (2013: €51,477).

**Lintary Limited** is a wholly-owned subsidiary company incorporated to operate an archive digitisation service. There were no intercompany balances as at 30 September 2014 or 2013.

**Bimini Limited** is an associate company of the University (as Galway University Press 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 2014 was owed €2,119 by the company (2013: €0).

**Endenline Limited, Lintary Limited and Samaurium Limited** are dormant as at 30 September 2014 and there are no intercompany balances between these companies and the University.

**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.

The University also holds a minority shareholding in other entities; these are summarised in note 11.

In accordance with FRS2, the activities of the Students Unions have not been consolidated because the University does not control those activities. The financial statements of Galway University Foundation Limited are also excluded as that entity is not controlled by the University.

## NOTES TO THE FINANCIAL STATEMENTS

**19 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 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**

Funded assets of the Joint Pension Scheme (JPS) had been managed for many years by State Street Global Advisors (previously Bank of Ireland Asset Management).

On foot of an EU Directive, the Protection of Employee Acts 2001 and 2003 extended pension benefits to part-time and fixed term workers. This resulted in significant increased membership of the JPS and significantly increased employer liabilities for provision of pension benefits. The University immediately entered into negotiations with the University Sector and relevant Government Departments in relation to the funding of these statutory liabilities.

Following these negotiations, the Higher Education Authority wrote to the University conveying its consent for the operation of the Model Pension Scheme (MPS) on an administrative basis in accordance with the terms of the model schemes for non-commercial State Bodies. The scheme provides both pension benefits at retirement and post-retirement pension increases to relevant staff appointed from 1 January 2005 on a pay as you go (PAYG) basis.

Further discussions over a number of years between the University sector, the HEA and Government Departments in relation to a long term provision for pension arrangements in the sector concluded in 2009 with significant legislative changes being introduced in the form of the Financial Measures (Miscellaneous Provisions) Act 2009. This Act 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).

Under this Act, a Transfer Order for the JPS was executed on 31 March 2010, and as provided for in the enabling legislation:

- the pension assets were transferred to the National Pension Reserve Fund
- JPS became National University of Ireland, Galway (Closed) Pension Scheme 2010
- the University and each member continues to contribute at the same rate as previously
- the obligation to pay benefits in accordance with the pension scheme rules remains an obligation of the University in relation to the scheme
- if the aggregate of the members and employer’s contributions paid or withheld are insufficient to meet the University’s obligations to pay these benefits in accordance with the scheme, the Minister for Finance shall make good the deficiency by payments to the University from funds provided by the Oireachtas for this purpose.

On foot of this legislation, the University has recognised a pension receivable from the State of €620.4 million (2013: €534.1 million) in respect of the Joint Pension Scheme.

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 NUJ Galway’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 balance sheet at an amount equivalent to the full pension liability for these defined benefit schemes for each reported period. The associated receivable from the State is €367.6 million (2013: €335.7 million).

The following disclosures comply with those required under FRS17: Retirement Benefits. FRS17 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 19 Retirement benefits (continued)

The last full actuarial valuation was at 30 September 2005. The actuarial valuation report of the pension liabilities for the purposes of FRS17 disclosures has been based on actuarial data as at 30 September 2014. While this report is not publically available, the more salient points are reproduced in this note. The valuation assumptions have been amended to take account of the requirements of FRS17.

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

| At year-end 30<br>September<br>2014 (€000s) | At year-end 30<br>September<br>2013 (€000s) |
|---|---|
|---|---|

**Weighted average assumptions used to determine benefit obligations**

|                          |       |       |
|--------------------------|-------|-------|
| Discount rate            | 2.60% | 3.50% |
| General salary increases | 3.15% | 3.25% |
| Pension supplementation  | 2.40% | 2.50% |
| Inflation (CPI)          | 1.90% | 2.00% |
| Revaluation in deferment | 1.70% | 1.75% |

**Weighted average life expectancy for mortality tables used to determine benefit obligations at:**

|  |      |      |
|--|------|------|
| Male member age 65 (current life expectancy)   | 22.9 | 22.8 |
| Female member age 65 (current life expectancy) | 24.6 | 24.5 |

| At year-end<br>30 September<br>2014 (€000s) | At year-end 30<br>September 2013<br>(€000s) |
|---|---|
|---|---|

**Change in benefit obligation**

|  |                |                |
|--|----------------|----------------|
| <b>Opening value of schemes liabilities</b>              | <b>869,822</b> | <b>771,433</b> |
| Service cost   | 26,279         | 29,743         |
| Interest cost on schemes' liabilities                    | 30,622         | 31,997         |
| Member contributions                                     | 3,996          | 4,836          |
| Actuarial losses   | 77,320         | 48,448         |
| Benefits paid  | (20,069)       | (16,635)       |
| <b>Gross University pension liability at end of year</b> | <b>987,970</b> | <b>869,822</b> |
| <b>Pension receivable from State</b>                     | <b>987,970</b> | <b>869,822</b> |
| <b>Total asset value at end of year</b>                  | <b>987,970</b> | <b>869,822</b> |
| <b>Net pension deficit at year end</b>                   | <b>-</b>       | <b>-</b>       |

## NOTES TO THE FINANCIAL STATEMENTS

## 19 Retirement benefits (continued)

|  | At year-end<br>30<br>September<br>2014 (€000s) | At year-end 30<br>September<br>2013 (€000s) |
|--|--|---|
| <i>Change in pension receivable from State</i>             |  |   |
| <b>Opening receivable</b>                                  | <b>869,822</b>                                 | <b>771,433</b>                              |
| Movement included in STGRL                                 | 77,320   | 48,448                                      |
| State-funded interest expense                              | 30,622   | 31,997                                      |
| Movement relating to staff costs                           | 13,863   | 18,689                                      |
| Member contributions                                       | 3,996  | 4,836                                       |
| Benefits paid  | (20,069)                                       | (16,635)                                    |
| Employer contributions                                     | 12,416   | 11,054                                      |
| <b>Closing pension receivable</b>                          | <b>987,970</b>                                 | <b>869,822</b>                              |
| <i>Amounts recognised in balance sheet</i>                 |  |   |
| Net pension liability                                      | 987,970  | 869,822                                     |
| Pension receivable and net deficit                         | (987,970)                                      | (869,822)                                   |
| <b>Net pension deficit</b>                                 | <b>-</b>                                       | <b>-</b>                                    |
| <i>Analysed as:</i>  |  |   |
| Joint Pension Scheme                                       | 620,420  | 534,107                                     |
| Other  | 367,550  | 335,715                                     |
|  | <b>987,970</b>                                 | <b>869,822</b>                              |
|  | <b>2014</b>                                    | <b>2013</b>                                 |
|  | <b>€'000</b>                                   | <b>€'000</b>                                |
| <i>Components of pension income (FRS17)</i>                |  |   |
| <i>Net deferred Government funding (to cover)</i>          |  |   |
| Staff costs  | 13,863   | 18,689                                      |
| Interest expense   | 30,622   | 31,997                                      |
| <b>Amount recognised in I&amp;E account</b>                | <b>44,485</b>                                  | <b>50,686</b>                               |
| <i>Analysed as:</i>  |  |   |
| Joint Pension Scheme                                       | 24,585   | 26,956                                      |
| Other  | 19,900   | 23,730                                      |
|  | <b>44,485</b>                                  | <b>50,686</b>                               |
| <i>Components of pension expense</i>                       |  |   |
| <i>Staff costs</i>   |  |   |
| Employer contributions                                     | 12,416   | 11,054                                      |
| Impact of accounting standard for defined-benefit pensions | 13,863   | 18,689                                      |
| <b>Current service costs</b>                               | <b>26,279</b>                                  | <b>29,743</b>                               |
| <i>Analysed as:</i>  |  |   |
| Joint Pension Scheme                                       | 12,482   | 12,641                                      |
| Other  | 13,797   | 17,102                                      |
|  | <b>26,279</b>                                  | <b>29,743</b>                               |

## NOTES TO THE FINANCIAL STATEMENTS

## 19 Retirement benefits (continued)

|  | Year-end 30<br>September<br>2014 (€000s) | Year-end 30<br>September<br>2013 (€000s) |
|--|--|--|
| <i>Interest expense</i>  |  |  |
| Interest cost on schemes' liabilities  | 30,622                                   | 31,997                                   |
| <i>Analysed as:</i>  | 18,629                                   | 19,779                                   |
| Joint Pension Scheme   | 11,993                                   | 12,218                                   |
| Other  | 30,622                                   | 31,997                                   |
| <i>Statement of total recognised gains and losses</i>                            |  |  |
| Experience gains arising on scheme liabilities                                   | (97,881)                                 | (55,285)                                 |
| Change in assumptions underlying the present value of pension scheme liabilities | 175,201                                  | 103,734                                  |
| Movement in pension receivable   | (77,320)                                 | (48,449)                                 |
| <b>Total pension cost recognised in STRGL</b>                                    | -  | -  |
| <i>Analysed as:</i>  | 71,407                                   | 31,325                                   |
| Joint Pension Scheme   | 5,913                                    | 17,124                                   |
| Other  | 77,320                                   | 48,449                                   |

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

| Financial year ending 30 September            | 2014<br>€000s | 2013<br>€000s | 2012<br>€000s | 2011<br>€000s | 2010<br>€000s |
|---|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligation                    | 987,970       | 869,822       | 771,433       | 677,640       | 660,249       |
| Pension receivable from State                 | 987,970       | 869,822       | 771,433       | 677,640       | 660,249       |
| Deficit                                       | -             | -             | -             | -             | -             |
| Experience (gains)/losses on plan liabilities | (97,881)      | (55,285)      | (35,723)      | (14,805)      | (36,349)      |
| % of plan liabilities                         | (9.91%)       | (6.36%)       | (4.63%)       | (2.18%)       | (5.51%)       |
| 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           |



**NOTES TO THE FINANCIAL STATEMENTS****19 Retirement benefits (continued)****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). On the basis that the relevant figures and disclosures are not material in 2014 and 2013, it has been treated, for accounting purposes, as if it were a defined contribution scheme. Consequently, the amounts charged to the income and expenditure account represent the contributions payable to the scheme in respect of the accounting period.

It is the responsibility of the employer to collect and remit **Single Scheme** member contributions for the benefit of the Exchequer.

**Other points**

Investments of €nil (2013: €0.3m) that have been set aside to fund payments in respect of the model pension scheme are recorded within financial assets on the balance sheet (note 11).

Contributions (both employer and employee) to pension schemes for the year ended 30 September 2015 are estimated to be €17,448.

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.

## NOTES TO THE FINANCIAL STATEMENTS

## 20 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow from operating activities

|   | 2014<br>€'000 | 2013<br>€'000 |
|---|---------------|---------------|
| <b>Surplus/(deficit) on continuing operations before tax and after depreciation of assets</b> | <b>2,843</b>  | <b>(913)</b>  |
| Net interest received   | (1,071)       | (1,774)       |
| Profit on disposal of tangible fixed assets   | -             | (8)           |
| Depreciation  | 14,259        | 15,016        |
| Decrease in debtors   | 2,856         | 6,173         |
| Decrease/increase in stock  | 2             | (2)           |
| Decrease in creditors   | (7,828)       | (10,474)      |
| Deferred capital grants released to income  | (9,316)       | (6,487)       |
| <b>Net cash inflow from operating activities</b>  | <b>1,745</b>  | <b>1,531</b>  |

## 21 Analysis of changes in cash and cash equivalents

|                                   | 2014<br>€'000 | 2013<br>€'000 |
|-----------------------------------|---------------|---------------|
| <b>Balance at 1 October</b>       | <b>51,797</b> | <b>82,321</b> |
| Net cash inflow/(outflow) in year | 1,532         | (30,524)      |
| <b>Balance at 30 September</b>    | <b>53,329</b> | <b>51,797</b> |

## 22 Contingent liabilities

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

## 23 Comparative figures

Where necessary, the comparative figures have been reorganised and restated on the same basis as current-year figures.

## 24 Approval of financial statements

Údarás na hOllscoile approved these consolidated financial statements on 01 November 2016.

**RECONCILIATION OF HEA (DEFICIT)/SURPLUS TO GAAP SURPLUS/(DEFICIT)**

|  | 2014<br>€'000  | 2013<br>€'000 |
|--|----------------|---------------|
| <b>(Deficit)/surplus as per HEA financial statements</b>               | <b>(1,742)</b> | <b>96</b>     |
| Capital grant amortisation (including subsidiaries)                    | 9,316          | 6,487         |
| Reversal of capital project funding from I&E account                   | 11,347         | 6,417         |
| Adjustment to income from research activity                            | (7,498)        | (2,009)       |
| Net impact from miscellaneous subsidiaries activity                    | 693            | 265           |
| Refurbishment recategorised  | 233            | (184)         |
| Capital expenditure aligned  | 3,675          | 2,525         |
| Net impact of accrued sundry expenditure for post-year end entries     | 193            | (408)         |
| Net internal balances reversal   | 907            | 914           |
| Intercompany provisions aligned  | (22)           | -             |
| Depreciation (including subsidiaries)                                  | (14,259)       | (15,016)      |
|  | <hr/>          | <hr/>         |
| <b>Surplus/(deficit) as per consolidated GAAP financial statements</b> | <b>2,843</b>   | <b>(913)</b>  |
|  | <hr/>          | <hr/>         |

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

*Schedule 1***Údarás na hOllscoile Meetings****Attendance****Cathaoirleach:**

Mrs Justice Catherine McGuinness 4/4

**President:**

Dr James Browne 6/6

**Acting Registrar and Deputy-President:**

An tOll. Nollaig Mac Congáil 3/6

**Registrar and Deputy-President**

An tOll. Pól O Dochtartaigh 2/6

**Profs/Associate Professors (5):**

Professor Kathy Murphy 3/6

Professor Antony Wheatley 4/6

Professor Vincent O'Flaherty 5/6

An tOllamh Dáibhi O Cróinin 5/6

Professor Terry Smith 4/6

**Other Academic Staff (5):**

Dr Lucy Byrnes 6/6

Ms Ursula Connolly 6/6

Dr Pat Morgan 3/6

Dr Anthony Grehan 6/6

Dr Emer Mulligan 4/6

**Other Employees (3):**

Dr Eric Mortimer 5/6

Mr Brendan O'Looney 5/6

Ms Elizabeth Kerrigan 5/6

**Elected Officers of Comhaltas na Mac Léinn**

Mr Sean Kearns (President) 5/6

Ms Catherine Breslin (Education) 6/6

**Postgraduate Student (1)***(5 Feabhra - 30 Meitheamh 2013):*

Ms Richéal Burns 6/6

**Nominations of External Organisations (3):**

Mr Donagh O'Donoghue 6/6

Ms Máire Ní Chuinneagáin 6/6

Mr Niall O'Donnellan 5/6

*Schedule 1***Údarás na hOllscoile Meetings**  
**Attendance (continued)****Graduates (4):**

|                       |     |
|-----------------------|-----|
| Ms Sandra Butler      | 6/6 |
| Mr Conor Fottrell     | 5/6 |
| Mr John Loftus        | 6/6 |
| Prof Hubert McDermott | 5/6 |

**Local Authority Nominees (7):**

|   |     |
|---|-----|
| Cllr Peter Keane (Galway City Council)            | 5/6 |
| Cllr Eileen Mannion (Galway County Council)       | 5/6 |
| Cllr P.J. Kelly (Clare County Council)            | 5/6 |
| Cllr Margaret Adams (Mayo County Council)         | 3/6 |
| Cllr John McCartin (Leitrim County Council)       | 5/6 |
| Cllr Jim McGarry (Sligo County Council)           | 4/6 |
| Cllr Dominick Connolly (Roscommon County Council) | 6/6 |

**NUI Nominations (1 male, 1 female):**

|                        |     |
|------------------------|-----|
| Dr Catherine Caulfield | 5/6 |
| Mr Noel Daly           | 5/6 |

**President of St Angela's College, Sligo:**

|                |     |
|----------------|-----|
| Dr Anne Taheny | 3/6 |
|----------------|-----|

**Artistic/Cultural Category (1):**

|                 |     |
|-----------------|-----|
| Dr Jane O'Leary | 5/6 |
|-----------------|-----|

**Minister's Nominees (3):**

|                                      |     |
|--------------------------------------|-----|
| Mr Sean O'Rourke (up to Nov 2013)    | 0/2 |
| Mr Harry Mc Gee (from February 2014) | 3/3 |
| Dr John Greally                      | 5/6 |
| Ms Madeline Taylor-Quinn             | 6/6 |