



Consolidated Financial Statements
of
National University of Ireland, Maynooth
(commonly known as Maynooth University)
for the year ended 30th September 2018

(Prepared under Generally Accepted Accounting Principles)



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General Information

Auditors

Comptroller and Auditor General,
3A Upper Mayor Street,
Dublin 1.

Bankers

Allied Irish Banks Plc,
Main Street,
Maynooth,
Co. Kildare.

Legal Advisers

McCann FitzGerald,
Solicitors,
Riverside One,
Sir John Rogerson's Quay,
Dublin 2.

Report of the Bursar

I have the pleasure to present the Annual Financial Statements of the National University of Ireland, Maynooth for the year ended 30th September 2018 prepared in accordance with Financial Reporting Standard FRS 102 and the Statement of Recommended Practice (SORP) – Accounting for Further and Higher Education 2015 with one presentation exception which is the disclosure of deferred State Capital Grants in reserves rather than within creditors as recommended by the SORP. This presentation of the Annual Financial Statements was approved by the HEA in accordance with Section 39(i) of the Universities Act 1997.

1. Review of the year

The final outcome for the year indicates a surplus of €0.542m, which compares to a small surplus of €0.035m in the previous year. Total income at €138m is up €11.2m on the previous year (before accounting for deferred pension funding). Of that €11.2m, €6m relates to an increase in student fees, €2.7m relates to the state grant and €2.5m relates to research income. Deferred pension funding of €25.8m is up €1.2m on the previous year. Total expenditure at €163.8m is up €12.1m on the previous year. When deferred pension costs are excluded, the increase is €10.8m. This is largely attributable to the increase of €7.3m in staff costs primarily driven by an increase in staff numbers (up 45 over the previous year) and pay restoration, an increase in research activity of €2.5m and an increase in depreciation of €0.9m. Figure 1 below compares the income for 2017/18 to 2016/17 and Figure 2 compares the expenditure for 2017/18 to 2016/17.

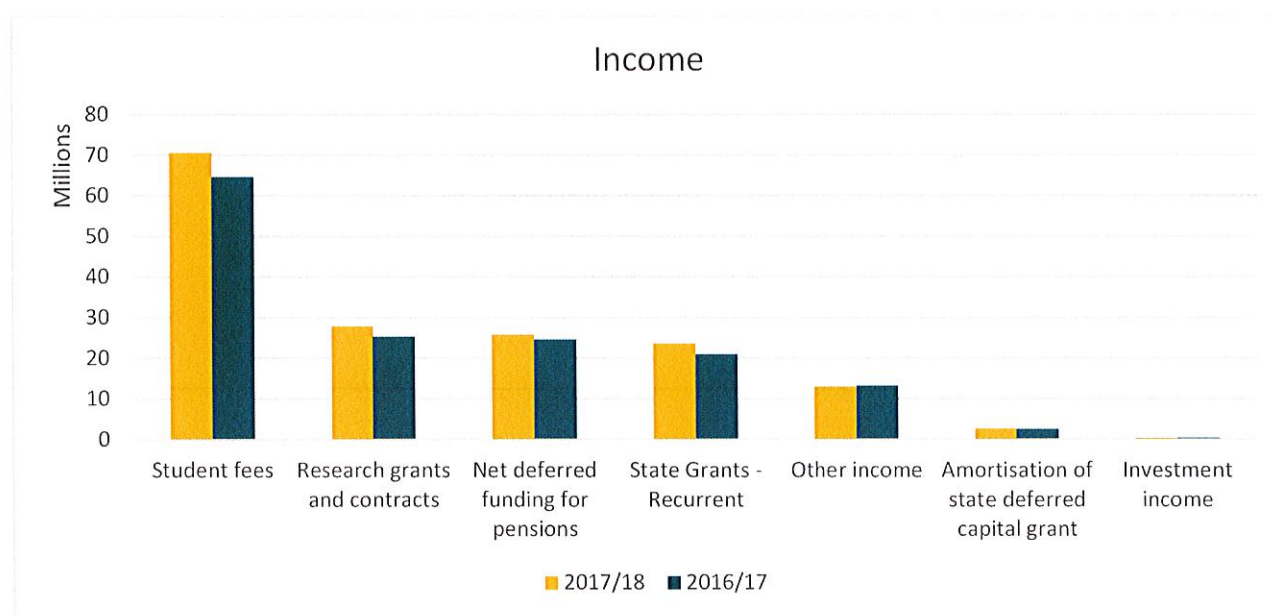


Fig 1. Comparison of income from 2016/17 to 2017/18

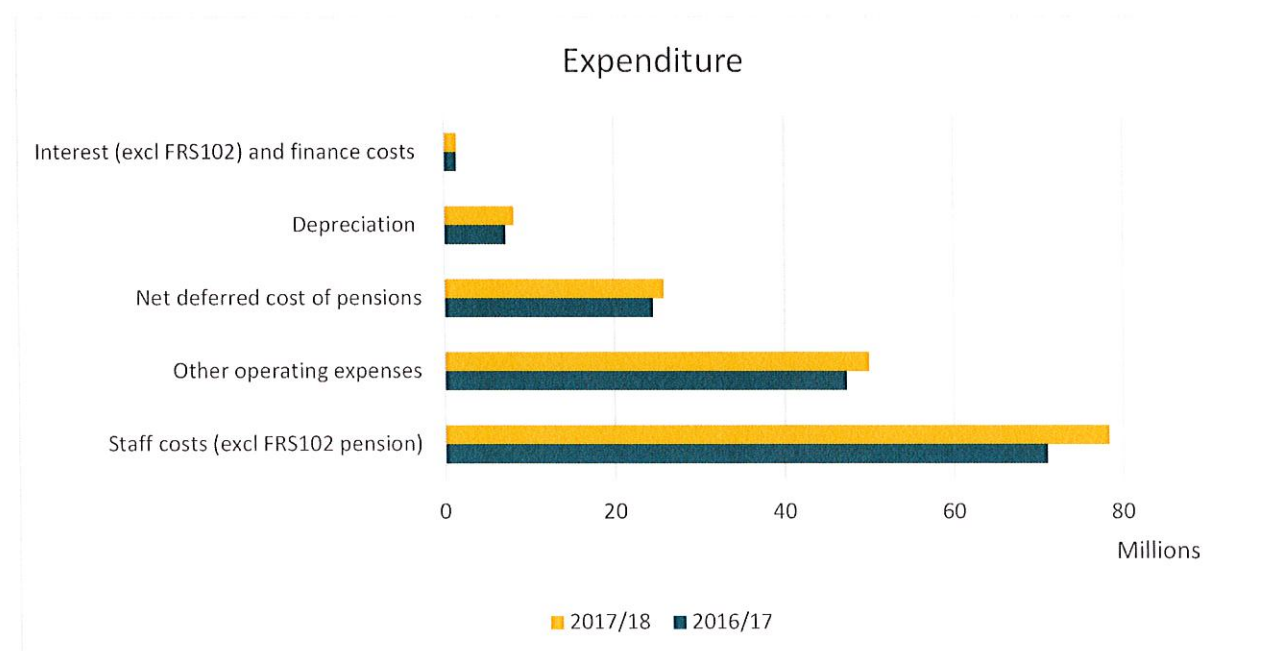


Fig 2. Comparison of expenditure from 2016/17 to 2017/18

Report of the Bursar (continued)

Student fees are the dominant income source for universities, with fees accounting for 43% of income in the year (2017: 43%). Student fee income increased by €6m to €70.6m representing a 9.4% increase over the previous year. Undergraduate fees accounted for €57m (2017: €52.6m) whilst postgraduate fees accounted for €10.1m (2017: €9.3m). In 2017/18, €43.9m was paid directly to the university on behalf of students by parties other than the Higher Education Authority. The State paid €26.7m of student fees on behalf of students, which is up from €24.8m in 2016/17. Also, €12m was received through *Student Universal Support Ireland*, this is up €0.4m on the previous year. Of the €39.8m paid by or on behalf of students, non-EU students paid €4.5m (2017: €4.2m). The individual EU student contribution remained at €3,000. The “free fees” element of student fees paid through the Higher Education Authority increased by €1.9m from €24.8m for the previous year as a result of increased student numbers. Both student fee income and State grant income are largely driven by student numbers. Figure 2 below compares total student fees, undergraduate student numbers and postgraduate student numbers for 2017/18 to 2016/17.

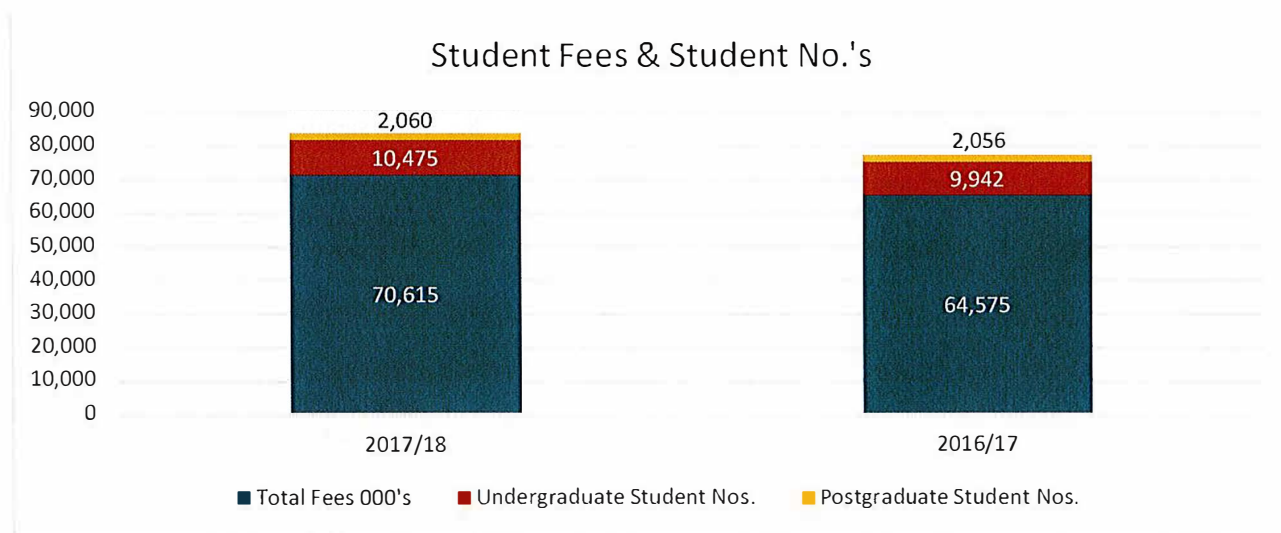


Fig 2. Comparison of student fees and student numbers 2016/17 to 2017/2018

Other income has remained consistent at €13m.

Income from research grants and projects showed an increase of €2.5m or 10% over the previous year of which €2m arises from the inclusion of a full cycle of Irish Research e-Library (IReL). Total IReL expenditure in the year contributed €13.8m (2017: €11.8m). State agency support (excluding IReL) has decreased marginally by €0.4m to €8.5m (2017: €8.9m). EU funding increased by 31% to €2.9m (2017: €2.2m). Research income from industry of €0.3m is consistent year on year. The university's citations remain strong. I indicated in my Bursar's Report last year that the university was demonstrating its commitment to research by the establishment of four research institutes and the appointment of senior researchers to lead those institutes. During the year under review, further staff have been hired into the research institutes including four Professor level appointments in the Hamilton Institute.

There are signs that these investments are paying dividends. In the last quarter of 2018 alone, two European Research Council Consolidator grants awards of €2m each were secured (Professor Kath Brown and Professor Damien Woods). In addition, Dr Joanne Masterson received a Science Foundation Ireland funded President of Ireland Award of €1.6m and Dr Gerard McCarthy received a Marine Institute and ERDF funded oceanography award of €2m. It is also noteworthy that Dr Karen English of the Department of Biology was named Irish Research Council Early Career Researcher of the Year. The university looks forward to continued success in the years ahead.

Report of the Bursar (continued)

Recurrent expenditure for the year amounted to €163.8m (€138m excluding deferred pension costs), a €12.1m or 8% increase year on year. Staff costs were €94.8m and are up by €5.8m or 6.5% over 2016/17. The increased costs relate primarily to an additional €7.3m in pay costs driven by additional staff (45) and pay restorations, offset by a reduction of €1.5m in the cost of pensions under FRS102. Non-pay costs increased by €2.7m or 5.7% compared to 2016/17. Table 1 below outlines the main movements in non-pay costs. Non-pay costs represent 31% of recurrent expenditure (2017: 31%). This increase comprises an additional €2m expenditure on Research E-Library Journals reflecting the first full cycle of costs in the university, €0.9m in other expenses and charges, primarily related to increase in student courses, student assistance and recruitment.

	2017/18	2016/17	Variance	Percentage	Explanation
	€'000	€'000	€'000		
Travel & Subsistence	2,635	2,439	196	8%	Increased accommodation costs for international students at summer school held in Maynooth
Hospitality & Entertainment	145	134	11	8%	Not significant
Consumables	3,460	3,810	(350)	(9%)	Reduction due to completion of funded projects in 2016/17
Repairs & General Maintenance	3,832	3,702	130	4%	Extensive refurbishments in current year
Utilities	2,171	2,093	78	4%	Not significant
Cleaning	1,214	1,465	(251)	(17%)	Prior year once-off additional cost of apartments deep clean together with new buildings opened in year
Research Library e-Journals	13,926	11,887	2,039	17%	First full year cycle of trading within Maynooth University
Books & Periodicals	1,443	1,358	85	6%	Not significant
Audit, Professional & Consulting	3,063	3,453	(390)	(11%)	Additional costs in prior year related to IT design and consultancy
Rent, Rates & Insurance	2,324	2,220	104	5%	Increase in insurance costs
Capitation	1,687	1,833	(146)	(8%)	Adjustment due to move to a multi-annual capitation flat rate offset by additional NUI capitation
Scholarships	5,676	6,121	(445)	(7%)	Reduction in Erasmus payments, previous program ended in 2016/17
Equipment	2,793	2,509	284	11%	Purchase of computer software and licence renewals
Other Employee Related Expenses	655	490	165	34%	Conference fees and 20 th Anniversary costs
Recruitment Cost	138	241	(103)	(43%)	International academic recruitment in prior year
Advertising & PR	1,279	901	378	42%	In line with increased international and graduate students campaign activity
Other Expenses & Charges	3,599	2,682	917	34%	Increase in student course fees, student assistance, recruitment, and research partnering activity
Total	50,040	47,338	2,702		

Table 1: Movements in Non-Pay costs 2016/17 vs 2017/18

Report of the Bursar (continued)

Capital expenditure during the year amounted to €6.7m, with €4.3m invested in new buildings and €2.4m on capital equipment (including research capital equipment). The €4.3m additions related to a number of projects including €1m for Phase 1 and 2 of the Science, Technology and Innovation Centre. Note 25 sets out the capital commitments at the year-end. Capital commitments contracted for at 30th September 2018 amounted to €0.7m (2017: €0.5m) and none of this amount is being funded by capital grants from the State. Authorised commitments at 30th September 2018 totalled €45.3m, which reflects our commitment to invest in campus infrastructure over the coming years. These include €23.4m for Science, Technology and Innovation Centre, €14.8m for the new Student Centre and €5.7m for sports facilities.

Cash and cash equivalents held at 30th September 2018 are €73.3m, up by €4.4m on the same date last year. The Statement of Cash Flow, on page 26, explains the movement which in summary arises from a net cash inflow from operating activities of €9.5m (2017: €9.6m) offset by the funding of capital projects of €2.7m (2017: €7.4m), interest paid of €1.5m (2017: €1.5m) and repayment of the EIB loan of €0.9m (2017: Nil). Included in the year end cash balances is an amount of €44.3m relating to the EIB loan. These funds will be spent on authorised capital projects as outlined above.

The overall level of debtors and prepayments has decreased by €3m to €13.8m from €16.8m in the previous year. This decrease is largely accounted for by a decrease of €2.8m in other receivables, which relates to €1.5m for IReL and €1m accrued income from a donation, both received during the year. The increase in state recurrent grant receivable of €1.4m is offset by the decrease in the state capital grant receivable of €1.2m. The full movements and explanations are outlined in Table 2 below.

	2017/18 €'000	2016/17 €'000	Variance €'000	Percentage	Explanation
Projects Receivable	3,128	2,983	145	5%	Increase in completed projects that are pending payments
Accounts Receivable	2,687	2,722	(35)	(1%)	No material variance
Prepayments	5,384	5,660	(276)	(5%)	Prior year once off specific invoices
Staff House Loans	14	32	(18)	(56%)	Not significant
Other Debtors	469	3,265	(2,796)	(86%)	Prior year included IReL debtor of €1.5m and accrued income from a donation of €1m
State Capital Grant	300	1,520	(1,220)	(80%)	Balance due for capital funding from HEA for the ICT Building
Academic Fees Receivable	377	626	(249)	(40%)	Increase in debtor due to student numbers offset by increase in bad debt provision
State Grant Due	1,424	-	1,424	100%	HEA core grant due-timing of receipts
Total	13,783	16,808	(3,025)		

Table 2: Debtors and prepayments as at 30.9.2018 vs 30.9.2017

Report of the Bursar (continued)

The overall level of creditors and accruals has increased by €2.2m to €51.9m (2017: €49.7m). This increase is largely accounted for by €1.6m in deferred income and €1.2m in the EIB loan repayable within one year. The full movements and explanations are outlined in Table 3 below.

	2017/18 €'000	2016/17 €'000	Variance €'000	Percentage	Explanation
Research Grants & Projects unexpended	12,636	13,739	(1,103)	(8%)	€1.2m of research equipment grant received in advance in prior year
Net Pension Liability	3,380	4,364	(1,208)	(23%)	Continued reduction in pension control accounts as pensions in payment greater than EE and ER contributions
Deferred Income	7,269	5,721	1,548	27%	Funding received in advance for specific projects
Academic Fees received in advance	15,019	14,446	573	4%	In line with increased student numbers
Trade Creditors	3,782	3,491	291	8%	Increase in capital creditors, architects and contractor fees
Accruals	4,468	3,961	507	13%	€0.8m increase in Accounts Payable accrual offset by decrease in EIB interest accrual of €0.3m
Unsecured Loans	1,897	625	1,272	204%	EIB loan repayments-capital repayments on tranche two and three due in 2018/19
State Grant in Advance	-	665	(665)	(100%)	Timing of HEA cash receipts
Other Creditors	617	534	83	16%	Not significant
Other tax and social security	2,840	2,137	703	33%	€0.3m in withholding tax due to architects fees, VAT €0.2m for IReL and €0.2m payroll taxes
Total	51,908	49,683	2,225		

Table 3: Creditors and Accruals as at 30.9.2018 vs 30.9.2017

2. Pensions

On 31st December 2009, the assets of the Maynooth University Pension Plan transferred to the National Pension Reserve Fund. On the basis that the Oireachtas will make good any deficiency arising to meet the university's obligations to pay pension benefits of the Closed Scheme and that future pension liabilities of the Model Scheme and the Single Scheme are funded on a pay-as-you-go basis through monies provided to the university by the Higher Education Authority for that purpose, I have recommended to the Governing Authority that an asset equal to our pension liabilities as calculated for FRS102 reporting purposes should be included in the consolidated statement of financial position as at 30th September 2018. The overall pension liability is €479m (2017: €445m). Of this amount, €99.2m (2017: €83.1m) is attributable to the Model Scheme and €6.5m (2017: €4.2m) is attributable to the Single Scheme. The Model Scheme was established as a pay-as-you-go scheme on the instructions of the Higher Education Authority. The instruction was circulated by letter to five universities with funded pension schemes on 29th November 2004. The correspondence does not specifically guarantee the payment of pensions independent of university funding to be received in future years. However, it is my belief that the normal superannuation accounting for public bodies effectively provides a guarantee. The Single Scheme is the only pension scheme for new staff (new to the public service) as and from 1st January 2013. This scheme is sometimes referred to as the Career-Average Scheme. Correspondence received from the HEA, dated 31st August 2016, has indicated that the Single Scheme will be deemed to be a pay-as-you-go scheme with no Employer Contribution for core-funded staff. To be consistent with the treatment of the other two pension schemes, the university treats the Single Scheme as a funded scheme for the purpose of recognition of pension assets and liabilities. The accounting treatment I have recommended reflects the actual and de-facto State guarantees that exists for the pension liabilities existing at Maynooth University on the 30th September 2018. Further details are provided under Note 21 (pages 42 - 45). Readers of these accounts will notice that the university's auditors have drawn attention to this treatment without qualifying their opinion (pages 20 - 22).

Report of the Bursar (continued)

3. Future

Maynooth University introduced a new curriculum for a new age designed to better prepare graduates for the world of work and for life during 2016/17. The university also established four focused Research Institutes linked to the teaching mission of the university. An ambitious campus development programme is underway and the university is funding a new strategic plan. The Maynooth University Strategic Plan 2018-22 affirms the university as “a public university dedicated to people, ideas and culture” and “central to innovation, economic growth, social development and cultural vibrancy, and is essential to free, open, equal, democratic and sustainable society”. The plan includes clear strategic goals and the actions to achieve them under 13 key headings. The plan envisages continued growth in student numbers particularly postgraduate and research numbers building on the success of our undergraduate growth over the last ten years. Of the 21,000 extra students in the Irish University System over the past ten years, almost one in four is studying at Maynooth University. Ambitious plans are in place for further growth to 2030. The alternative to Maynooth University growing further is to deny access to university for many students. This is not in the national interest.

A new departure for the university agreed this year was to partner with Fuzhou University in the establishment of an International Engineering College to offer degree awards in Engineering and Computer Science in China. It is expected to add 1,200 students over the next four years with an initial intake of 300 undergraduates in September 2019. This augurs well for the future.


During the year, the university applied for and was awarded the Athena Swan Bronze Award which demonstrates the commitment of the university to gender equality. My congratulations to all concerned. The university looks forward to achieving silver and possible gold awards in the years ahead.


Maynooth University is aware of the rising cost of tertiary education in Ireland and the challenges this presents to families and students – both in terms of cost of access and the career returns from lifelong earnings. During the year under review, Maynooth University was the first university, and so far, the only university, to sign up to a voluntary cap of 4% in terms of increases in rent for university owned student accommodation year on year. If this initiative can provide access to education for even one marginalised student, it will have been worthwhile.

4. Conclusion

The university again managed its affairs well in 2017/18. We continue to manage our cost base in these difficult financial times. I acknowledge some small improvements in public funding for higher education but much more needs to be done. Readers can be assured that the university remains focused on its core teaching and research activities, academic standards, the quality of the student experience and the implementation of its new Strategic Plan 2018-22.

I wish to thank the staff in my office for their efforts in completing these Financial Statements in such a timely manner. I feel a great sense of pride in my staff and I am astonished by their efforts over the past four months in particular.


Dr Mike O'Malley
Bursar


Date

Statement of Responsibilities

The university is required to comply with the *Universities Act 1997*, and to keep in such form as may be approved of by An tÚdarás Um Ard-Oideachas, all proper and usual accounts of money received and expended by it. In preparing those Accounts, the university is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless that basis is inappropriate and
- follow applicable accounting standards, subject to any material departures being disclosed and explained in the Financial Statements.

The university is responsible for keeping adequate accounting records 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*, FRS102 and the related Statement of Recommended Practice (generally accepted accounting statements in Ireland and the UK). The university is also 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.

Signed on behalf of the Governing Authority on 11th April 2019.



Professor Philip Nolan
President



Dr Mike O'Malley
Bursar

Statement of Governance

1. Governance

Maynooth University is committed to operating best practice in all aspects of corporate governance. This summary describes the manner in which the university has applied the principles set out in the “*Governance of Irish Universities 2019*” (the 2019 code) document agreed between the Irish Universities Association and the Higher Education Authority and adopted by the Governing Authority of Maynooth University in February 2019. This 2019 code brings the reporting on governance and internal control within universities into line with the State Bodies Code 2016 to the maximum extent possible. The purpose of this Statement of Governance is to help the reader of the Financial Statements to better understand how the principles have been applied and to obtain a clearer understanding of the governance and legal structure of the university.

2. Budget Setting

The university operates a devolved budget control system where budgets for recurrent and capital purposes are given to individual budget holders who are expected to operate and deliver within that budget. Regular analysis of under and over spending is carried out. During the year, two new Business Partner positions were filled. One of the primary functions of the role is the review of actual income and expenditure against budget in both academic and non-academic departments. Any material variances are communicated to the Bursar. These are then brought to the attention of the University Executive and governance structures of the university by the Bursar as appropriate. Whereas overspending on certain budget headings has occurred, active management of the situation has led to savings in other areas to match the overruns.

Budgets are prepared using systems data extracted by the Bursar’s Office and assumptions made. A working budget is adopted by the Governing Authority, usually in September before the commencement of the financial year. This working budget is then updated following the outcome of the Higher Education Authority Annual Recurrent Grant distribution process. A revised budget is presented to Governing Authority in February or April each year. The Bursar updates the Governing Authority on material variances from the budget at other meetings. Prior to the year-end, an estimated outturn versus the budget is presented.

3. True and Fair View

The Governing Authority acknowledged that it is responsible for the preparation of the Annual Report in the format of Consolidated Financial Statements. The Governing Authority confirms that they consider that the Consolidated Financial Statements give a true and fair view of the university’s financial performance and its financial position as at the balance sheet date, 30th September, 2018.

4. Review of Governing Authority Performance

A formal external review of the Governing Authority and its performance (including the performance of Committees of the Governing Authority) was commissioned from Crowe (formerly Crowe Horwath) in February 2018. The final report was accepted by the Governing Authority in December 2018. In its overall assessment of the Governing Authority, the consultants find “nothing to indicate the Governing Authority is substantially deficient in the execution of any of the statutory functions. Moreover, the Governing Authority is well run and effectively managed”. The Governing Authority is now actively following up on the recommendations from the consultants.

5. Governing Authority

The Maynooth University Governing Authority is the main governance and decision-making entity within the university. Under the *Universities Act 1997* “the functions of a university shall be performed by, or on the direction of its governing authority” and “all acts and things done by a governing authority, or in the name of or on behalf of the university with the express or implied authority of the governing authority, shall be deemed to have been done by the university”. The Governing Authority is responsible for and is satisfied that the university is in compliance with statutory obligations applicable to the university that may be set out in legislation governing the establishment of the university or in other relevant legislation.

The membership of the fifth Governing Authority of Maynooth University is made up of 31 members and is as representative as possible consistent with the provisions of the *Universities Act 1997*. There is an independent Chairperson. Baroness Nuala O’Loan was elected Chairperson at the meeting of Governing Authority held in November 2015.

Half of the membership is drawn from outside of the university (lay membership) and half is drawn from the university. The decisions of the Governing Authority are published on the university’s website www.maynoothuniversity.ie. Under Section 34 of the *Universities Act 1997*, the Governing Authority shall approve the strategic plan of the university and ensure a copy of the strategic plan is sent to the Minister for Education and Skills and to the Higher Education Authority. A Strategic Plan covering the period 2018 to 2022 was presented by the President and was approved by the Governing

Statement of Governance (continued)

Authority for publication in June 2018. The Plan was formally launched by the Minister of State for Higher Education in October 2018. The title of the plan is “*Maynooth University Strategic Plan 2018 – 2022*” and it can be accessed at www.maynoothuniversity.ie or is available by request to Governing.Authority@mu.ie.

Maynooth University operates in accordance with the *Universities Act 1997* and the meetings of the Governing Authority are held in accordance with agreed Standing Orders. University Statutes were first adopted in 2000 and amended in 2006. Formally, the Governing Authority is responsible for the adoption of the university’s Strategic Plan, policies in relation to quality, policies in relation to equality, the systems of internal control, the fees to be charged to students, the approval of budgets and the adoption of Annual Financial Statements. It monitors the university by receiving a report for the President at each meeting in which the President outlines all significant happenings in the university and how the university is handling various issues. Separate papers are brought to the Governing Authority where actual decisions are requested of the Governing Authority. A schedule of decisions reserved for the Governing Authority has been agreed and includes all decisions leading to commitment of €500,000 or greater, which must be approved by the Governing Authority.

The university Bursar and Secretary acts as Secretary of the Governing Authority.

The Governing Authority has established six standing Committees with written terms of reference and specified membership including independent members. The Audit and Risk Assessment Committee is discussed under 6 below. The other five Committees are detailed here.

The Maynooth University **Finance, Human Resources and Development Committee** has oversight responsibilities in the areas of operational planning and budgeting, fee structure, procurement, asset management, campus development, human resources and the judicious use of the university seal. The Committee met on five occasions during the year. The Committee is chaired by the President and the Bursar acts as Secretary to the Committee.

The **Remuneration Committee** is required to meet when the President has a proposal for an approved departure from approved pay scales. The Remuneration Committee is chaired by Baroness Nuala O’Loan. The Committee did not meet during the year.

The **Quality Committee** met on six occasions during the year. The Committee is chaired by Ms Paula Murray, an administrative staff representative on the Governing Authority and the Secretary is Ms Siobhán Harkin, Director of Quality. The Quality Committee has an oversight role in relation to the discharge of the university’s obligations for internal and external quality assurance and quality enhancement. This is a joint Committee with Academic Council.

The **Equality, Diversity and Interculturalism Committee** has oversight responsibilities in the areas of gender equality, other causes of inequality, counter-acting sources of discrimination, cultural issues and the issues surrounding staff and student diversity. It is chaired by Dr Seamus Taylor and the university Equality Officer acts as Secretary to the Committee. The Committee met six times during the year. This is a joint Committee with Academic Council.

Coiste na Gaeilge na hOllscoile met on four occasions during the year. The Coiste has oversight of the policies and procedures in place to promote the use of the Irish language on campus. It is chaired by An tOllamh Seán Ó Riain, and the Secretary is Orla Bradshaw, Oifigeach na Gaeilge. This is a joint Committee with Academic Council.

6. Audit and Risk Assessment Committee meetings

The Maynooth University Audit and Risk Assessment Committee met on five occasions during the year. It considers detailed reports together with recommendations for the improvement of the university’s systems of internal control and management’s responses and implementation plans. The Committee reports directly to the Governing Authority and has the authority to call for any information from the Bursar’s Office, the University Executive members, from internal and external auditors and others whom it considers necessary to discharge its responsibilities effectively.

The Bursar is not a member of the Committee. Whilst other members of the University Executive may attend meetings of the Committee from time to time by invitation, they are not members of the Committee. Once a year, the Committee meets both the external auditors and internal auditors on their own for independent discussions about their audit work and any matters the auditors choose to raise in the absence of management personnel. During 2017/18, the Committee met with a senior representative from the Office of the Comptroller and Auditor General on one occasion. Table 1 below shows the attendance of members of the Committee at meetings.

Statement of Governance (continued)

Audit and Risk Assessment Committee Member	Number of Meetings Eligible to Attend	Number of Meetings Attended	Percentage Attendance
Mr Richard George (Chairperson) Resigned in June 2018	4	4	100%
Mr Peter Cassells (was ill)	5	2	40%
Ms Maura Moore	5	5	100%
Ms Christine Moran	5	5	100%
Mr Michael Smyth	5	4	80%
Professor Marian Lyons (joined in February 2018)	3	3	100%

Table 1. Attendance of members of the Audit and Risk Assessment Committee at meetings during 2017/18

7. Chairperson, Deputy Chairperson and President

Baroness Nuala O’Loan is the Chairperson of the Governing Authority. Mr Peter Cassells is the Deputy Chairperson of the Governing Authority. Professor Philip Nolan is the President of the university.

The Maynooth University Academic Council is the academic authority of the university and draws its membership entirely from the academic staff, students and academic support services staff of the university. Its role is to oversee the teaching and research work of the university. The Academic Council met on six occasions during the year.

The principal academic and administrative officer of the university is the President. The President has a responsibility to the Governing Authority for maintaining the efficiency and good order of the university, including financial management which is prescribed under various sections of the *Universities Act 1997 - 2006*. The President can be summoned to appear before the Public Accounts Committee or other Committees of the Houses of the Oireachtas. Professor Philip Nolan took up office in August 2011 for a ten-year period. The President is supported by a University Executive team. The members of the University Executive during the year are set out in Table 2 below:

Professor Philip Nolan	President
Professor Aidan Mulkeen	Vice-President Academic, Registrar and Deputy President
Professor Ray O’Neill	Vice-President for Research and Innovation
Dr Mark Maguire	Dean of Social Sciences
Professor Maria Pramaggiore	Dean of Graduate Studies
Professor Brian Donnellan	Dean of International Affairs
Professor Fiona Lyddy	Dean of Science and Engineering
Professor Victor Lazzarini	Dean of Arts, Celtic Studies and Philosophy
Dr Alison Hood	Dean of Teaching and Learning
Ms Rosaleen McCarthy	Director of Human Resources
Dr Mike O’Malley	Bursar and Secretary
Mr Chris Hyland	Chief Information and Innovation Officer
Ms Elizabeth Dunne	Vice-President Estates and Capital Development

Table 2. Members of University Executive 2017/18

The University Executive meets on a regular basis and receives reports on key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms which are embedded within operational units (including faculties and departments). During 2017/18, the University Executive met on 35 occasions.

Statement of Governance (continued)

8. Meetings and attendance at Governing Authority

The Governing Authority met on six occasions during the year. The full membership of the Governing Authority and their attendance record at meetings during the year is set out in Table 3 below.

	Governing Authority Member	Number of Meetings Eligible to Attend	Number of Meetings Attended	Percentage Attendance
Chairperson (1)	Baroness Nuala O'Loan	6	6	100%
Ex Officio (3)	Professor Philip Nolan Professor Aidan Mulkeen Dr Mike O'Malley	6 6 6	5 6 6	83% 100% 100%
Members of academic staff who are Professors or Associate Professors (2)	Professor Chris Morris Professor Sharon Todd	6 6	6 6	100% 100%
Permanent or full-time members of academic staff other than Professors or Associate Professors (4)	Mr Séamus Taylor Dr Una Crowley Dr Jeneen Naji Dr Anthony Malone	6 6 6 6	6 5 6 6	100% 83% 100% 100%
Permanent or full-time employees of the university who are not academic staff (2)	Mr James Cotter Ms Paula Murray	6 6	6 6	100% 100%
Elected officers of the Students' Union (3)	Mr Leon Diop Ms Niamh Halpenny Ms Aoife Fennell Ms Kim Lockyer ¹ Ms Katie Deegan ²	6 5 5 1 1	6 5 5 1 1	100% 100% 100% 100% 100%
Postgraduate student (1)	Mr Kilian Brennan	5	1	20%
IBEC nominee (1)	Ms Christine Moran	6	4	67%
ICTU nominee (1)	Ms Sheila Nunan	6	3	50%
Nominees of the Trustees of St Patrick's College (3)	Rev Professor Michael Mullaney Monsignor Jim Cassin Dr Marie Griffin	6 6 6	6 5 4	100% 83% 67%
Graduates of the university (2)	Ms Maura Moore Mr Michael Smyth	6 6	5 6	83% 100%
Nominees of NUI Senate (2)	Professor Mary Corcoran on Sabbatical Leave for Sept 2018 Professor Martin Curley	5 6	5 5	100% 83%
Minister's nominees (2) ³	Vacant Vacant			
Other external members (4)	Mr Peter Cassells Mr Richard George (Resigned in June 2018) Mr Eugene Magee Ms Madeleine Mulrennan	6 5 6 6	5 5 4 6	83% 83% 67% 100%

Table 3. Membership and attendees at Governing Authority meetings for 2017/18.

¹ Ms Kim Lockyer replaced Ms Aoife Fennell

² Ms Katie Deegan replaced Ms Niamh Halpenny

³ The Minister's Nominees are still outstanding

Statement of Governance (continued)

9. Processes to Identify Organisational Risks and to Evaluate their Financial Implications

A formal process is undertaken on a regular basis to identify, evaluate and mitigate risks. The risk register is updated following wide consultation in the university. Matters raised by the university community are collated by a sub-committee of the University Executive and a primary risk register and summary risk register are presented to the Governing Authority. The process leading to the final document is reviewed by the Audit and Risk Assessment Committee. The Secretary is the custodian of the risk register and monitors movements throughout the year. Any significant change in risk weighting is brought to the attention of the University Executive, the Audit and Risk Assessment Committee and the Governing Authority. Procedures exist for the evaluation of the financial implications of risk in significant business decisions. These include examining alternatives (including doing nothing), consideration of management of the project initiatives, gathering intelligence of the business partners involved, challenging the projections and recording and monitoring income and expenditure. The university is currently examining its risk management policy.

A number of audits into the control of research expenditure have been carried out at the behest of the funding agencies. A register of such audits is presented to the Audit and Risk Assessment Committee at intervals for review and any management letters received are presented to the Audit and Risk Assessment Committee for consideration.

University Executive meetings, chaired by the President, are held to address ongoing issues and the implementation of objectives agreed with the Governing Authority. Control issues emerging are addressed at these meetings. The meetings are minuted and the minutes are available to the Audit and Risk Assessment Committee, Internal Auditors and the Comptroller & Auditor General.

Quality is of primary importance to the university and responsibility for this function is held by the Director of Strategy & Quality. Academic Departments are externally reviewed on a cyclical basis, normally on a seven-year cycle. Administration and support units follow a similar cycle. Findings are brought to the attention of the President. They also feed into the annual budget setting process if required.

10. Value for Money

Maynooth University has to the best of its knowledge and belief followed the guidelines in achieving value for money in public expenditure as set out in the Department of Public Expenditure and Reform Public Spending Code.

11. Review of the Statement on the System of Internal Controls (Comptroller and Auditor General)

We confirm that the Statements on the System of Internal Controls was reviewed by the Comptroller and Auditor General and addressed in his report for presentation to the Houses of the Oireachtas.

12. Unaudited Financial Statements

We confirm that the draft unaudited Financial Statements were submitted to the Comptroller and Auditor General for audit in December 2018.

13. Publication

We confirm that Maynooth University submits the final agreed audited Financial Statements to the Department of Education and Skills within one month of completion for laying before the Houses of the Oireachtas. In addition, we confirm that Maynooth University publishes the Financial Statements on its own website within one month of completion of the audit.

14. Submission to the HEA

We confirm that the Annual Financial Statements are submitted to the HEA within one month of completion.

15. Fees and Expenses

We confirm that fees and/or expenses paid to members of the Governing Authority are in accordance with the guidelines from the Department of Finance and are presented in the university's Annual Report. The Chairperson receives remuneration of €20,500 per annum in accordance with Section 17(5) of the *Universities Act 1997* and a decision of the Governing Authority taken at its meeting held in November 2015. This is the amount approved by the Department of Public Expenditure and Reform. No expenses were paid to external members during the year in connection with the business of the Governing Authority.

The salary paid to the Chief Officer for 2017/18 was €184,096 in accordance with a letter of sanction received in February 2011.

Statement of Governance (continued)

16. Consultants

A full analysis of consultants costs is set out under Note 11, “Analysis of Total Expenditure” on page 35 of the Financial Statements. The total amount paid was €2.5m down from €3.1m in the previous year. In addition, €2.1m was capitalised during the year (2017: €162k).

17. Employee Benefits

A full analysis of staff costs and staff numbers is set out under Note 9 ‘Staff Costs’ on page 34 of the Financial Statements.

The Governing Authority confirms that the university and its subsidiary companies comply with public pay guidelines and the Framework for Departures from Approved Levels of Remuneration agreed with the Higher Education Authority under Section 25 of the *Universities Act 1997*. The university was fully compliant with the public sector pay ceiling of €200k during the year. In relation to researcher salary scales, the university acknowledges that no Section 25 approved pay scales exist. The University Executive has implemented a set of scales consistent with the ministerial approved academic scales and the sectorally agreed (seven universities) Irish Universities Association scales for researchers. These scales are used in budget-setting in research proposals and, on award of research funding, these scales are used to recruit and pay researchers. State research funding agencies such as the Higher Education Authority and Science Foundation Ireland recognise these scales for budget purposes. A small number of administrative staff receive remuneration for teaching over and above their public salary. The teaching is carried out in the evenings or worked back where it takes place during the day. The HEA approved these payments in November 2017.

18. Key Management Compensation

A full analysis of key management personnel having responsibility for planning, directing and controlling the activities of the university is included under Note 9 ‘Staff Costs’ on page 34 of the Financial Statements.

19. Termination/ Severance payments and agreements

No severance payments have been made without the consent of the Department of Education and Skills.

20. Travel and Subsistence

The total costs incurred by the university for travel and subsistence is set out under Note 11 ‘Analysis of Total Expenditure by Activity’ on page 35 of the Financial Statements.

21. Hospitality and Entertainment

The total costs incurred by the university for hospitality and entertainment expenses is included under Note 11 ‘Analysis of Total Expenditure by Activity’ on page 35 of the Financial Statements.

22. Legal Costs

The total costs incurred by the university for legal costs is included under Note 11 “Analysis of Total Expenditure by Activity” on page 35 of the Financial Statements.

Statement on the System of Internal Controls

1. Governing Authority responsibility for the System of Internal Controls

The Governing Authority acknowledges its responsibility for the university's system of internal controls; covering all material controls including financial, operational and compliance controls and risk management systems, that support the achievement of the university's policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Authority is responsible.

2. Reasonable Assurance against material loss

The systems of internal control manages rather than eliminates the risk of failure to achieve policies, aims and objectives or to conduct affairs in an orderly and legitimate manner. To that extent it can, therefore, only provide reasonable and not absolute assurance of effectiveness.

3. Key Control Procedures

(i) Review of the Effectiveness of the System of Internal Controls

The Governing Authority has undertaken a review of the effectiveness of the system of internal controls. The Governing Authority review of the effectiveness of the system of internal controls is informed by the university's internal auditors in conjunction with the work of senior officers and other assurance functions.

The internal auditors submit regular reports, which include an independent opinion on the adequacy and effectiveness of the university's system of internal controls, with recommendations for improvement. The Governing Authority review of the effectiveness of the system of internal controls is also informed by the work of the University Executive within the university, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports. As a result of the overall review of the effectiveness of the system of internal controls, the Governing Authority, external audit, internal audit and the University Executive have identified no material weaknesses. The Governing Authority formally approved the review of internal controls on 26th April 2018 and 11th April 2019.

The key information systems in use at the university are the Student Records System, the General Ledger and Payments System, the Payroll System, the HR System, the funded Grants Applications System, the e-Learning System, the Library System, Email and the Financial Reporting System. These systems are managed by IT Services.

The following processes have been established by the Governing Authority for reviewing and evaluating the effectiveness of the system of internal controls:

- The Audit and Risk Assessment Committee has been established with terms of reference and an Audit Charter consistent with the governance guidelines laid down in Governance of Irish Universities 2019.
- During the year under review and up to the date of approving the Statement on the System of Internal Controls, the independent internal auditors, Mazars have presented the following reports to the Audit and Risk Assessment Committee:
 - *Disaster Recovery Audit Report (October 2017, February 2018 and April 2018)*
 - *Capital Projects – Project Management (April 2018)*
 - *Recruitment and Employment Contracts (February 2019)*
 - *High Level Review of Key Internal Financial Controls 2016-17 (February 2018 and April 2018)*
 - *High Level Review of Key Internal Financial Controls 2017-18 (February 2019)*
 - *Procurement and Asset Management (September 2018)*
- Mazars and the Audit and Risk Assessment Committee have both expressed themselves satisfied with management responses and action plans, if implemented, to address all the risk areas identified. Management have confirmed that work is completed or ongoing in all areas in line with the documented management responses.
- The Comptroller and Auditor General completed the external audit of the Consolidated Financial Statements for 2016/17 in April 2018. A 'management letter' was received by the university in May 2018 on completion of the audit for 2016/17. No material misstatement, error or fraud was reported. A number of internal control findings were made including three which were classified as 'high' and required the Audit and Risk Assessment Committee to bring them to the attention of the Governing Authority. The report was presented to the Audit and Risk Assessment Committee during 2018. The Auditors and Committee expressed themselves satisfied with the management response and actions to address the weaknesses identified. Management have confirmed work is either completed or ongoing in relation to the findings.

Statement on the System of Internal Controls (continued)

The first 'high' level finding was the absence of a purchase order approval system. Management have confirmed to the Governing Authority, that following the completion of a successful pilot project, a Project Initiation Document was agreed by University Executive in January 2019 and plans have been put in place to roll-out Purchase Order Processing before the end of 2019. The second finding was the controls exercised in the calculation of student number returns to the HEA. The Bursar's Office tightened up on the student free fees claim and the controls around it. The Office of the Comptroller and Auditor General confirmed their satisfaction with the most recent return during the 2017/18 audit. The third finding was in relation to the university's IT Security policy. In February 2019, interviews were held for the post 'IT Security Officer' and an offer of employment has been made. The Governing Authority acknowledges that the entire span of activities in our IT Services department needs significant investment. This weakness in our IT Services systems and supports is outlined in point 6 "Weaknesses in Internal Control" section below.

- Since the year end, the Comptroller & Auditor General carried out audit field work in relation to the Statutory Audit of the Financial Statements for the year ended 30th September 2018. Preliminary audit fieldwork was carried out in November and December 2018 and a draft management letter was received following the work. The final audit fieldwork took place in the period January to February 2019.
- The Governing Authority is of the view that there is an ongoing process for identifying, evaluating and managing the university's significant risks to the achievement of strategy, policies, aims and objectives, that has been in place for the year ended 30th September 2018 and up to the date of approval of the Annual Financial Statements, and that it is regularly reviewed by the Governing Authority. No financially significant developments other than those disclosed in the Annual Financial Statements took place in the financial year to 30th September 2018. No new joint ventures were entered into during the year.

(ii) Breaches in Internal Control – Procurement

The audit of the 2017/2018 Financial Statements identified the following instances of non-compliant procurement.

Maynooth University accepts that the procurement of an IT Consultant was not compliant with public procurement. This was an emergency procurement due to unforeseen circumstances and this led to the abandonment of the then running public procurement competition and the appointment without competition of a consultant. The total value of the payments to the consultant was €106k.

There were two instances where Maynooth University unwittingly may have breached its own procedures and public procurement guidelines. In the first instance, Maynooth University took up three quotes for the use of an employment agency. Total payments to the agency were €143k but the margin of the agency over base pay and related costs was less than €25k. The Comptroller and Auditors General informed the University that it confirmed with the Office of Government Procurement that the full value of the payment to the agency that should govern their procurement rather than the standard and well understood practice of the agency margin driving procurement. In the second instance, Maynooth University extended a contract awarded on a rolling basis in 2012 for a further year while a reduced service was tendered for following the recruitment of a member of staff to carry out a large part of the previously outsourced service. The Company was paid €131k during the market notified extension period.

Finally, Maynooth University may have technically breached its own procurement procedures and public procurement guidelines in relation to certain purchases made in relation to IReL. During the year, while the Maynooth University Procurement Office was working to regularise the relationship between the university and the suppliers to IReL, 11 contracts were renewed by IReL with expenditure during the year of €627k. It is the belief of IReL staff that these 11 suppliers are sole suppliers. Maynooth University accept that this was not put to a market test by the publication of notices on e-Tenders. The university has put in place procurement procedures to ensure that new contracts associated with IReL are subject to a competitive process. Any non-competitive procedures that may be undertaken will be documented appropriately.

(iii) Material Losses and Fraud

During the year under review, email accounts of at least seven staff, including one member of the Governing Authority were compromised. As a direct result of the compromise of the email account of the university staff member responsible for pensions, another staff member was defrauded of €28k. The university, following receipt of a report from an external consultant, BSI, repaid the employee concerned the full amount of their loss. The matter was reported to the Data Protection Commission and an investigation is ongoing. The recommendations in the external consultants report are currently being implemented.

Statement on the System of Internal Controls (continued)

(iv) Review by the Audit and Risk Assessment Committee and the Governing Authority

The Governing Authority confirms that this Statement on the System of Internal Controls has been reviewed by the Audit and Risk Assessment Committee at its meeting held on 1st April 2019 and by the full Governing Authority at a meeting held on 11th April 2019 to ensure it accurately reflects the control system in operation during the period. Both the Audit and Risk Assessment Committee and the Governing Authority note that the internal auditors, Mazars, confirmed that there was nothing that they are aware of from their audit work that would contradict the Statement on the System of Internal Controls. The Audit and Risk Assessment Committee and the Governing Authority have relied on confirmations from management that the control system as described in the Financial Statements reflect the control system in operation in the university.

(v) Appropriate Control Environment

The Governing Authority confirms that it has put in place an appropriate control environment to ensure that the university is managed and governed in a proper and regular manner. Amongst the controls implemented is a clearly defined organisation structure, appropriate checks and balances between management and governance, written policies and procedures including training on policies and procedures, a risk management policy, a robust internal audit process, regular review of operations by the University Executive, regular reporting by the President to the Governing Authority and system and budget controls. The Audit and Risk Assessment Committee and the Governing Authority have relied on confirmations from management that the control system as described in the Financial Statements reflect the control system in operation in the university.

(vi) Process to identify business risk

The Governing Authority confirms that a formal process is undertaken on a regular basis to identify, evaluate and mitigate risks. The risk register is updated following wide consultation in the university. Matters raised by the university community are collated by a sub-committee of the University Executive and a primary risk register and summary risk register are presented to the Governing Authority. The process leading to the final document is reviewed by the Audit and Risk Assessment Committee. The Secretary is the custodian of the risk register and monitors movements throughout the year. Any significant change in risk weighting is brought to the attention of the University Executive, the Audit and Risk Assessment Committee and the Governing Authority. Procedures exist for the evaluation of the financial implications of risk in significant business decisions. These include examining alternatives (including doing nothing), consideration of management of the project initiatives, gathering intelligence of the business partners involved, challenging the projections and recording and monitoring income and expenditure.

4. Confirmation of Review

The Governing Authority formally carried out a review of the effectiveness of internal controls on 26th April 2018 and 11th April 2019.

5. Weaknesses requiring disclosure

A review of the effectiveness of the System of Internal Controls was carried out by the Governing Authority at its meeting held on 26th April 2018. At this meeting, each disclosure made was highlighted by the Bursar as well as the basis on which it was made and the assurances on which the Governing Authority was relying on for each point. A further review was carried out at the Governing Authority meeting held on 11th April 2019 where the Bursar again outlined the nature of the disclosures and the basis on which the assurances were given. On both occasions, the Governing Authority concluded that an effective system of internal controls was in operation in the university.

The only three 'high' level findings by the Comptroller and Auditor General were outlined under Note 3(i) above. In addition, 13 'medium' level findings and one 'low' level finding was made by the Comptroller and Auditor General. These were brought to the attention of the Audit and Risk Assessment Committee on 9th April 2018 and notified to the Governing Authority on 26th April 2018. The Audit and Risk Assessment Committee has expressed themselves satisfied with the management actions indicated to address the findings.

Of the six internal audit reviews presented during the year, Mazars provided the Audit and Risk Assessment Committee with the highest level of assurance that the sufficiency in operation of internal controls to mitigate or manage those inherent risks to which the activity under review is exposed in five of the reviews. One audit review, Recruitment and Employment Contracts, indicated only 'limited assurance' could be provided in this instance. The university has already made progress in addressing the areas of weaknesses identified and will undergo a follow-up review within two years to assure itself that the sufficiency and operation of controls has reached the highest level.

Statement on the System of Internal Controls (continued)

6. Weaknesses in Internal Control

There is one area where the Governing Authority feels it is necessary to disclose inherent weaknesses in internal control. Both the Comptroller and Auditor General and our internal auditors Mazars have identified the lack of a 'Disaster Recovery and Business Continuity Plan' in recent years. In addition, incidents have occurred to highlight weaknesses in the student records system, our website and email security. In response to the weaknesses identified, the university is in the process of a major re-organisation of the IT Services Department. Following the recruitment of a CIO to lead the function (along with the library function), the university is in the process of recruiting eight senior positions from director level down to manager level. To date, three of the staff have been recruited. The university has also commissioned a report on the resilience of the IT environment from IBM Consulting. The report contains 52 recommendations and work is ongoing to address these. However, the Governing Authority have identified that the addressing of all the issues identified by auditors and others will require significant investment over the next number of years. Sourcing the money for this investment is now a priority for the University Executive. Meanwhile, remedial actions will continue to be taken to improve the situation.

7. Compliance with Procurement Legislation

The Governing Authority confirms that procurement procedures are in place and have been communicated to all budget holders. The procedures reflect EU directives, legislation and government policy as we understand them. The Governing Authority confirms that the university is using the services and frameworks of the Office of Government Procurement, and of the Education Procurement Service, whenever applicable.

Signed on behalf of the Governing Authority on 11th April, 2019.



Baroness Nuala O'Loan
Chairperson



Professor Philip Nolan
President



Ard Reachtair Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

Maynooth University

Opinion on financial statements

I have audited the financial statements of Maynooth University for the year ending 30 September 2018 as required under the provisions of the Universities Act 1997. The financial statements comprise

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

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

Emphasis of matter — deferred pension funding asset

Without qualifying my opinion on the financial statements, I draw attention to Note 21 Retirement Benefits.

The recognition of deferred pension funding assets in respect of the National University of Ireland Maynooth (Closed) Scheme 2009 (€373 million) and the Single Public Service Pension Scheme (€6.5 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of a deferred pension funding asset of €99 million in respect of the National University of Ireland Maynooth Employee Superannuation Scheme 2007 anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

Basis of opinion

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

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

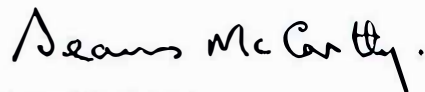
Report on information other than the financial statements, and on other matters

The University has presented certain other information together with the financial statements. This comprises the report of the Bursar, the statement of responsibilities, the statement of governance and the statement on the system of internal controls.

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

Provision for loan to subsidiary

I draw attention to Note 18 to the financial statements which discloses that in 2017/2018 the University charged €750,000 to the University statement of comprehensive income and expenditure in relation to a provision for impairment of a loan to a subsidiary company. The subsidiary company has accumulated significant losses and the University has concluded that the probability of recovering the full amount of the loan is low.



Seamus McCarthy
Comptroller and Auditor General

15 April 2019

Appendix to the report

Responsibilities of Governing Authority members

The members are responsible for

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

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

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

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

Information other than the financial statements

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

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

Reporting on other matters

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

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

I also report by exception if, in my opinion,

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

Consolidated and University Statement of Comprehensive Income and Expenditure
Year Ended 30th September 2018

	Notes	2018		2017	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Income					
State Grants - Recurrent	3	23,613	23,613	20,913	20,913
Student fees	4	70,615	70,615	64,575	64,575
Research grants and contracts	5	27,821	27,821	25,281	25,281
Amortisation of state deferred capital grant	14	2,681	2,681	2,539	2,539
Other income	6	13,045	12,526	13,175	13,828
Investment income	7	252	252	279	279
Net deferred funding for pensions	21	25,785	25,785	24,544	24,544
Total income		163,812	163,293	151,306	151,959
Expenditure					
Staff costs	9	94,829	94,255	89,049	88,636
Other operating expenses	11	50,040	50,563	47,338	46,784
Depreciation	12	8,198	8,198	7,295	7,295
Interest and other finance costs	10	10,803	10,803	8,089	8,089
Total expenditure		163,870	163,819	151,771	150,804
(Deficit)/Surplus before other gains losses and share of operating surplus of joint ventures and associates		(58)	(526)	(465)	1,155
Gain on disposal of fixed assets		8	8	-	-
Loss on revaluation of investment property	15	(75)	(75)	-	-
Share of operating surplus in joint venture	16	667	667	500	500
Surplus before tax		542	74	35	1,655
Taxation	8	-	-	-	-
Surplus for the year		542	74	35	1,655
Actuarial (loss)/gain in respect of pension schemes	21	9,890	9,890	(31,211)	(31,211)
Adjustment to Deferred Funding Pension	21	(9,890)	(9,890)	31,211	31,211
Total comprehensive income for the year		542	74	35	1,655
Represented by:					
Endowment comprehensive income for the year		-	-	-	-
Restricted comprehensive income for the year	23	(374)	(374)	(3,390)	(3,390)
Unrestricted comprehensive income for the year		916	448	3,425	5,045
		542	74	35	1,655
Surplus for the year attributable to:					
Non controlling interest		-	-	-	-
University		542	74	35	1,655

All items of income and expenditure relate to continuing activities.

Consolidated and University Statement of Changes in Reserves
Year ended 30th September 2018

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment €'000	Restricted €'000	Unrestricted €'000	€'000	€'000	€'000
Balance at 1st October 2016	-	4,884	108,727	113,611	-	113,611
Surplus from the Statement of comprehensive income and expenditure	-	159	(124)	35	-	35
Release of restricted funds spent in year	-	(3,549)	3,549	-	-	-
Total comprehensive income for the year	-	(3,390)	3,425	35	-	35
Balance at 1st October 2017	-	1,494	112,152	113,646	-	113,646
Surplus from the Statement of comprehensive income and expenditure	-	(75)	617	542	-	542
Release of restricted funds spent in year	-	(299)	299	-	-	-
Total comprehensive (loss)/income for the year	-	(374)	916	542	-	542
Balance at 30th September 2018	-	1,120	113,068	114,188	-	114,188

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment €'000	Restricted €'000	Unrestricted €'000	€'000	€'000	€'000
Balance at 1st October 2016	-	4,854	107,369	112,223	-	112,223
Surplus from the Statement of comprehensive income and expenditure	-	159	1,496	1,655	-	1,655
Release of restricted funds spent in year	-	(3,549)	3,549	-	-	-
Total comprehensive income for the year	-	(3,390)	5,045	1,655	-	1,655
Balance at 1st October 2017	-	1,464	112,414	113,878	-	113,878
Surplus from the Statement of comprehensive income and expenditure	-	(75)	149	74	-	74
Release of restricted funds spent in year	-	(299)	299	-	-	-
Total comprehensive income for the year	-	(374)	448	74	-	74
Balance at 30th September 2018	-	1,090	112,862	113,952	-	113,952

Consolidated and University Statement of Financial Position
Year Ended 30th September 2018

		2018		2017	
	Notes	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Non-current assets					
Property Plant & Equipment	12	224,475	224,475	225,965	225,965
Heritage Assets	13	183	183	183	183
Investment Property	15	1,975	1,975	2,050	2,050
Investments	17	1	1	1	1
Investment in joint venture	16	217	217	250	250
		<u>226,851</u>	<u>226,851</u>	<u>228,449</u>	<u>228,449</u>
Current assets					
Trade and other receivables	18	13,783	13,727	16,808	16,875
Cash and cash equivalents	24	73,341	73,010	68,927	68,657
		<u>87,124</u>	<u>86,737</u>	<u>85,735</u>	<u>85,532</u>
Less: Creditors: amounts falling due within one year	19	(51,908)	(51,757)	(49,683)	(49,248)
Net current assets		<u>35,216</u>	<u>34,980</u>	<u>36,052</u>	<u>36,284</u>
Total assets less current liabilities		<u>262,067</u>	<u>261,831</u>	<u>264,501</u>	<u>264,733</u>
Creditors: amounts falling due after more than one year	20	(73,930)	(73,930)	(76,140)	(76,140)
Provisions					
Pension provisions	21	(478,727)	(478,727)	(455,444)	(455,444)
Pension receivable		478,727	478,727	455,444	455,444
Total net assets		<u>188,137</u>	<u>187,901</u>	<u>188,361</u>	<u>188,593</u>
State Capital Grant	14	73,949	73,949	74,715	74,715
Restricted Reserves					
Income and expenditure reserve - restricted reserve	23	1,120	1,090	1,494	1,464
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		113,068	112,862	112,152	112,414
Total Income and Expenditure Reserve		<u>114,188</u>	<u>113,952</u>	<u>113,646</u>	<u>113,878</u>
Total Reserves		<u>188,137</u>	<u>187,901</u>	<u>188,361</u>	<u>188,593</u>

The Financial Statements on pages 23 to 47 were approved by the Governing Authority on 11th April 2019 and signed on its behalf by:



Professor Philip Nolan
President



Dr. Mike O'Malley
Bursar

Consolidated Statement of Cash Flows
Year ended 30th September 2018

	Notes	2018 €'000	2017 €'000
Cash flow from operating activities			
Deficit for the year before operating surplus of joint ventures and associates		(58)	(465)
Adjustment for non-cash items			
Depreciation	12	8,198	7,295
Deferred capital grants released to income	14	(2,681)	(2,539)
Decrease/(Increase) in receivables	18	1,805	(1,098)
Increase in creditors	19	307	4,696
Investment income receivable	7	(252)	(279)
Distribution from joint venture	16	700	500
Adjustment for investing or financing activities			
Interest payable	10	1,507	1,525
Net cash inflow from operating activities		<u>9,526</u>	<u>9,635</u>
Cash flows from investing activities			
Capital grants receipts	14	3,135	1,893
Investment income	7	252	279
Payments made to acquire fixed assets		(6,063)	(9,606)
Proceeds from sale of fixed assets		8	-
Net cash (outflow) from investing activities		<u>(2,668)</u>	<u>(7,434)</u>
Cash flows from financing activities			
Interest paid	10	(1,507)	(1,525)
New unsecured loan	20	-	26,765
Repayment of loan		(937)	-
Net cash (outflow)/inflow from financing activities		<u>(2,444)</u>	<u>25,240</u>
Increase in cash and cash equivalents in the year		<u>4,414</u>	<u>27,441</u>
Cash and cash equivalents at beginning of the year	24	68,927	41,486
Cash and cash equivalents at end of the year	24	<u>73,341</u>	<u>68,927</u>
Movement in cash and cash equivalents		<u>4,414</u>	<u>27,441</u>

Notes to the Financial Statements

Year ended 30th September 2018

I Significant Accounting Policies

The accounting policies which are considered material in relation to the financial statements are summarised below. They have all been applied consistently throughout the year and the preceding year.

A Basis of preparation and statement of compliance

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) - Accounting for Further and Higher Education 2015 - (except that state capital grant deferred is recognised in reserves rather than within creditors) and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and promulgated for use in Ireland by Chartered Accountants Ireland.

B Basis of Consolidation

The Consolidated Financial Statements include the university and all its subsidiaries for the financial year to 30th September 2018. The results of subsidiaries acquired or disposed of during the period are included in the consolidated Statement of Comprehensive Income from the date of acquisition up to the date of disposal. Intra group balances are eliminated on consolidation.

The Consolidated Financial Statements do not include the income and expenditure of the Students' Union as the university does not exert control or dominant influence over policy decisions.

C Income Recognition

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

Academic fees are recognised in the period to which they relate. Bursaries and scholarships are accounted for as a gross expenditure and not deducted from income.

State Grant funding

Grants from the Higher Education Authority (HEA) or other bodies are recognised based on the accrual model and are measured at the fair value received or receivable. Grants are classified as relating to either revenue or to assets. Recurrent and non recurrent grants relating to revenue are recognised as income over the period in which the related costs are recognised. Grants from the HEA or government bodies received in respect of the acquisition or construction of fixed assets are recognised over the expected useful life of the asset. Where part of the grant is deferred it is recognised as deferred income. State Grants received for the purchase of land are recognised under the performance model in line with the SORP.

Research Grants

Income from research grants and contracts from non government sources are recognised on the performance model i.e. income is recognised to the extent that performance related conditions have been met. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Donations and Endowments

Investment income and appreciation of endowments are recorded in income in the year in which they arise, and as either restricted or unrestricted income, according to the terms applied to the individual endowment fund. There are four main types of donations and endowments within reserves.

1. Restricted donations

The donor has specified that the donation must be used for a particular objective.

2. Unrestricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the university.

3. Restricted expendable endowments

The donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the university has the power to use the capital.

4. Restricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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

1 Significant Accounting Policies - continued

D Accounting for Retirement Benefits

The university operates three defined benefit pension schemes as detailed under Note 21. Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the university benefits from the employees' services.

Amounts in respect of current and past service costs, returns on assets and the interest cost on the schemes liabilities, and actuarial gains and losses are calculated in accordance with FRS102, with equivalent amounts recognised on foot of the transfer arrangement in the Statement of Comprehensive Income. Contributions to the scheme represent a cost to the university and are charged to Statement of Comprehensive Income.

As further detailed under Note 21, a deferred pension funding asset has been recognised equivalent to the university's pension liabilities.

E Employment Benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the university. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

F Finance Leases

Leases in which the university assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

G Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

H Foreign Currency

Transactions denominated in foreign currencies are recorded using the average rate of exchange for the period. Monetary assets and liabilities denominated in foreign currencies are translated into euro either at the year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting differences are dealt with in the Statement of Comprehensive Income for the year.

I 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.

Trading activities undertaken by the university are administered through its subsidiary companies, which as commercial organisations are liable to Corporation Tax. Subsidiary companies NUIM Facilities One Limited, NUIM Facilities Two Limited and Maynooth University Foundation Limited hold charitable status and are exempt from taxation. Innovation Value Services Limited which was incorporated in 2015/2016 and is a fully owned subsidiary of Maynooth University is a commercial trading entity and is not exempt from corporation tax.

Deferred Taxation

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

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the Financial Statements which arise because certain items of income and expenditure in the Financial Statements are dealt with in different accounting periods for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years when the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred tax is not discounted.

1 Significant Accounting Policies - continued

J Tangible Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to FRS102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Land and buildings are measured using the cost model, however as part of the transitional arrangements per FRS102, the land has been revalued by €15.985m to €25m as at 1st of October 2014. This is the deemed cost going forward.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the university.

Depreciation is provided on all tangible fixed assets other than investment properties and freehold land, at rates calculated to write off the cost less residual value, of each asset on a straight-line basis over its expected useful life as follows:

Buildings and Infrastructure	10 to 50 years
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Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than €10,000 per individual item is recognised as expenditure. All other equipment is capitalised at cost.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	3 years
Fixtures and Fittings	5 to 10 years
Other Equipment	5 years
Motor Vehicles	5 years
Works of Art	Not depreciated

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Where equipment is acquired with the aid of specific state grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to deferred capital grant account and released to Statement of Comprehensive Income over the expected useful life of the related commitment.

Heritage Assets

The university holds two collections of heritage assets, which are accounted for as follows:

Works of Art:

This includes a collection of paintings and sculptures. They are reported in the Statement of Financial Position at cost. The Works of Art have indefinite lives and hence are not depreciated.

Library Collections:

The university holds a number of library collections, which are of national, historic, cultural and literary interest. Acquisitions are made by purchase or donation. Purchased collections are recognised at cost in the Statement of Financial Position. Valuations for donated collections cannot reasonably be obtained and hence are not recognised in the Statement of Financial Position.

K Borrowing Costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

1 Significant Accounting Policies - continued

L Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Investment properties are revalued annually by independent professional third party valuers and are not depreciated or amortised.

M Investments

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the university's accounts.

Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure.

N Cash and Cash Equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

O Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the Financial Statements when:

- the university has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks.

P Accounting for Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. The results and assets and liabilities of associates are incorporated in the Consolidated Financial Statements using the equity method of accounting.

Q Accounting for Joint Ventures

The results and assets and liabilities of the joint venture are incorporated in the Consolidated Financial Statements using the equity method of accounting.

R Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the university, are held as a permanently restricted fund which the university must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the university is restricted in the use of these funds.

2 Critical accounting judgements and key sources of estimation uncertainty

In preparation of the Financial Statements, the university is required to make judgements, estimates and assumptions that impact on the amounts reported as assets, liabilities, income and expenditure. Estimates and associated assumptions used are reviewed on an ongoing basis. The principal judgements, estimates and assumptions used in the Financial Statements are as follows:

1. Property, Plant and Equipment

Depreciation is calculated based on estimates and assumptions on the useful economic life and expected residual value of the asset.

2. Investment property

Investment property is measured at fair value. A revaluation of investment property is carried out annually by an independent professional valuer.

3. Impairment

Judgement is used to determine whether there has been any indication of impairment to university assets.

4. Recoverability of debtors

The provision for bad debt is calculated based on management's expectation on the recoverability of debt. In calculating the provision for bad debt the following factors are considered: age profile of the debt, historical experience, current situation of the debtor and current market conditions.

5. Employee Benefits

The accrual for holiday leave earned but not taken is based on estimates of total holiday leave less holiday leave taken.

6. Pension provisions

The pension provision is calculated based on actuarial assumptions provided by an actuary annually. The actuarial assumptions include discount rates, salary increases, pension increases and inflation increases.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

3 State Grant	2018		2017	
	Consolidated	University	Consolidated	University
	€'000	€'000	€'000	€'000
Recurrent grant				
Higher Education Authority grant for recurrent purposes	23,613	23,613	20,913	20,913
	<u>23,613</u>	<u>23,613</u>	<u>20,913</u>	<u>20,913</u>
Grantor	Opening Deferral 1 Oct 2017	Grant Received 17/18	Closing Accrual 30 Sept 2018	Amount taken To Income
	€'000	€'000	€'000	€'000
Higher Education Authority	(665)	22,854	1,424	23,613
	<u>(665)</u>	<u>22,854</u>	<u>1,424</u>	<u>23,613</u>
4 Student Fees	2018		2017	
	Consolidated	University	Consolidated	University
	€'000	€'000	€'000	€'000
Academic Fee Income	67,423	67,423	62,149	62,149
Miscellaneous Fee Income	1,639	1,639	1,099	1,099
Student Levy	1,553	1,553	1,327	1,327
	<u>70,615</u>	<u>70,615</u>	<u>64,575</u>	<u>64,575</u>
Grantor	Opening Deferral 1 Oct 2017	Grant Received 17/18	Closing Deferral 30 Sept 2018	Amount taken To Income
	€'000	€'000	€'000	€'000
Higher Education Authority	-	26,720	-	26,720
Student Universal Support Ireland	-	11,986	-	11,986
	<u>-</u>	<u>38,706</u>	<u>-</u>	<u>38,706</u>
5 Research Grants and Contracts	2018		2017	
	Consolidated	University	Consolidated	University
	€'000	€'000	€'000	€'000
State and Semi State	8,538	8,538	8,873	8,873
Irish Research e-Library	13,776	13,776	11,768	11,768
European Union	2,839	2,839	2,162	2,162
Industry and commerce	301	301	263	263
Other	313	313	504	504
Research Overhead	2,054	2,054	1,711	1,711
	<u>27,821</u>	<u>27,821</u>	<u>25,281</u>	<u>25,281</u>
Grantor	Opening Deferral 1 Oct 2017	Grant Received 17/18	Closing Deferral 30 Sept 2018	Amount taken To Income
	€'000	€'000	€'000	€'000
Science Foundation Ireland	3,703	2,646	2,549	3,800
Department of Foreign Affairs	17	121	59	79
Department of Agriculture Food and the Marine	(337)	457	(301)	421
Department of Communications Climate Action & Environment	(146)	215	(283)	352
Department of Health	864	208	559	513
Department of Transport Tourism & Sport	(52)	53	(3)	4
Enterprise Ireland	(465)	1,911	(393)	1,839
Higher Education Authority	4,932	14,743	5,595	14,080
Irish Research Council	1,223	2,039	702	2,560
Department of Housing Planning & Local Government	95	192	72	215
Department of Children & Youth Affairs	-	8	-	8
Department of Justice & Equality	-	4	-	4
	<u>9,834</u>	<u>22,597</u>	<u>8,556</u>	<u>23,875</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
6 Other Income				
Residences	5,290	5,290	4,519	4,519
Rents and concessions	1,531	1,531	1,470	1,470
Other income	6,224	5,705	7,186	7,839
	<u>13,045</u>	<u>12,526</u>	<u>13,175</u>	<u>13,828</u>
Grantor	Opening Deferral 1 Oct 2017	Grant Received	Closing Deferral 30 Sept 2018	Amount taken To Income
	€'000	€'000	€'000	€'000
HEA	680	2,406	1,215	1,871
Enterprise Ireland	(5)	636	105	526
Department of Education and Skills	-	75	(29)	104
Department of Arts Heritage & Gaeltacht	-	191	(111)	302
Department of Children and Youth Affairs	8	-	-	8
	<u>683</u>	<u>3,308</u>	<u>1,180</u>	<u>2,811</u>
	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
7 Investment Income				
Investment income from restricted funds	167	167	159	159
Interest receivable	85	85	120	120
	<u>252</u>	<u>252</u>	<u>279</u>	<u>279</u>
	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
8 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	-	-	-	-
Current tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax				
Deferred tax expense	-	-	-	-
Total tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

	2018		2017	
	Consolidated	University	Consolidated	University
	€'000	€'000	€'000	€'000
9 Staff Costs				
Salaries*	68,184	67,671	61,814	61,438
Social security costs	6,058	6,014	5,425	5,396
Employer Pension	4,098	4,081	3,830	3,822
Pension Service Cost FRS102	16,489	16,489	17,980	17,980
Total	94,829	94,255	89,049	88,636

*Salaries include an amount of €0.118m for DES and DPER approved allowances (2017: €0.131m) and overtime €0.006m (2017: €0.019m).

Termination/Severance payments (including statutory redundancy) amounted to €0.389m (2017: €0.386m).

Termination/Severance payments (including statutory redundancy) with an aggregate value of in excess of €10,000 amounted to €0.298m (2017: €0.257m).

In respect of severance payments, there were no professional added years agreements entered into in the current or prior year.

Remuneration of other higher paid staff, excluding employer's pension contributions

	2018 No.	2017 No.
€60,000 to €70,000	85	82
€70,001 to €80,000	65	126
€80,001 to €90,000	130	94
€90,001 to €100,000	64	30
€100,001 to €110,000	24	25
€110,001 to €120,000	27	12
€120,001 to €130,000	10	4
€130,001 to €140,000	13	29
€140,001 to €150,000	19	1
€150,001 to €160,000	-	1
€160,001 to €170,000	1	-
€170,001 to €180,000	-	1
€180,001 to €190,000	1	-
	439	405

Staff numbers by major category :

	No.	No.
Teaching and Research	640	612
Technical	41	42
Central Administration and Services	383	352
Other	57	70
	1,121	1,076

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the university.

	2018 €'000	2017 €'000
Key management personnel compensation		
Salaries	1,758	1,615
Post-employment benefits	106	101
Termination benefits	-	-
	1,864	1,716

Included in the above is the salary of the President, total €0.184m (2017: €0.178m). The President is a member of the "Model Pension Scheme" and his entitlements in that regard do not extend beyond the terms of that scheme.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

		2018		2017	
	Notes	Consolidated	University	Consolidated	University
		€'000	€'000	€'000	€'000
10	Interest and Other Finance Costs				
</					

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
11 Analysis of Total Expenditure by Activity				
Travel and subsistence - National	1,612	1,584	1,404	1,404
Travel and subsistence - International	1,023	1,023	1,035	1,011
Hospitality and entertainment	145	145	134	110
Consumables	3,460	3,455	3,810	3,808
Cleaning	1,214	1,214	1,465	1,465
Advertising and PR Costs	1,279	1,276	901	895
Repairs and general maintenance	3,832	3,832	3,702	3,702
Utilities	2,171	2,171	2,093	2,093
Research library e-journals	13,926	13,926	11,887	11,887
Books and periodicals	1,443	1,443	1,358	1,354
Audit professional and consulting fees *	2,530	2,372	3,106	2,700
Legal costs	533	523	347	337
Rent rates and insurance	2,324	2,317	2,220	2,219
Capitation	1,687	1,687	1,833	1,833
Scholarships	5,676	5,676	6,121	6,121
Recruitment cost	138	138	241	210
Employee related expenses	655	645	490	469
Equipment	2,793	2,793	2,509	2,497
Other expenses and charges	3,599	3,593	2,682	2,669
Provision for impairment of financial asset (Note 18)**	-	750	-	-
	<u>50,040</u>	<u>50,563</u>	<u>47,338</u>	<u>46,784</u>

Other operating expenses include fees in respect of:

Subsidiary auditors	10	39
External audit (Comptroller and Auditor General)	76	76
Internal audit-Mazars	40	22

**Consultancy costs by category*

Architects/Surveyors	129	247
IT design & Consultancy	330	586
Medical Professional Services	266	223
Human Resources	275	198
Translation/Transcription	31	116
PR & Marketing	258	406
Financial	148	258
Other	967	935
Total audit professional and consulting fees	<u>2,530</u>	<u>3,106</u>

The total amount of consultancy costs capitalised in the current year was €2.157m (2017: €0.162m).
This amount is included in the Work in Progress in Fixed Assets (Note 12)

** A provision for impairment of a loan due from a subsidiary of the university, Innovation Value Services Limited, totalling €0.75m, has been recognised in Other operating expenses in the current year.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

12 Property Plant & Equipment

Consolidated	Freehold Land and Buildings €'000	Fixtures, Fittings and Equipment €'000	Assets in the Course of Construction €'000	Total €'000
Cost				
At 1st October 2017	270,279	23,781	687	294,747
Additions	263	2,361	4,084	6,708
Movements	1,958	176	(2,134)	-
Disposals	-	(492)	-	(492)
At 30th September 2018	<u>272,500</u>	<u>25,826</u>	<u>2,637</u>	<u>300,963</u>
Depreciation				
At 1st October 2017	52,684	16,098	-	68,782
Charge for the year	5,895	2,303	-	8,198
Disposals	-	(492)	-	(492)
At 30th September 2018	<u>58,579</u>	<u>17,909</u>	<u>-</u>	<u>76,488</u>
Net book value				
At 30th September 2018	<u>213,921</u>	<u>7,917</u>	<u>2,637</u>	<u>224,475</u>
At 30th September 2017	<u>217,595</u>	<u>7,683</u>	<u>687</u>	<u>225,965</u>
University				
Cost and valuation				
At 1st October 2017	270,280	23,395	687	294,362
Additions	263	2,361	4,084	6,708
Movements	1,958	176	(2,134)	-
Disposals	-	(492)	-	(492)
At 30th September 2018	<u>272,501</u>	<u>25,440</u>	<u>2,637</u>	<u>300,578</u>
Depreciation				
At 1st October 2017	52,685	15,712	-	68,397
Charge for the year	5,895	2,303	-	8,198
Disposals	-	(492)	-	(492)
At 30th September 2018	<u>58,580</u>	<u>17,523</u>	<u>-</u>	<u>76,103</u>
Net book value				
At 30th September 2018	<u>213,921</u>	<u>7,917</u>	<u>2,637</u>	<u>224,475</u>
At 30th September 2017	<u>217,595</u>	<u>7,683</u>	<u>687</u>	<u>225,965</u>

At 30th September 2018, freehold land and buildings included €31.8m (2017: €31.8m) in respect of freehold land which is not depreciated.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

13 Heritage Assets

The heritage assets of the university comprise Works of Art totalling £13,000 and a library archive amounting to £170,000. These are held at original cost and are not depreciated.

The library holds a number of special collections and archives of national, historic, cultural and literary interest, including limited and illustrated editions, autographed copies and manuscripts which are maintained to the highest possible standards and are available to be consulted on appointment. Valuations for donated collections cannot be reasonably obtained and hence they are not recognised in the Statement of Financial Position.

Acquisitions for the current and previous five years were as follows:

	2017 €'000	2016 €'000	2015 €'000	2014 €'000	2013 €'000
Cost					
At 1st October	183	183	183	13	13
Additions	-	-	-	170	-
At 30th September	183	183	183	183	13

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

14 Deferred Capital Grants

	Consolidated	University
	€'000	€'000
At 1 st October 2017		
Buildings	73,635	73,635
Equipment	1,080	1,080
Total	74,715	74,715
Cash Received/Receivable		
Buildings	-	-
Equipment	1,915	1,915
Total	1,915	1,915
Released to SOCI		
Buildings	2,147	2,147
Equipment	534	534
Total	2,681	2,681
At 30 th September 2018		
Buildings	71,488	71,488
Equipment	2,461	2,461
Total	73,949	73,949

Deferred Capital Grants Consolidated and University Prior Year

At 1st October 2016

Buildings	75,530	75,530
Equipment	984	984
Total	76,514	76,514
Cash Received/Receivable		
Buildings	241	241
Equipment	499	499
Total	740	740
Released to SOCI		
Buildings	2,136	2,136
Equipment	403	403
Total	2,539	2,539
At 30 th September 2017		
Buildings	73,635	73,635
Equipment	1,080	1,080
Total	74,715	74,715

Grantor	Opening Debtor 1 Oct 2017 €'000	Grant Awarded €'000	Grant Received €'000	Closing Debtor 30th Sept 2018 €'000
HEA	1,279	-	979	300
Science Foundation Ireland	-	1,915	1,915	-
Enterprise Ireland	241	-	241	-
	1,520	1,915	3,135	300

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

15 Investment Property

Maynooth University acquired a portfolio of commercial units in Maynooth in December 2015 at a cost of €2.050m. In accordance with FRS102, the property is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Comprehensive Income. The property was valued by Lavelle Chartered Surveyors Limited at 30th September 2018 with a valuation of €1.975m (2017: €2.050m). A revaluation loss of €0.075m has been booked to the Statement of Comprehensive Income in the current year.

There have been no other additions, disposals or impairments of the portfolio of properties. The rental income earned in the year amounted to €0.167m (2017: €0.159m)

16 Investment in Joint Venture

The university holds a 50% share of Maynooth Campus Conference Accommodation. This is a campus facility arrangement between Maynooth University and St. Patricks College, Maynooth, to utilise the resources of both institutions in providing conference and accommodation facilities. The arrangement is treated as a joint arrangement and is accounted for using the equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated statement of financial position of the university and 50% of its net income is reported in the university's statement of comprehensive income and expenditure.

	2018 €'000	2017 €'000
Share of net assets at fair value		
At the beginning of the year	250	250
Payments received during the year	(700)	(500)
Share of joint venture surplus in the year	667	500
Closing balance	217	250

	Consolidated		University	
	2018	2017	2018	2017
	€'000	€'000	€'000	€'000
17 Investments				
Investments in Subsidiary undertakings	-	-	-	-
Other Investments	1	1	1	1
	1	1	1	1

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

17 Investments - continued

The university held an interest in the following subsidiary undertakings which have been fully consolidated.

Subsidiary undertaking	Principal activity	Interest
Innovation Value Services Limited	To carry on all or any of the business of developing and commercialising intellectual property and providing consultancy, assessment, training and related services.	100%
Maynooth University Foundation Limited	To seek donations for the funding of scholarships and other specific purposes	100%
Maynooth University Enterprise Development Limited *	Holds intellectual property associated with filed patents	100%
NUIM Development Limited *	Construction of Student Accommodation at Maynooth University	100%
NUIM Facilities One Limited **	Provision of finance facilities in connection with Student Accommodation	100%
NUIM Facilities Two Limited **	Provision of maintenance and rental collection services for student accommodation	100%
NUIM Finance Limited *	Provide finance for student residential accommodation	100%
NUIM International Limited*	To advance and promote the interest and reputation of the university outside Ireland	100%

The registered office of all of the above companies is Maynooth University, Maynooth, Co Kildare.

* The subsidiary was dissolved on 31st October 2018

** The subsidiary was dissolved on 12th December 2018

The university held an interest in the following associate undertakings and investments which have been recognised at cost.

Associated undertaking	Principal activity	Registered Office	Interest
IGeotech Technologies Ltd	Research	Block 8, Blackrock Business Park, Careyfort Avenue, Blackrock, Co. Dublin.	20%
Neuromod Devices Ltd	Research	42 The Weavers , Earl St South, Dublin 8.	5.6%
Relational Frame Training Ltd	Research	Suaimhnes, Blackwood, Robertstown, Naas, Co Kildare.	18.9%
ISAAT Technologies Ltd	Research	100 Leixlip Park, Leixlip, Co. Kildare.	4.80%
Avectas Ltd	Research	Maynooth Works, Eolas Building, Maynooth University, Co Kildare.	1.51%
Rosadex Limited	Research	13 Seaview Wood, Shankhill, Dublin 18.	15%
Geoerospace (formerly YAMSU Limited)	Research	Maynooth Works, Eolas Building, Maynooth, Co. Kildare.	15%
Empathy Test	Research	16 Roheboth Place, South Circular Road, Dublin 8.	10%

Beemune Limited was dissolved on 17th January 2018.

18 Trade and Other Receivables

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
<i>Amounts falling due within one year:</i>				
Research grants receivables	3,128	3,128	2,983	2,983
Accounts Receivable	2,687	2,579	2,722	2,402
Other receivables	469	440	3,265	3,217
Prepayments and accrued income	5,384	5,384	5,660	5,630
Staff House Loans	14	14	32	32
State Capital Grant Receivable	300	300	1,520	1,520
State Grant Receivable	1,424	1,424	-	-
Academic Fees Receivable	377	377	626	626
Amounts due from subsidiary undertakings	-	81	-	465
	<u>13,783</u>	<u>13,727</u>	<u>16,808</u>	<u>16,875</u>

The total amount outstanding on the loan from a subsidiary Innovation Value Services Limited at 30th September 2018 is €0.831m. The university has created a provision in the amount of €0.75m due to accumulated losses in the subsidiary and a commitment from the university that it would not seek repayment of any amounts due if it would impair the ability of the subsidiary to continue as a going concern. The provision has been recognised in Other operating expenses in the Statement of Comprehensive Income in the current year.

Included in Other receivables is an amount of €Nil (2017:€1.0m) donation due from the Congregation of Dominican Sisters. Included in Prepayments is an amount of €0.231m (2017: €0.289m) falling due after more than one year.

19 Creditors: amounts falling due within one year

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Research Grants Unexpended in advance	12,636	12,636	13,739	13,739
Academic Fees Received in Advance	15,019	15,019	14,446	14,446
Net Pension Liability	3,380	3,380	4,364	4,364
Trade Creditors	3,782	3,780	3,491	3,461
State Grant in advance	-	-	665	665
Other Creditors	617	616	534	410
Social security and other taxation payable	2,840	2,824	2,137	2,122
Accruals	4,468	4,404	3,961	3,839
Deferred Income	7,269	7,174	5,721	5,562
Unsecured loans due within one year	1,897	1,897	625	625
Amounts due to subsidiary Undertakings	-	27	-	15
	<u>51,908</u>	<u>51,757</u>	<u>49,683</u>	<u>49,248</u>

20 Creditors: amounts falling due after more than one year

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Unsecured loans	<u>73,930</u>	<u>73,930</u>	<u>76,140</u>	<u>76,140</u>
	<u>73,930</u>	<u>73,930</u>	<u>76,140</u>	<u>76,140</u>
Total Unsecured bank loans repayable as follows:	75,827	75,827	76,765	76,765
Due within 1 year	1,897	1,897	625	625
Due between two and five years	11,515	11,515	11,515	11,515
Due in five years or more	62,415	62,415	64,625	64,625
Total unsecured loans	<u>75,827</u>	<u>75,827</u>	<u>76,765</u>	<u>76,765</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

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

Maynooth University secured agreement with the European Investment bank to borrow €76.8m over twenty years to fund capital projects in the University. Of that, €50m was drawn down during the year 2015/16 and €26.8m was drawn down in 2016/17. The average interest rate on this loan is 1.584% and total interest and other charges incurred in the year totalled €1.270m (2017: €1.272m.)

21 Retirement Benefits

During the year the university operated three defined benefit pension schemes.

National University of Ireland, Maynooth (Closed) Scheme 2009 – formerly known as the National University of Ireland, Maynooth Pension Plan – “Closed Scheme”

The main scheme is “National University of Ireland, Maynooth (Closed) Scheme 2009 “Closed Scheme”. The Closed scheme applies to pensionable employees appointed prior to 31st January 2005 and is closed to new entrants. Up until 31st December 2009 the university funded the Closed Scheme which operated under a Trust Deed, the assets of which were held separately from those of the university. The *Financial Measures (Miscellaneous Provisions) Act, 2009* provided that the Oireachtas will make good any deficiency arising if the aggregate of members’ and employers’ contributions paid to or withheld by the university are insufficient to meet the university’s obligations to pay these benefits in accordance with the scheme. On the 31st December 2009, in accordance with S.I. No. 528/2009 “Financial Measures (Miscellaneous Provisions) Act 2009 (National University of Ireland, Maynooth) Transfer Order 2009” the assets of the Closed Pension schemes were transferred to the National Pensions Reserve Fund and the existing Trust was terminated. There was no effect on the benefits payable to the members, they became members of a statutory unfunded scheme renamed “National University of Ireland (Closed) Scheme 2009”. The pension liability of this scheme in the Statement of Financial Position was €373m (2017: €358.2m).

The National University of Ireland, Maynooth Employee Superannuation Scheme 2007 – “Model Scheme”

The Model Scheme applies to all new staff appointed to posts first advertised between the 29th November 2004 and appointed or in receipt of an offer of employment dated no later than 31st December 2012. This is a pay-as-you-go scheme funded through monies provided to the university by the State for that purpose. On the basis that the Oireachtas will make good any deficiency arising to meet the university’s obligations to pay pension benefits of the Closed Scheme and that future pension liabilities of the Model Scheme are funded on a pay-as-you-go basis through monies provided to the university by the State for that purpose, the pension liability of the Model Scheme has been offset by the recognition of an asset equivalent to the university’s pension liabilities. The pension liability of this scheme at the year end was €99.2m (2017: €83.1m).

Single Public Service Pension Scheme

The Single Scheme applies to all new staff who are joining the public sector as new entrants after the 1st January 2013. It is entitled *Single Public Service Pension Scheme* and is a career average pension scheme. It is a defined benefit scheme and as such is included in the FRS102 disclosure. All employee pension contributions for the Single scheme are paid on a monthly basis to a state pension account. Employer pension contributions are held as part of creditors pending payment to the state. The figures are not required to be included in the pension control account. On the basis that the Oireachtas will make good any deficiency arising to meet the university’s obligations to pay pension benefits of the Closed Scheme and that future pension liabilities of the Single Scheme are funded on a pay-as-you-go basis through monies provided to the university by the State for that purpose, the pension liability of the Single Scheme has been offset by the recognition of an asset equivalent to the university’s pension liabilities. The pension liability of the scheme at the year end was €6.5m (2017: €4.17m).

Summary of position at year end

	2018	2017
	€'000	€'000
Consolidated and University		
Net Pension Liability	(478,727)	(455,444)
Pension receivable	478,727	455,444
	<u>-</u>	<u>-</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

21 Retirement Benefits - (continued)

Analysis of the amount charged to the Statement of Comprehensive Income and Expenditure

	2018	2017
	€'000	€'000
Staff costs		
Current service cost	(20,570)	(21,802)
Total charge to operating expenses	<u>(20,570)</u>	<u>(21,802)</u>
Other finance charges		
Interest on pension scheme liabilities	(9,296)	(6,564)
Net finance charge	<u>(9,296)</u>	<u>(6,564)</u>
Deferred Funding for Pensions in year		
Funding recoverable in respect of current year pension costs	29,866	28,366
Contributions by employer payable to the State	(4,081)	(3,822)
Net Deferred Funding for Pensions in year	<u>25,785</u>	<u>24,544</u>

Analysis of the amount charged to Statement of Comprehensive Income and Expenditure

	2018	2017
	€'000	€'000
Experience gain/(loss)	542	(11,481)
Change in actuarial assumptions	(10,432)	42,692
Actuarial (loss)/gain	<u>(9,890)</u>	<u>31,211</u>

Analysis of the movement in defined benefit obligation in the year

Present value of defined benefit obligation at beginning of year	(445,554)	(455,444)
Current service cost	(20,570)	(21,802)
Interest Cost	(9,296)	(6,564)
Benefits Paid	6,583	7,045
Actuarial (loss)/gain	<u>(9,890)</u>	<u>31,211</u>
Present value of defined benefit obligation at the end of year	<u>(478,727)</u>	<u>(445,554)</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

21 Retirement Benefits - (continued)

The requirements of FRS102 are fully adopted and the following movements are reflected in the financial statements.

The valuation of liabilities used for FRS102 Disclosures has been based on an actuarial valuation carried out by an independent professionally qualified actuary at the year end. The financial assumptions used to calculate the retirement liabilities in relation to the defined benefit pension schemes under FRS102 as at 30th September 2018 and 30th September 2017 and 30th September 2016 were as follows:

	2018	2017	2016
Rate of increase in Salaries	2.05%	2.05%	1.80%
Rate of increase in Pensions in payment	2.05%	2.05%	1.80%
Discount Rate for Scheme Liabilities	2.00%	2.10%	1.45%
Inflation Assumption	1.80%	1.80%	1.55%

The mortality rate adopted allows for improvements in life expectancy over time so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining the age of 65.

	2018 Years	2017 Years	2016 Years
Male	88.2-90.3	88.1-92.2	87.3-91.1
Female	89.5-93.2	89.4-93.1	89.1-93.2

History of experience gains and losses is as follows:

	2018 €'000	2017 €'000	2016 €'000	2015 €'000	2014 €'000
<i>Difference between the expected and actual return on scheme assets</i>					
Amount	-	-	-	-	-
Percentage of scheme assets	N/A	N/A	N/A	N/A	N/A
<i>Experience gains and losses on scheme liabilities</i>					
Amount	542	(11,481)	8,042	4,161	8,710
Percentage of scheme liabilities	0.12%	-2.58%	1.77%	1.16%	2.68%
<i>Changes in Actuarial Assumptions</i>					
Amount	(10,432)	42,692	(87,560)	(18,942)	(50,209)
Percentage of scheme liabilities	-2.30%	9.58%	-19.23%	-5.29%	-15.49%

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

21 Retirement Benefits - (continued)

	2018	2017
Analysis of Deferred Pension Funding Asset	€'000	€'000
At beginning of year	445,554	455,444
Movement included in Staff costs	20,570	21,802
Movement included in Finance costs	9,296	6,564
Movement included in SOCI	9,890	(31,211)
Benefits Payable to the State	(6,583)	(7,045)
At end of year	478,727	445,554

22 Related Parties

Transactions with subsidiaries of the university have been eliminated on consolidation and no disclosure of these transactions has therefore been given. The university has the following related party transactions:

Maynooth Campus Conference & Accommodation: Maynooth Campus Conference & Accommodation is a campus facility arrangement between Maynooth University and St. Patrick's College, Maynooth to utilise the resources of both institutions in providing conference and accommodation facilities. The balance due to the university at 30th September 2018 was €0.217m (2017: €0.250m).

3U was a collaboration between three Higher Education Institutions in the greater Dublin area. The other two institutions were RCSI and DCU. To give effect to this arrangement, a limited liability company, 3U Collaboration Limited, was established in March 2013. Maynooth University held one third of the ordinary shares in the company with the other two collaborators each holding one third of the ordinary shares also. The trade and assets of 3U Collaboration Limited were sold during 2016/17. At 30th September 2018, the total net realisable shareholders loan from 3U Collaboration Limited is €Nil (2017: €34,956) which is included in Other Debtors.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

23 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants	Donations	2018 Total	2017 Total
	€'000	€'000	€'000	€'000
Balances at 1st October 2017	-	1,494	1,494	4,884
Investment income	-	167	167	159
Capital grants utilised	-	-	-	(3,549)
Expenditure	-	(466)	(466)	-
(Decrease) in market value of investments	-	(75)	(75)	-
Total restricted comprehensive income for the year	-	(374)	(374)	(3,390)
At 30th September 2018	-	1,120	1,120	1,494

24 Cash and Cash Equivalents

	1st Oct 2017	Cash flows	30th Sep 2018
	€'000	€'000	€'000
Consolidated			
Cash and cash equivalents	68,927	4,414	73,341
	68,927	4,414	73,341

Included in the year end cash balances is an amount of €44.3m relating to the EIB loan. These funds will be spent on authorised capital projects as outlined in note 25 below.

25 Capital and Other Commitments

Provision has not been made for the following capital commitments at 30th September 2018:

	2018		2017	
	Consolidated	University	Consolidated	University
	€'000	€'000	€'000	€'000
Commitments Contracted for	701	701	521	521
Commitments Authorised not yet Contracted	45,305	45,305	-	-
	46,006	46,006	521	521

Contracted commitments include an amount of €0.27m relating to a sports facilities and €0.44m to upgrade student social areas

Authorised commitments include €23.4m for a Science Technology and Innovation Centre, €14.8m for a new Student Centre, €5.7m for the new sports pitches, €1m for public realm landscaping, €0.3m for the Arts building refurbishment, €0.1m for student residences design.

Notes to the Financial Statements - (continued)
Year ended 30th September 2018

26 Contingent Liabilities

	2018		2017	
	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Guarantees	-	-	-	-

The university has given written undertakings to support the subsidiary companies at twelve months from the date of approval of these Financial Statements.

The university has no known material contingent liabilities at 30th September 2018 or 30th September 2017.

27 Operating Lease Obligations

Total rentals payable under operating leases:

	2018			2017	
	Land and Buildings	Plant and Machinery	Other leases	Total	Total
	€'000	€'000	€'000	€'000	€'000
Payable during the year	1,395	-	11	1,406	1,406
Future minimum lease payments due:					
Not later than 1 year	1,347	-	4	1,351	1,402
Later than 1 year and not later than 5 years	708	-	7	715	1,877
Later than 5 years	6,545	-	-	6,545	6,722
Total lease payments due	<u>8,600</u>	<u>-</u>	<u>11</u>	<u>8,611</u>	<u>10,001</u>

Operating lease commitments are mainly in respect of a 21 year property lease and a 62 year property lease both of which commenced on 1st October 1998.

28 Comparative Amounts Reclassification

Student assistance and access payments were historically reported in consumables within Other operating expenses. In the current year all such payments are reported in the Other Expenses and Charges category within Other Operating expenses. Comparative amounts have been reclassified in line with the current year classification. There is no impact on the current or prior year net surplus as a result of this reclassification.

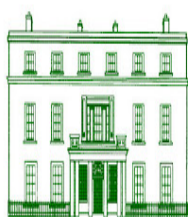
29 Events After The Reporting Period

There were no significant events since the year end which would have implications for these Financial Statements.

Elements of Capital, Recurrent and Research expenditure reported in these Financial Statements have been funded under one or more programmes operated by the following funding bodies and agencies:



An Roinn Gnó, Fiontar agus Nuálaíochta
Department of Business, Enterprise and Innovation



AN ROINN
OIDEACHAIS
AGUS SCILEANNA | DEPARTMENT OF
EDUCATION
AND SKILLS



European Research Council
Established by the European Commission



Irish Aid

An Roinn Gnóthaí Eachtracha agus Trádála
Department of Foreign Affairs and Trade

