



Consolidated Financial Statements
of
National University of Ireland, Maynooth
(commonly known as Maynooth University)
for the year ended 30th September 2019

(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,
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 2019 prepared in accordance with Financial Reporting Standard FRS102 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 exception is not a material departure and does not affect ‘true and fair view’ of the Financial Statements. 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

I would like to begin my report this year by acknowledging the HEA and the staff in the University for the award of €25m in capital grant aid towards the development of a €7m project which will see 10,500 square metres of new construction in the Technology, Society and Innovation Building, the refurbishment of the Scott Tallon and Walker designed (1974) Arts Building and the refurbishment of science laboratory space for future growth in our science degrees. This €25m is the largest capital grant ever received by the University and is testament to a growing recognition of the effort of the University in recent years in growing student access to university education at the fastest rate in the country.

The final outcome for the year indicates a surplus of €0.228m, which compares to a surplus of €0.542m in the previous year. Total income at €144.5m is up €6.4m on 2017/18 (before accounting for deferred pension funding). Of that €6.4m, €2.9m relates to an increase in student fees, €2.8m relates to the state grant and the remaining €0.7m is split between the other sources of income. Deferred pension funding of €28.3m is up €2.5m on the previous year. Total expenditure at €172.8m is up €9m on 2017/18. When deferred pension costs are excluded, the increase is €6.5m. This is largely attributable to the increase of €5.1m in staff costs primarily driven by an increase in staff numbers (up 79 year on year) and pay restoration, an increase in other operating expenses of €0.9m, in depreciation of €0.4m and interest of €0.1m. Figure 1 below compares the income for 2018/19 to 2017/18 and Figure 2 compares the expenditure for 2018/19 to 2017/18.

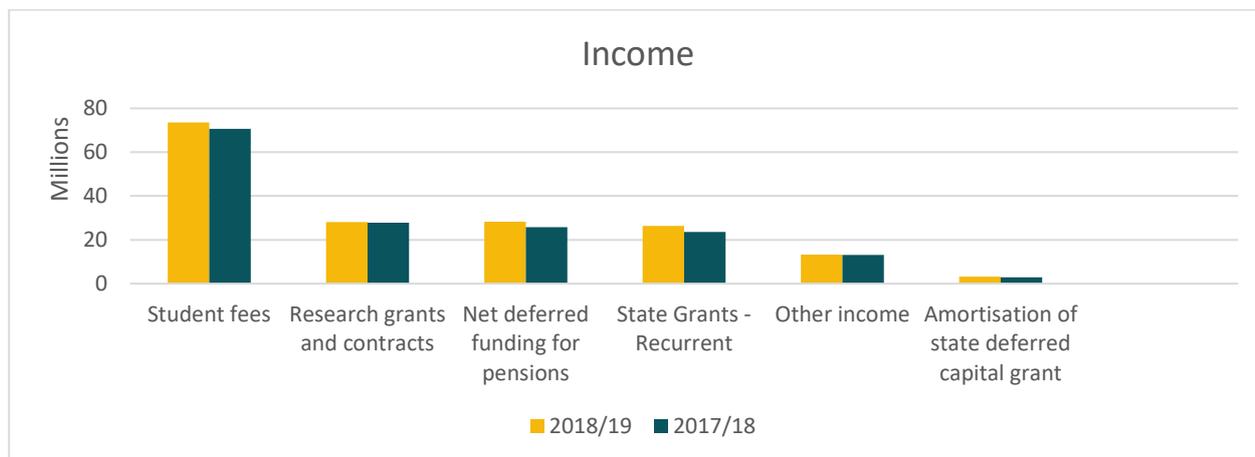


Fig 1. Comparison of income from 2017/18 to 2018/19

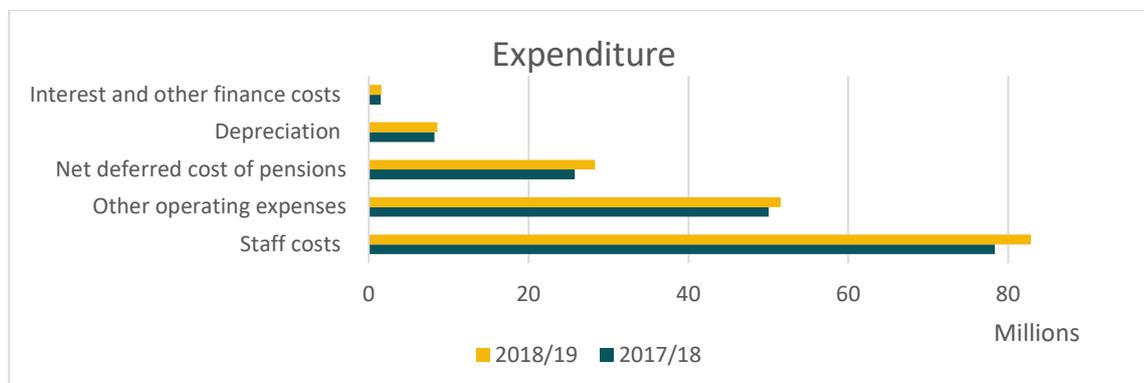


Fig 2. Comparison of expenditure from 2017/18 to 2018/19

Report of the Bursar (continued)

Student fees are the dominant income source for universities, with fees accounting for 43% of income in the year (2018: 43%). Student fee income increased by €2.9m to €73.5m representing a 4% increase over the previous year. Undergraduate fees accounted for €9m (2018: €7m) whilst postgraduate fees accounted for €1m (2018: €0.1m). In 2018/19, €45.8m was paid directly to the University on behalf of students by parties other than the Higher Education Authority. The State paid €27.7m of student fees on behalf of students under the HEA funding ‘free-fees scheme’, which is up from €26.7m in 2017/18. Also, €1.9m was received through *Student Universal Support Ireland*, which is consistent with the prior year. Of the €45.8m paid by or on behalf of students, non-EU students paid €5.1m (2018: €4.5m). The individual EU student contribution remained at €3,000. The “free fees” element of student fees paid through the Higher Education Authority increased by €1m from €26.7m 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 undergraduate, postgraduate student fees, student levy and miscellaneous fees for 2018/19 to 2017/18.

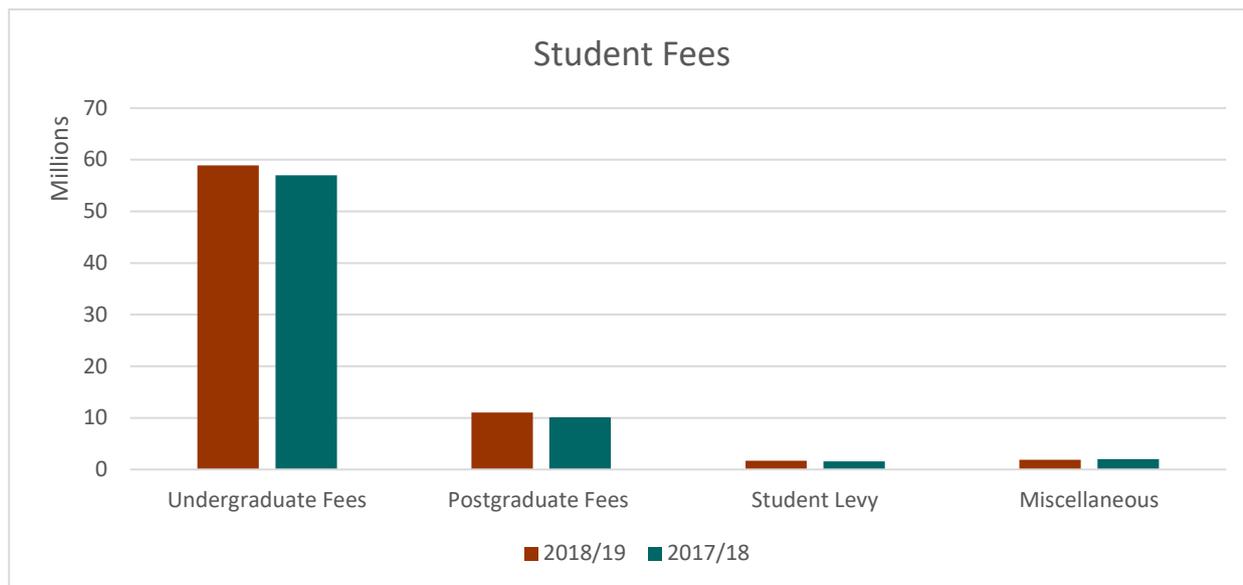


Fig 2. Comparison of Student Fees 2017/18 to 2018/2019

Other income has increased by €0.2m to €13.2m which is accounted for by an increase in residences income.

Income from research grants and projects showed an increase of €0.2m over the previous year. Total IReL income in the year contributed €2.9m (2018: €3.8m). State agency support (excluding IReL) has increased by €0.5m to €9.1m (2018: €8.6m). EU funding decreased marginally by €0.1m to €2.7m (2018: €2.8m). Research income from industry of €0.4m is up marginally on 2017/18.

While the change in the total is relatively modest, income from competitive sources (i.e. excluding IReL) has risen by 7% year on year. More significantly, new competitive awards secured in 2018/19 have amounted to over €9m, and this will lead to increased research activity over the coming 3-4 years. Of even greater note, there is clear evidence that the University’s investment in a number of research institutes and centres is making significant returns. For the first time, Maynooth is co-ordinating two major projects funded by the European Commission that have commenced in late 2019. The Smart and Healthy Ageing through People Engaging in supportive Systems (SHAPES) research project has a total budget of €1 million and consists of a consortium of 36 partners drawn from enterprise, NGOs and academia across 14 European countries, and will run for four years. Led by the ALL (Assisting Living & Learning) Institute at Maynooth University, it is the largest European Commission funded health research grant to ever be led by an Irish University. A second EU project, InSPIREurope, a new Europe-wide alliance for researchers at risk has received funding of €1.5m and is hosted by the Maynooth University Social Sciences Institute. In late 2019, significant funding of over €8m has also been secured from Science Foundation Ireland and enterprise partners by the Hamilton Institute and the ALL Institute for participation in two Centres for Research Training that will fund in excess of 50 new PhD students at Maynooth over 2019-2023. Funding successes of this scale would not be possible without the strategic investment in the staff and infrastructure of our research institutes.

Report of the Bursar (continued)

Recurrent expenditure for the year amounted to €172.8m (€144.5m excluding deferred pension costs), a €28.3m or 19.6% increase year on year. Staff costs were €101.7m and are up by €7.4m or 7.8% over 2017/18. The increased costs relate primarily to an additional €1.1m in pay costs driven by additional staff (79) and pay restoration and an increase of €2.3m in the cost of pensions under FRS102. Staff Costs would have been greater by €1.387m were it not for a sanctioned Employment Control Framework adjustment resulting in a credit to the previously charged pension costs of the University. Non-pay costs increased by €9.9m or 1.8% compared to 2017/18. Table 1 below outlines the main movements in non-pay costs. Non-pay costs represent 30% of recurrent expenditure (2018: 31%). This increase comprises an additional €1m expenditure on equipment including software and licences, €0.7m relating to increased research partnering activity in Other Expenses and Charges, offset by a reduction of €0.9m in IReL expenditure and €0.8m in consumables.

	2018/19	2017/18	Variance	Percentage	Explanation
	€000	€000	€000		
Travel & Subsistence	2,839	2,635	204	8%	Increase in mileage rates in line with Revenue guidelines
Hospitality & Entertainment	132	145	(13)	(9%)	Not significant
Consumables	2,672	3,460	(788)	(23%)	Savings at dept. level and reclass of costs to Other Expenses & Charges
Repairs & General Maintenance	3,827	3,832	(5)	0%	No material variance
Utilities	2,038	2,171	(133)	(6%)	Savings in electricity costs due to improved tariffs
Cleaning & Contract Security	1,906	1,785	121	7%	Increase in cleaning costs related to deep clean of apartments and transition between two suppliers
Research Library e-Journals	12,960	13,926	(966)	(7%)	Decrease relates to a VAT rate adjustment partially offset by the costs relating to a new consortium member in 2018/19
Books & Periodicals	1,614	1,443	171	12%	Once-off purchase of state papers database
Audit, Professional & Consulting	2,765	3,063	(298)	(10%)	Reduction in IVS Ltd. consultancy costs and savings in PR & Marketing
Rent, Rates & Insurance	2,440	2,324	116	5%	Increase in insurance costs and ground rent
Capitation	1,844	1,687	157	9%	Increase in USI payments, additional allocation for utilities and reduction in bad debt write off
Scholarships	6,074	5,676	398	7%	Increase in internally funded postgraduate tuition scholarships
Equipment	3,561	2,560	1,001	39%	IT upgrades, purchase of computer equipment, software, licence renewals
Other Employee Related Expenses	910	793	117	15%	Increase in recruitment costs and investment in employee training
Advertising & PR	1,266	1,279	(13)	(1%)	Not significant
Student related costs	2,434	2,318	116	5%	Increased investment in student assistance and recruitment
Other Expenses & Charges	2,238	1,505	733	49%	Increase in research partnering activity and reclass of costs from consumables
Total	51,520	50,602	918		

Table 1: Movements in Non-Pay costs 2018/19 vs 2017/18

Report of the Bursar (continued)

Capital expenditure during the year amounted to €0.5m, with €3.7m invested in new buildings, €1.8m on capital equipment (including €1.2m in research capital equipment) and €m in Work in Progress. The €3.7m additions relates primarily to the acquisition of leased land asset (with a corresponding lease liability) for €3.2m and €1.2m of the WIP balance relates to the Technology Society and Innovation Project. Note 25 sets out the capital commitments at the year-end. Capital commitments contracted for at 30th September 2019 amounted to €1.5m (2018: €0.7m) of which €0.7m relates to the Technology Society and Innovation Project. The HEA has awarded the University a €25m capital grant towards this project of which €3.374m was received in November 2019. In addition to the €1.5m, further authorised commitments at 30th September 2019 totalled €21.3m, which include €14.5m for the new Student Centre and €5.7m for sports facilities. The high level of commitments contracted and authorised reflects our commitment to invest in campus infrastructure over the coming year.

Cash and cash equivalents held at 30th September 2019 are €75.4m, up by €2.1m on the same date last year. The Statement of Cash Flow, on page 27, explains the movement which in summary arises from a net cash inflow from operating activities of €1.4m (2018: €0.5m) offset by the funding of capital projects of €5.2m (2018: €2.7m), interest paid of €1.6m (2018: €1.5m) and repayment of the EIB loan of €2.5m (2018: €0.9m). Included in the year end cash balances is an amount of €40.9m relating to the EIB loan. These funds will be spent on contracted capital projects as outlined above.

The overall level of debtors and prepayments has increased by €3.4m to €17.2m from €13.8m in the previous year. This increase is largely accounted for by the recognition of €5.4m capital grant receivable from the HEA in relation to a capital project, offset by a reduction in prepayments of €1.1m. The full movements and explanations are outlined in Table 2 below.

	2018/19 €000	2017/18 €000	Variance €000	Percentage	Explanation
Projects Receivable	3,787	3,128	659	21%	Increase in completed projects that are pending payments
Accounts Receivable	2,574	2,687	(113)	(4%)	Reduction in IVS Ltd. trade debtor balance
Prepayments	4,244	5,384	(1,140)	(21%)	Reduction in IReL prepayments due to VAT adjustment
Staff House Loans	16	14	2	14%	Not significant
Other Debtors	848	469	379	80%	Accrued income for specific projects including IReL
State Capital Grant	5,374	300	5,074	1,691%	€3.374m due from the HEA in relation to the Teaching Learning & Innovation Project
Academic Fees Receivable	393	377	16	4%	Not significant
State Grant Due	-	1,424	(1,424)	(100%)	HEA core grant due timing of receipts
Total		13,783	3,453		

Table 2: Debtors and prepayments as at 30.9.2019 vs 30.9.2018

During the year, the Governing Authority took a decision to write-off €0.685m of the value of a loan advanced to a subsidiary company, Innovation Value Services Limited, and to wind that company up after the year-end. This is more fully explained in Note 18 in the Financial Statements. The impact in the current year is a €0.065m credit to the University Financial Statements as a provision was made for the loan write-off of €0.750m in 2017/18. There is no impact on the Consolidated Financial Statements.

Report of the Bursar (continued)

The overall level of creditors and accruals has increased by €5.4m to €7.3m (2018: €1.9m). This increase is largely accounted for by €3.6m in Research Grants & Projects unexpended, €1.5m in academic fees in advance and €1.9m in the EIB loan offset and reduction in the pension liability of €1.8m. The full movements and explanations are outlined in Table 3 below.

	2018/19 €000	2017/18 €000	Variance €000	Percentage	Explanation
Research Grants & Projects unexpended	16,239	12,636	3,603	28%	Advanced funding for new SFI and EU projects, related expenditure will be incurred in 2019/20
Net Pension Liability	1,595	3,380	(1,785)	(52%)	Employment Control Framework adjustment
Deferred Income	7,334	7,269	65	9%	Funding received in advance for specific projects - timing
Academic Fees received in advance	16,557	15,019	1,538	10%	In line with increased student numbers and fees
Trade Creditors	3,036	3,782	(746)	(20%)	Timing of payments, increase in capital creditors, architects and contractor fees in prior year
Accruals	3,785	4,468	(683)	(15%)	€1.6m decrease in Accounts Payable accruals offset by increase in capital accruals €1m
Unsecured Loans	3,838	1,897	1,941	102%	EIB loan repayments - capital repayments on all three tranches due in 2019/20
State Grant in Advance	984	-	984	(100%)	Timing of HEA cash receipts
Other Creditors	1,230	617	613	99%	Increase in SPCM creditor timing of ASC payment and lump sum pension payments
Short Term Lease Liability	57	-	57	100%	Short term element of new finance lease
Other Tax and Social Security	2,597	2,840	(243)	8.5%	€0.2m reduction in WHT from prior year - related to architects fees
Total	57,252	51,908	5,344		

Table 3: Creditors and Accruals as at 30.9.2019 vs 30.9.2018

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 2019. The overall pension liability is €73m (2018: €479m). Of this amount, €31.6m (2018: €99.2m) is attributable to the Model Scheme and €12.9m (2018: €6.5m) 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.

Report of the Bursar (continued)

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 2019. Further details are provided under Note 21 (pages 43 - 46). Readers of these accounts will notice that the University's auditors have drawn attention to this treatment without qualifying their opinion (pages 21 - 23).

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 class of 2018/19 was fully educated under this new curriculum. The University also established four focused Research Institutes linked to the teaching mission of the University. An ambitious campus development programme is under way 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.

A new departure for the University in September this year was the enrolment of 299 first year students in Fuzhou University in the Maynooth International Education College (MIEC) to study for degree awards in Engineering and Computer Science in China. It is expected that the MIEC will grow to 1,200 students over the next three.

During the year a new *Code of Governance for Irish Universities 2019* was agreed between the HEA and the IUA. The normal instruments of governance (e.g. Terms of reference for Governing Authority, Code of Conduct for members of GA, Standing Orders for meetings of GA, Matters reserved for decision of GA, Protected Disclosure Policy), will require a fresh examination during 2020 in light of the changed governance standard. A greater focus will be placed on risk management and the entire framework for management of risks in the University.

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. Maynooth University was the first University to sign up to a voluntary cap of 4% in terms of increases in rent for University owned student accommodation year on year. In fact, the rate of increase for student accommodation at Maynooth University is just 3% for 2020/21. If this initiative can provide access to education for even one marginalised student, it will have been worthwhile.

At time of writing the country is gripped by COVID-19. Far better minds than mine are acting in the national interest to advice the government on actions to combat the virus and working towards the development of a vaccine. My role is to consider, along with my University Executive colleagues, the impact of the virus on the University and to determine if there are any going-concern considerations that require notification to the Governing Authority. At a meeting held on 24 March 2020, University Executive examined three scenarios on possible impacts on the liquidity of the University to the end of March 2021. The first scenario takes account of the known fallout from the virus, the second scenario adds in possible impacts into next year if the restrictions arising from the virus continues for more than four more months and the final scenario, described as the most serious impact, examines a major collapse in student intake in 2020/21 as a result of a cancellation of the leaving certificate and other income losses such as a virtually complete withdrawal by international students. Even under this latter scenario, the University will be solvent in March 2021. As such, I will advise the Governing Authority that the Financial Statements are prepared under the going-concern concept and that this has been considered by University Executive and is deemed appropriate.

Report of the Bursar (continued)

4. Conclusion

The University again managed its affairs well in 2018/19. 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 very grateful for their efforts.



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 26th March 2020.



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 “*Code of Governance for 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 allocated to individual budget holders who are expected to operate and deliver within that budget. There is a rigorous system of budget control, with regular analysis of variance against budget. A review of actual income and expenditure against budget in both academic and non-academic departments is carried out on a regular basis by business partners in the Finance Office, and any material variances are communicated to the Bursar. Where necessary and appropriate, variances are then brought to the attention of the University Executive and governance structures of the University. In all cases, corrective action is taken to adjust budgets, reprofile spending, or target savings elsewhere to reach the overall budgetary targets of the University.

Budgets are prepared using systems data extracted by the Bursar’s Office and appropriate assumptions and forecasts. 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 2019.

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. The Sixth Governing Authority was established in late 2019 and will undertake an annual self-assessment of its effectiveness and that of its committees, as well as an external review of its performance mid-way through its term in 2022/23.

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 as set out in legislation governing the establishment of the University or in other relevant legislation.

The Fifth Governing Authority of Maynooth University went out of office on 29th October 2019 and was succeeded by the Sixth Governing Authority. The membership of the Sixth Governing Authority of Maynooth University will be made up of 33 members and will be as diverse and representative as possible, consistent with the provisions of the *Universities Act 1997*. The process of filling vacancies on the Governing Authority is ongoing.

Statement of Governance (continued)

Half of the membership is drawn from outside of the University (lay membership) and half is drawn from within the University. 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 Authority for publication in June 2018. The Plan was formally launched by the Minister of State for Higher Education in October 2018. The “*Maynooth University Strategic Plan 2018 – 2022*” 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 and again amended in 2019 (Statute 6 ‘Academic Council’). 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 matters reserved for decision by the Governing Authority has been agreed. This schedule will be reviewed and updated in 2020 consistent with the *Code of Governance for Irish Universities 2019*.

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 use of the University seal. The Committee met on four occasions during the year. The Committee was chaired by the President and the Bursar acted 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 the Chairperson of the Governing Authority. The Committee did not meet during the year.

The **Quality Committee** met on three occasions during the year. The Committee was chaired by Ms Paula Murray, an administrative staff representative on the Governing Authority and the Secretary was Dr Zsuzsanna Zarka, Quality Office. 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 was chaired by Dr Seamus Taylor and the University Equality Officer acted as Secretary to the Committee. The Committee met four 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 was chaired by An tOllamh Seán Ó Riain, and the Secretary was Dr Brian Mac Maghnuis, 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 four 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.

Statement of Governance (continued)

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 2018/19, the Committee met with a senior representative from the Office of the Comptroller and Auditor General on three occasions. Table 1 below shows the attendance of members of the Committee at meetings.

Audit and Risk Assessment Committee Member	Number of Meetings Eligible to Attend	Number of Meetings Attended	Percentage Attendance
Mr Peter Cassells	4	4	100%
Ms Maura Moore	4	4	100%
Ms Christine Moran	4	4	100%
Professor Marian Lyons	4	3	75%
Mr Michael Smyth	4	3	75%

Table 1. Attendance of members of the Audit and Risk Assessment Committee at meetings during 2018/19

7. Chairperson, Deputy Chairperson and President

Baroness Nuala O’Loan was the Chairperson of the Governing Authority during the year. She left office on 29th October 2019. Mr Peter Cassells was the Deputy Chairperson of the Governing Authority during the year and he also left office on 29th October 2019. The newly established Sixth Governing Authority appointed Dr Mary Canning as independent Chairperson at its meeting of 16th December 2019. 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 is required to “manage and direct the University in its academic, administrative, financial, personnel and other activities and for those purposes has such powers as are necessary or expedient”. The President acts “subject to such policies as may be determined from time to time by the governing authority and shall be answerable to the governing authority for the efficient and effective management of the University and for the due performance of his or her functions” The President is therefore responsible to the Governing Authority for maintaining the efficiency and good order of the University, including academic, human resources and financial management as 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 at 30th September 2019 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 and VP Enterprise Engagement
Professor Ronan Farrell	Dean of Science and Engineering
Professor Colin Graham	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 (on leave from April 19)
Ms Elizabeth Dunne	Vice-President Estates and Capital Development
Dr Gemma Irvine	VP Equality and Diversity

Table 2. Members of University Executive 2018/19

The University Executive meets weekly to oversee the operations of the University and to review progress on specific aspects of the University Strategic Plan. University Executive 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 2018/19, the University Executive met on 42 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	6 6 6	100% 100% 100%
Members of academic staff who are Professors or Associate Professors (2)	Professor Chris Morris (on sabbatical leave for 2019-20) Professor Sharon Todd (on sabbatical leave for 2019-20)	6 6	5 5	83% 83%
Permanent or full-time members of academic staff other than Professors or Associate Professors (4)	Dr Séamus Taylor Dr Úna Crowley (on special leave for 4 meetings) Dr Jeneen Naji Dr Anthony Malone	6 6 6 6	5 2 5 3	83% 33% 83% 50%
Permanent or full-time employees of the University who are not academic staff (2)	Mr James Cotter Ms Paula Murray	6 6	6 5	100% 83%
Elected officers of the Students' Union (3)	Mr Leon Diop Ms Katie Deegan ¹ Ms Kim Lockyer ² Mr Ciaran Watts Mr Michael Butler ³	5 6 5 1 1	5 6 5 1 1	100% 100% 100% 100% 100%
Postgraduate student (1)	Mr Kilian Woods	6	4	67%
IBEC nominee (1)	Ms Christine Moran	6	5	83%
ICTU nominee (1)	Ms Sheila Nunan	6	4	67%
Nominees of the Trustees of St Patrick's College (3)	Rev Professor Michael Mullaney Monsignor Jim Cassin Dr Marie Griffin	6 6 6	5 3 1	83% 50% 17%
Graduates of the University (2)	Ms Maura Moore Mr Michael Smyth	6 6	5 4	83% 67%
Nominees of NUI Senate (2)	Professor Mary Corcoran (Sabbatical Leave for Sept 2018 – June 2019) Professor Martin Curley	6 6	1 5	17% 83%
Minister's nominees (2)⁴	Vacant Vacant			
Other external members (4)	Mr Peter Cassells Mr Eugene Magee Ms Madeleine Mulrennan Vacant	6 6 6	6 5 4	100% 83% 67%

Table 3. Membership and attendees at Governing Authority meetings for 2018/19

¹ Ms Katie Deegan replaced Mr Leon Diop as MSU President

² Mr Ciaran Watts replaced Ms Kim Lockyer as MSU VP Welfare

³ Mr Michael Butler replaced Ms Katie Deegan as MSU VP for Education

⁴ 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 reviewed and updated by a sub-committee of University Executive following appropriate consultation in the University, and the Risk Register is then presented to and reviewed by the Audit and Risk Assessment Committee before presentation to the Governing Authority. The current risk management process is overseen 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 or new risk is brought to the attention of the University Executive, and where appropriate the Audit and Risk Assessment Committee and the Governing Authority. Procedures exist for the evaluation of the risks 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 2019 Risk Register was reviewed and updated during the year and finalised in November 2019. The risks are categorised into 16 different groupings to reflect the objectives of the Maynooth University Strategic Plan 2018-2022. Governance reviews have recommended that the University strengthen its risk management policy and processes, and the University Executive has undertaken to do so in 2020.

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, as described above, address ongoing issues and the implementation of the objectives of the University Strategic Plan. Control issues emerging and changes in risk profile are addressed at these meetings. The meetings are minuted and the minutes are available to the Internal Auditors.

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. During the financial year, the University was subject to CINNTE Institutional Review under the auspices of QQI for the purpose of externally evaluating the quality assurance and quality enhancement processes of the University. The process included an extensive self-evaluation of quality and quality processes and a site visit from an independent external expert Review Panel. A report was issued by the Review Panel in July 2019, which commended the University for its strategy and the quality of its research, teaching and support activities, found the University to be compliant with European Standards and Guidelines for Quality Assurance, and made recommendations for enhancement. An action-plan in response to these recommendations was prepared by the University and noted by Governing Authority in September 2019.

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 2019.

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.

Statement of Governance (continued)

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 received 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 was 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 2018/19 was €191,278 in accordance with a letter of sanction received in February 2011.

16. Consultants Costs (excluding architect and design team fees in relation to the delivery of capital projects)

A full analysis of consultants' costs is set out under Note 11, "Analysis of Total Expenditure" on page 36 of the Financial Statements. The total amount paid was €2.2m down from €2.5m in the previous year.

17. Employee Benefits

A full analysis of staff costs and staff numbers is set out under Note 9 'Staff Costs' on page 35 of the Financial Statements.

The Governing Authority confirms that the University and its subsidiary companies comply with public pay guidelines, the salary scales for academic and administrative staff as approved by the Minister for Education and Skills, and the Framework for Departures from Approved Levels of Remuneration agreed with the Higher Education Authority, in accordance with Section 25 of the *Universities Act 1997*. The University was fully compliant with the public sector pay ceiling of €200,000 during the year. In relation to researcher salary scales, the University acknowledges that no Section 25 approved pay scales exist. The University Executive has, in respect of research staff, implemented a set of scales consistent with the approved academic scales and the researcher scales and research careers framework agreed across the seven universities by the Irish Universities Association, recognising that the Minister has not formally approved researcher salary scales. Nonetheless, 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 primary salary. The teaching is carried out in the evenings, or the member of staff works additional hours to make up a full working week where such teaching takes place during normal working hours. 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 35 of the Financial Statements.

19. Termination/ Severance payments and agreements

No severance payments have been made without a prior written request for approval from 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 36 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 36 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 36 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 system of internal controls manages rather than eliminates the risk of failure to achieve policies, aims and objectives or to conduct affairs in an orderly and legitimate manner. 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, the work of the Audit and Risk Assessment Committee, the University Executive, 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. ARAC reviewed an Internal Audit Report (High Level Review of Key Financial Controls 2018-19) in January 2020 and expressed themselves satisfied with the management actions. The Governing Authority formally approved the review of internal controls on 11th April 2019 and 26th March 2020.

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.
- 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:
 - *Recruitment and Employment Contracts (February 2019)*
 - *High Level Review of Key Internal Financial Controls 2017-18 (February 2019)*
 - *Research Grant Management (September 2019)*
 - *Follow up on Previous Internal Audit Recommendations (September 2019)*
 - *Cyber Security Review (September 2019)*
 - *Payroll Review (January 2020)*
 - *Governance Review (January 2020)*
 - *High Level Review of Key Financial Controls 2018-19 (January 2020)*
- 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.

Statement on the System of Internal Controls (continued)

During the financial year 2018/19, the Comptroller and Auditor General completed the external audit of the Consolidated Financial Statements for 2017/18 in April 2019. A management letter was received by the University in May 2019 on completion of the audit for 2017/18. No material misstatement or error was reported. One instance of fraud was reported which was documented in the 2017/18 Statement on the System of Internal Controls. A number of internal control findings were made including two 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 2019. The Audit and Risk Assessment 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.

The first 'high' level finding was the absence of a purchase order approval system. The POP system was piloted for a number of departments and suppliers in 2018/19 and will be rolled out throughout the University in 2020. The second finding was in relation to information technology weaknesses, specifically: information systems and data security weaknesses; an inadequate business continuity and disaster recovery plan; and software issues in student record system ITS. The issues with the student record system were addressed during the year, and progress was made on security and disaster recovery. The specific actions taken by the University during 2019 include:

- A new password policy for all staff (extended to all students after the year-end)
- A secure authentication process ('Multi-Factor Authentication', MFA) for access to University systems was piloted for key users in Finance, HR, IT Services and members of University Executive, and then. MFA was rolled out for all staff remote access in January 2020.
- A limited Disaster Recovery Plan was put in place for recovery of key IT systems (HR and Payroll systems, Finance systems and the Student Records systems). The HR and Payroll systems was tested and worked satisfactory while the other plans will be tested during 2020.

Since the 30 September 2019, 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 2019. Preliminary audit fieldwork was carried out in November and December 2019 and a draft management letter was received following the work. The final audit fieldwork took place in the period January to February 2020.

The University established a COVID-19 working group in February 2020 to begin contingency planning for the fall-out from the virus. The working group is chaired by the Deputy-President and reports to the President.

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 2019 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 2019. The University entered into an academic partnership with Fuzhou University in China, known as Maynooth International Engineering College (MIEC). It enrolled its first intake of students (299) in September 2019. The ultimate awards will be both Fuzhou University degrees and Maynooth University degrees. All profits generated by the MIEC will be invested in joint research projects between Fuzhou University and Maynooth University of will be reinvested in the MIEC.

(ii) Breaches in Internal Control – Procurement

During 2018/2019 the University incurred expenditure of €315,000 on goods and services where the procurement procedures employed did not comply with related rules and guidelines.

- (a) Instances identified as a result of self-review
- €33,000 payments to an IT consultant – During 2017/2018 a consultant was employed without a tender competition due to unforeseen circumstances. Payments to the consultant continued in 2018/2019. The consultant is no longer employed.
 - €43,000 to an employment agency. In this case the University sought 3 quotes believing that the percentage paid to the agency as opposed to the total payments (including staff costs) was the amount used to calculate procurement thresholds. The services received have been brought to an end during 2018/19.
 - €55,000 related to the extension of a contract initially awarded on a rolling basis in 2012. A member of staff was recruited to carry out a large part of a previously outsourced service. The reduced outsourcing requirement has been retendered.
 -

Statement on the System of Internal Controls (continued)

- (b) Instances identified during audit of 2018/2019 financial statements
- Payments of €25,000 and €30,000 were made to consultants for specialised services in executive coaching and international student recruitment. The University accepts that there is inadequate documentation of their sole supplier status. The international student recruitment consultant has had his contract ended in 2018/19. The executive coaching service will be tendered for in 2020.
 - €57,000 related to payments under a contract for supply of bulk fuels to the University. The University is in the process of adopting the relevant OGP framework agreement which will address this issue in 2019/2020.
 - €72,000 related to payments to an office solutions supplier, the majority of which related to maintenance of photocopying machines. The University intends to tender for this service in 2020.

Finally, the University appointed a new cleaning services provider through an OGP framework in early 2019. However, due to an error in the documentation issued to an unsuccessful bidder in the process, a challenge to the process was initiated in the courts. On legal advice, Maynooth University decided to abandon the competition and to continue with the incumbent supplier on the same terms as the expired contract for a further six months. The legal action was settled during this time. The University spent €643k with this provider 'out of contract' in 2018/19.

(iii) Material Losses and Fraud

In December 2019, the University was defrauded of €6,200, through a targeted phishing incident, which resulted in the salary payment of a member of staff being directed to a back account controlled by the perpetrator of the fraud

The internal audit report presented by Mazars to the University's Audit & Risk Assessment Committee (ARAC) in January 2020, demonstrated that there is a documented protocol for existing employees to change their personal bank details through the HR Operations support team, either by re-submitting of the on-line personnel form, or by email verified by personal contact. However, the normal controls applicable to payroll bank changes were not followed in this instance. While the incident appears to be isolated in nature and the fraud exposure was limited to the net pay of a single individual, we consider it prudent to further strengthen the controls around changes in bank account details for employees as recommended by the Internal Auditors.

(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 18th March 2020 and by the full Governing Authority at a meeting held on 26th March 2020 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 framework, 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 the results of external and internal audits, quality reviews, and confirmations from management that the control system as described in the Financial Statements reflect the control system in operation in the University.

Statement on the System of Internal Controls (continued)

(vi) Process to identify business risk

A formal process is undertaken on a regular basis to identify, evaluate and mitigate risks. The Risk Register is reviewed and updated by a sub-committee of University Executive following appropriate consultation in the University, and the Risk Register is then presented to and reviewed by the Audit and Risk Assessment Committee before presentation to the Governing Authority. The risk management process is overseen 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 or new risk is brought to the attention of the University Executive, and where appropriate the Audit and Risk Assessment Committee and the Governing Authority. Procedures exist for the evaluation of the risks 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 2019 Risk Register was reviewed and updated during the year and finalised in November 2019. The risks are categorised into 16 different groupings to reflect the objectives of the Maynooth University Strategic Plan 2018-2022. Governance reviews have recommended that the University strengthen its risk management policy and processes, and the University Executive has undertaken to do so in 2020.

4. Confirmation of Review

The Governing Authority formally carried out a review of the effectiveness of internal controls on 11th April 2019 and 26th March 2020.

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 11th April 2019. 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 26th March 2020 where the Bursar / Secretary 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 two 'high' level findings by the Comptroller and Auditor General following the audit for 2017/18 were outlined under Note 3(i) above. In addition, 12 'medium' level findings and four '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 1st April 2019 and notified to the Governing Authority on 11th April 2019. The Audit and Risk Assessment Committee has expressed themselves satisfied with the management actions indicated to address the findings.

Of the eight 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 two of the reviews (Internal Financial Controls 2017/18; Research Grant Management). Reasonable assurance, the second highest level of assurance provided by Mazars in 2018/19, was provided in the Governance Review, Payroll Review and the Review of Key Internal Financial Controls 2018/19. The two remaining audit reviews, Recruitment and Employment Contracts and Cyber Security Review indicated only 'limited assurance' could be provided in these instances. (Mazars do not provide a level of assurance on their Follow-up of Previous Audit Recommendations).

The University has already made progress in addressing the areas of weaknesses identified in the Recruitment and Employment Contracts and Cyber Security Reviews. New policies and procedures have been developed by the Human Resources Office. Cyber security improvements include additional controls such as a new password policy for all users, multi-factor authentication for staff, a security information and enhancement software implementation for targeted users and a warning banner on all emails from outside the mu.ie domain. The University will undergo follow-up reviews in both areas within two years to assure itself that the sufficiency and operation of controls has reached the highest level.

Two high risk findings were made on Internal Audit Reviews which provided 'reasonable assurance'. In the 'Governance Review' the internal auditor found a number of areas in the Risk Management System that did not fully comply with the 2019 Code. This risk flows from the adoption of the *Code of Governance for Irish Universities 2019* which places a higher standard of governance and risk management on Universities than that required by the pre-existing 2012 Code. Maynooth University accepts the findings and have prepared a plan to address the deficit during the next 18 months. In the 'Payroll Review', a high-risk finding was made as a result of the fraud incident on December 2019 as detailed under paragraph 3(iv) of the Statement on the System of Internal Controls. (This finding is also reflected in the Internal Financial Control Review 2018/19). As mentioned under paragraph 3(iv), additional action to strengthen controls has taken place. This matter will be followed up by the Internal Auditors during 2020.

Statement on the System of Internal Controls (continued)

The University is endeavouring to comply with the Employment and Miscellaneous Provisions Act 2018. A project to determine appropriate terms and conditions of employment to be included in the employment contracts of all occasional staff is ongoing and will be finalised in June 2020. All permanent and contract staff and over 80% of occasional staff have been issued with employment contracts as of March 2020.

6. Weaknesses in Internal Control

In 2017/18, the Governing Authority felt it necessary to disclose a lack of a 'Disaster Recovery and Business Continuity Plan', and inadequate IT and data security systems as control weaknesses. The Governing Authority also disclosed incidents had occurred to highlight weaknesses in the student records system, the University website and email security. In response to the weaknesses identified, the University noted that it was in the process of a major re-organisation of its IT Services unit. The University had commissioned IBM consultants to assess the resilience of the systems. This consultancy had been completed and the urgent issues identified had been addressed. The Governing Authority had acknowledged that IT infrastructure and systems will require a significant investment over a number of years. Work on the most pressing items is being carried out in a phased manner.

The Bursar / Secretary took over responsibility for IT Services on an interim basis during 2019. An acting Director of IT Services was hired in September 2019. Significant progress had been made on addressing the risks identified last year in the areas of Disaster Recovery and Business Continuity and IT and data security systems. Improvements have also been made in email security, the student records systems and the University's website. However, on balance, the Governing Authority is of the view that the overall area of IT remains a significant risk for the University.

The University is concerned that inadequacies in the funding model for higher education will mean that it will have insufficient funds to deliver its Strategic Plan in a timely manner. A strict management of existing resources is in place with clear decision making on resource allocation. As the country's fastest growing University, close contact is also maintained with the HEA and other funding agencies. However, the University is concerned that the overall funding being made available to higher education is not keeping pace with the requirements of higher education as set out in the Cassells Report.

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 26th March 2020.



Dr Mary Canning
Chairperson



Professor Philip Nolan
President



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Maynooth University

Opinion on the financial statements

I have audited the financial statements of Maynooth University for the year ended 30 September 2019 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 2019 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 (€428.6 million) and the Single Public Service Pension Scheme (€12.9 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of a deferred pension funding asset of €131.6 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 the related pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

Basis of opinion

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

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

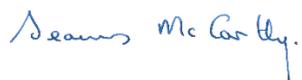
Report of the C&AG (continued)

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

The University has presented certain other information together with the financial statements. This comprises the 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.

I have nothing to report in that regard.

A handwritten signature in blue ink that reads "Seamus McCarthy".

Seamus McCarthy
Comptroller and Auditor General

27 March 2020

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 I identify material matters relating to the manner in which public business has been conducted.

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

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

Consolidated and University Statement of Comprehensive Income and Expenditure
Year Ended 30th September 2019

	Notes	2019		2018	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Income					
State Grants - Recurrent	3	26,423	26,423	23,613	23,613
Student fees	4	73,540	73,540	70,615	70,615
Research grants and contracts	5	28,067	28,067	27,821	27,821
Amortisation of state deferred capital grant	14	2,975	2,975	2,681	2,681
Other income	6	13,260	13,106	13,045	12,526
Investment income	7	223	223	252	252
Net deferred funding for pensions	21	28,284	28,284	25,785	25,785
Total income		172,772	172,618	163,812	163,293
Expenditure					
Staff costs	9	101,670	101,535	94,267	93,693
Other operating expenses	11	51,520	51,398	50,602	51,125
Depreciation	12	8,580	8,580	8,198	8,198
Interest and other finance costs	10	11,069	11,069	10,803	10,803
Total expenditure		172,839	172,582	163,870	163,819
(Deficit)/Surplus before other gains losses and share of operating surplus of joint ventures and associates		(67)	36	(58)	(526)
Gain on disposal of fixed assets		2	2	8	8
Gain/(Loss) on revaluation of investment property	15	25	25	(75)	(75)
Share of operating surplus in joint venture	16	268	268	667	667
Surplus before tax		228	331	542	74
Taxation	8	-	-	-	-
Surplus for the year		228	331	542	74
Actuarial loss in respect of pension schemes	21	69,587	69,587	9,890	9,890
Adjustment to Deferred Funding Pension	21	(69,587)	(69,587)	(9,890)	(9,890)
Total comprehensive income for the year		228	331	542	74
Represented by:					
Endowment comprehensive income for the year		-	-	-	-
Restricted comprehensive income for the year	23	29	25	(374)	(374)
Unrestricted comprehensive income for the year		199	306	916	448
		228	331	542	74
Surplus for the year attributable to:					
Non controlling interest		-	-	-	-
University		228	331	542	74

All items of income and expenditure relate to continuing activities.

Consolidated and University Statement of Changes in Reserves
Year ended 30 September 2019

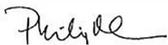
Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>			
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 October 2017	-	1,494	112,152	113,646	-	113,646
Surplus from the Statement of comprehensive income and expenditure	-	(75)	617	542	-	542
Release of restricted funds spent in year	-	(299)	299	-	-	-
Total comprehensive income for the year	-	(374)	916	542	-	542
Balance at 1 October 2018		1,120	113,068	114,188		114,188
Surplus from the Statement of comprehensive income and expenditure	-	29	199	228	-	228
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year		29	199	228	-	228
Balance at 30 September 2019	-	1,149	113,267	114,416	-	114,416

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>			
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 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 1 October 2018	-	1,090	112,862	113,952	-	113,952
Surplus from the Statement of comprehensive income and expenditure	-	25	306	331	-	331
Release of restricted funds spent in year	-	-	-	-	-	-
Total comprehensive income for the year	-	25	306	331	-	331
Balance at 30 September 2019	-	1,115	113,168	114,283	-	114,283

Consolidated and University Statement of Financial Position
Year Ended 30th September 2019

	Notes	2019		2018	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Non-current assets					
Property Plant & Equipment	12	226,402	226,402	224,475	224,475
Heritage Assets	13	382	382	183	183
Investment Property	15	2,000	2,000	1,975	1,975
Investments	17	1	1	1	1
Investment in joint venture	16	485	485	217	217
		<u>229,270</u>	<u>229,270</u>	<u>226,851</u>	<u>226,851</u>
Current assets					
Trade and other receivables	18	17,236	17,292	13,783	13,727
Cash and cash equivalents	24	75,450	75,269	73,341	73,010
		<u>92,686</u>	<u>92,561</u>	<u>87,124</u>	<u>86,737</u>
Less: Creditors: amounts falling due within one year	19	<u>(57,252)</u>	<u>(57,260)</u>	<u>(51,908)</u>	<u>(51,757)</u>
Net current assets		35,434	35,301	35,216	34,980
Total assets less current liabilities		<u>264,704</u>	<u>264,571</u>	<u>262,067</u>	<u>261,831</u>
Creditors: amounts falling due after more than one year	20	(72,615)	(72,615)	(73,930)	(73,930)
Provisions					
Pension provisions	21	(573,144)	(573,144)	(478,727)	(478,727)
Pension receivable		573,144	573,144	478,727	478,727
Total net assets		<u>192,089</u>	<u>191,956</u>	<u>188,137</u>	<u>187,901</u>
State Capital Grant	14	77,673	77,673	73,949	73,949
Restricted Reserves					
Income and expenditure reserve - restricted reserve	23	1,149	1,115	1,120	1,090
Unrestricted Reserves					
Income and expenditure reserve - unrestricted reserve		113,267	113,168	113,068	112,862
Total Income and Expenditure Reserve		<u>114,416</u>	<u>114,283</u>	<u>114,188</u>	<u>113,952</u>
Total Reserves		<u>192,089</u>	<u>191,956</u>	<u>188,137</u>	<u>187,901</u>

The Financial Statements on pages 25 to 49 were approved by the Governing Authority on 26th March 2020 and signed on its behalf by:


 Professor Philip Nolan
 President


 Dr. Mike O' Malley
 Bursar

Consolidated Statement of Cash Flows

Year ended 30th September 2019

	Notes	2019 €'000	2018 €'000
Cash flow from operating activities			
Deficit for the year before operating surplus of joint ventures and associates		(67)	(58)
Adjustment for non-cash items			
Depreciation	12	8,580	8,198
Deferred capital grants released to income	14	(2,975)	(2,681)
Decrease in receivables	18	1,575	1,805
Increase in creditors	19	2,918	307
Investment income receivable	7	(223)	(252)
Distribution from joint venture	16	-	700
Adjustment for investing or financing activities			
Interest payable	10	1,564	1,507
Net cash inflow from operating activities		<u>11,372</u>	<u>9,526</u>
Cash flows from investing activities			
Capital grants receipts		1,671	3,135
Investment income	7	223	252
Payments made to acquire fixed assets		(7,059)	(6,063)
Proceeds from sale of fixed assets		<u>2</u>	<u>8</u>
Net cash outflow from investing activities		<u>(5,163)</u>	<u>(2,668)</u>
Cash flows from financing activities			
Interest paid	10	(1,564)	(1,507)
Repayment of loan	20	<u>(2,536)</u>	<u>(937)</u>
Net cash outflow from financing activities		<u>(4,100)</u>	<u>(2,444)</u>
Increase in cash and cash equivalents in the year		<u>2,109</u>	<u>4,414</u>
Cash and cash equivalents at beginning of the year	24	73,341	68,927
Cash and cash equivalents at end of the year	24	<u>75,450</u>	<u>73,341</u>
Movement in cash and cash equivalents		<u>2,109</u>	<u>4,414</u>

Net Debt Reconciliation

	01-Oct-18	Cashflows	Non Cash Changes	30-Sep-19
Cash	73,341	2,109	-	75,450
<u>Borrowings</u>				
EIB loan	(75,827)	2,536	-	(73,291)
Finance Lease	-	-	(3,219)	(3,219)
Total Net Debt	<u>(2,486)</u>	<u>4,645</u>	<u>(3,219)</u>	<u>(1,060)</u>

Notes to the Financial Statements

Year ended 30th September 2019

1 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 (FRS102) 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 30 September 2019. 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 in 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 in 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.

Notes to the Financial Statements - (continued)

Year ended 30th September 2019

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 €5.985m to €25m as at 1 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
------------------------------	----------------

Leasehold land is not depreciated as it has an infinite useful life

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.

Notes to the Financial Statements - (continued)

Year ended 30th September 2019

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 Financial Instruments

Financial instruments Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial Assets

Basic financial assets, including trade and other receivables, cash and cash equivalents, short-term deposits and investments in corporate bonds, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction, the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Trade and other receivables, cash and cash equivalents, investments in corporate bonds and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method. At the end of each financial year, financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired, an impairment loss is recognised in the statement of comprehensive income. If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

Financial Liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction, the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Trade and other payables, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the Financial Statements - (continued)

Year ended 30th September 2019

P 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.

Q 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.

R 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.

S 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 2019

3 State Grant	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
Recurrent grant				
Higher Education Authority grant for recurrent purposes	26,423	26,423	23,613	23,613
	<u>26,423</u>	<u>26,423</u>	<u>23,613</u>	<u>23,613</u>
Grantor	Opening Accrual	Grant Received	Closing Deferral	Amount taken
	1 Oct 2018	18/19	30 Sep 2019	To Income
	€000	€000	€000	€000
Higher Education Authority	1,424	25,983	(984)	26,423
	<u>1,424</u>	<u>25,983</u>	<u>(984)</u>	<u>26,423</u>
4 Student Fees	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
Undergraduate Fee Income	58,928	58,928	56,971	56,971
Postgraduate Fee Income	11,038	11,038	10,097	10,097
Miscellaneous Fee Income	1,896	1,896	1,994	1,994
Student Levy	1,678	1,678	1,553	1,553
	<u>73,540</u>	<u>73,540</u>	<u>70,615</u>	<u>70,615</u>
Grantor	Opening Deferral	Grant Received	Closing Deferral	Amount taken
	1 Oct 2018	18/19	30 Sep 2019	To Income
	€000	€000	€000	€000
Higher Education Authority	-	27,707	-	27,707
Student Universal Support Ireland	-	11,893	-	11,893
	<u>-</u>	<u>39,600</u>	<u>-</u>	<u>39,600</u>
5 Research Grants and Contracts	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
State and Semi State	9,114	9,114	8,538	8,538
Irish Research e-Library	12,944	12,944	13,776	13,776
European Union	2,736	2,736	2,839	2,839
Industry and commerce	424	424	301	301
Other	466	466	313	313
Research Overhead	2,383	2,383	2,054	2,054
	<u>28,067</u>	<u>28,067</u>	<u>27,821</u>	<u>27,821</u>
Key Grantors	Opening Deferral	Grant Received	Closing Deferral	Amount taken
	1 Oct 2018	18/19	30 Sep 2019	To Income
	€000	€000	€000	€000
Science Foundation Ireland	2,549	5,886	2,912	5,523
Department of Foreign Affairs	59	17	28	48
Department of Agriculture, Food and the Marine	(301)	684	3	380
Department of Communications, Climate Action & Environment	(283)	630	36	311
Department of Health	559	626	507	678
Department of Transport, Tourism & Sport	(3)	3	-	-
Enterprise Ireland	(393)	1,301	(1,048)	1,956
Higher Education Authority	5,595	13,460	5,785	13,270
Irish Research Council	702	2,802	1,134	2,370
Department of Housing, Planning & Local Government	72	213	84	201
Department of Rural and Community Development	-	5	5	-
House of the Oireachtas	-	24	-	24
Department of Justice & Equality	-	48	14	34
	<u>8,556</u>	<u>25,699</u>	<u>9,460</u>	<u>24,795</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
6 Other Income				
Residences	5,497	5,497	5,290	5,290
Rents and concessions	997	997	1,531	1,531
Other income	6,766	6,612	6,224	5,705
	<u>13,260</u>	<u>13,106</u>	<u>13,045</u>	<u>12,526</u>

The State element of other income is:

Grantor	Opening Deferral	Grant Received	Closing Deferral	Amount taken
	1 Oct 2018	18/19	30 Sep 2019	To Income
	€000	€000	€000	€000
HEA	1,215	3,175	(1,694)	2,696
Enterprise Ireland	105	705	(75)	735
Department of Education and Skills	(29)	157	32	160
Department of Arts, Heritage & Gaeltacht	(111)	209	196	294
	<u>1,180</u>	<u>4,246</u>	<u>(1,541)</u>	<u>3,885</u>

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
7 Investment Income				
Investment income	156	156	167	167
Interest receivable	67	67	85	85
	<u>223</u>	<u>223</u>	<u>252</u>	<u>252</u>

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€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 2019

	2019		2018	
	Consolidated €000	University €000	Consolidated €000	University €000
9 Staff Costs				
Salaries*	72,414	72,288	67,622	67,109
Social security costs	6,712	6,705	6,058	6,014
Employer Pension **	3,765	3,763	4,098	4,081
Pension Service Cost FRS102	18,779	18,779	16,489	16,489
Total	101,670	101,535	94,267	93,693

*Salaries include an amount of €0.092m for DES and DPER approved allowances (2018: €0.118m) and overtime €0.011m (2018: €0.018m).

** Employer pension costs would have been €1.387m higher were it not for a sanctioned Employment Control Framework credit adjustment in the current year.

Termination/Severance payments (including statutory redundancy) amounted to €0.437m (2018: €0.389m).

Termination/Severance payments (including statutory redundancy) with an aggregate value of in excess of €10,000 amounted to €0.399m (2018: €0.298m).

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

	2019 No.	2018 No.
€60,000 to €70,000	91	85
€70,001 to €80,000	67	65
€80,001 to €90,000	122	130
€90,001 to €100,000	86	64
€100,001 to €110,000	21	24
€110,001 to €120,000	36	27
€120,001 to €130,000	9	10
€130,001 to €140,000	7	13
€140,001 to €150,000	32	19
€150,001 to €160,000	1	-
€160,001 to €170,000	-	1
€170,001 to €180,000	1	-
€180,001 to €190,000	-	1
€190,001 to €200,000	1	-
	474	439

Staff numbers by major category :

	No.	No.
Teaching and Research	699	640
Technical	40	41
Central Administration and Services	397	383
Other	64	57
	1,200	1,121

Key Management Personnel

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

	2019 €000	2018 €000
Key management personnel compensation		
Salaries	1,805	1,758
Post-employment benefits	108	106
Termination benefits	-	-
	1,913	1,864

Included in the above is the salary of the President, total €0.191m (2018: €0.184m). 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 2019

	Notes	2019		2018	
		Consolidated €000	University €000	Consolidated €000	University €000
10 Interest and Other Finance Costs					
Other bank interest and charges		316	316	237	237
EIB Loan Interest and charges	20	1,248	1,248	1,270	1,270
Pension Finance charges	21	9,505	9,505	9,296	9,296
		<u>11,069</u>	<u>11,069</u>	<u>10,803</u>	<u>10,803</u>

		2019		2018	
		Consolidated €000	University €000	Consolidated €000	University €000
11 Analysis of Total Expenditure by Activity					
Travel and subsistence - National		1,685	1,685	1,612	1,584
Travel and subsistence - International		1,154	1,154	1,023	1,023
Hospitality and entertainment		132	132	145	145
Consumables		2,672	2,672	3,460	3,455
Cleaning & Contract Security Costs		1,906	1,906	1,785	1,785
Advertising and PR Costs		1,266	1,266	1,279	1,276
Repairs and general maintenance		3,827	3,827	3,832	3,832
Utilities		2,038	2,038	2,171	2,171
Research library e-journals		12,960	12,960	13,926	13,926
Books and periodicals		1,614	1,614	1,443	1,443
Audit professional and consulting fees *		2,193	2,162	2,530	2,372
Legal costs		572	563	533	523
Rent rates and insurance		2,440	2,434	2,324	2,317
Capitation		1,844	1,844	1,687	1,687
Scholarships		6,074	6,074	5,676	5,676
Recruitment cost and Employee Related Costs		910	907	793	784
Student Related Costs		2,434	2,434	2,318	2,318
Equipment		3,561	3,559	2,560	2,560
Other expenses and charges		2,238	2,232	1,505	1,498
(Release of)/Provision for impairment of financial asset (Note 18)**		-	(65)	-	750
		<u>51,520</u>	<u>51,398</u>	<u>50,602</u>	<u>51,125</u>

Other operating expenses include fees in respect of:

Subsidiary auditors	14	10
External audit (Comptroller and Auditor General)	85	76
Internal audit-Mazars	57	40

***Consultancy costs by category**

Architects/Surveyors	68	129
IT design & Consultancy	390	330
Medical Professional Services	221	266
Human Resources	73	275
Translation/Transcription	23	31
PR & Marketing	36	258
Financial	183	148
Other	1,043	967
Total audit professional and consulting fees	<u>2,193</u>	<u>2,530</u>

The total amount of consultancy costs capitalised in the current year was €1.921m (2018: €2.157m). €1.546m of 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 Ltd, totalling €0.750m was recognised in 2017/18. In 2018/19, €0.685m of this loan was written off resulting in a net credit of €0.065m which is recognised in Other operating expenses in the current year.

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

12 Property Plant & Equipment

Consolidated	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	€000	€000	€000	€000
Cost				
At 1 October 2018	272,501	25,825	2,637	300,963
Additions	3,738	1,742	5,027	10,507
Movements	914	1,250	(2,164)	-
Disposals	-	(961)	-	(961)
At 30 September 2019	277,153	27,856	5,500	310,509
Depreciation				
At 1 October 2018	58,090	18,398	-	76,488
Charge for the year	5,453	3,127	-	8,580
Disposals	-	(961)	-	(961)
At 30 September 2019	63,543	20,564	-	84,107
Net book value				
At 30 September 2019	213,610	7,292	5,500	226,402
At 30 September 2018	214,411	7,427	2,637	224,475
University				
Cost and valuation				
At 1 October 2018	272,501	25,440	2,637	300,578
Additions	3,738	1,742	5,027	10,507
Movements	914	1,250	(2,164)	-
Disposals	-	(576)	-	(576)
At 30 September 2019	277,153	27,856	5,500	310,509
Depreciation				
At 1 October 2018	58,090	18,013	-	76,103
Charge for the year	5,453	3,127	-	8,580
Disposals	-	(576)	-	(576)
At 30 September 2019	63,543	20,564	-	84,107
Net book value				
At 30 September 2019	213,610	7,292	5,500	226,402
At 30 September 2018	214,411	7,427	2,637	224,475

At 30 September 2019, freehold land and buildings included €1.8m (2018: €1.8m) in respect of freehold land and a leased site valued at €3.2m (2018: Nil) which are not depreciated.

* Opening depreciation has been adjusted to reclassify €0.49m on certain assets to Fixtures, Fittings and & Equipment that had been incorrectly classified as depreciation on Land and Buildings. This does not affect the total opening accumulated depreciation amount.

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

13 Heritage Assets

The heritage assets of the University comprise Works of Art totalling €3,000, a library archive amounting to €70,000 and a historical document totalling €99,000. 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:

	2019	2018	2017	2016	2015
	€000	€000	€000	€000	€000
Cost					
At 1 October	183	183	183	183	13
Additions	199	-	-		170
At 30 September	<u>382</u>	<u>183</u>	<u>183</u>	<u>183</u>	<u>183</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

14 Deferred Capital Grants

	Consolidated	University
	€000	€000
At 1 October 2018		
Buildings	71,488	71,488
Equipment	2,461	2,461
Total	73,949	73,949
Cash Received/Receivable		
Buildings	5,487	5,487
Equipment	1,212	1,212
Total	6,699	6,699
Released to SOCI		
Buildings	2,144	2,144
Equipment	831	831
Total	2,975	2,975
At 30 September 2019		
Buildings	74,831	74,831
Equipment	2,842	2,842
Total	77,673	77,673

Deferred Capital Grants Consolidated and University Prior Year

At 1 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 September 2018		
Buildings	71,488	71,488
Equipment	2,461	2,461
Total	73,949	73,949

Grantor	Opening Debtor 1 Oct 2018 €000	Grant Awarded €000	Grant Received €000	Closing Debtor 30 Sep 2019 €000
*HEA	300	5,291	217	5,374
Science Foundation Ireland	-	898	898	-
Irish Research Council	-	49	49	-
National Transport Authority	-	196	196	-
European Union	-	265	265	-
	300	6,699	1,625	5,374

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

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 30 September 2019 with a valuation of €2m (2018: €1.975m). A revaluation gain of €0.025m 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 €0.156m (2018: €0.167m).

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.

	2019	2018
	€000	€000
Share of net assets at fair value		
At the beginning of the year	217	250
Payments received during the year	-	(700)
Share of joint venture surplus in the year	268	667
Closing balance	<u>485</u>	<u>217</u>

	Consolidated		University	
	2019	2018	2019	2018
	€000	€000	€000	€000
17 Investments				
Investments in Subsidiary undertakings	-	-	-	-
Other Investments	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

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%
Covac Company Limited by Guarantee ***	Entrepreneurial and Training Services	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 either the 31 October 2018 or 12 December 2018.

** The Directors of Innovation Value Services Ltd entered the company into a voluntary members liquidation on 31 October 2019.

*** Covac Company Limited By Guarantee was incorporated on 26 June 2018 and financial statements from the date of incorporation to 30 September 2019 have been drafted. The company has not traded and therefore no results or assets or liabilities have been included in the Consolidated Financial Statements.

The University held an interest in the following associate undertakings and investments which have been recognised at cost which in all cases was nil.

Associated undertaking	Principal activity	Registered Office	Interest
IGeotech Technologies Ltd	Research	Block 8, Blackrock Business Park, Carysfort Avenue, Blackrock Co. Dublin	20%
Neuromod Devices Ltd	Research	The Digital Hub, Unit J, Digital Court, Rainsford Street, Dublin 8	2.9%
Relational Frame Training Ltd	Research	Suaimhnes, Blackwood, Robertstown, Naas, Co Kildare	18.9%
Avectas Ltd	Research	MaynoothWorks, Eolas Building, Maynooth University, Co.Kildare	0.91%
Geoerospace	Research	MaynoothWorks, Eolas Building, Maynooth University, Co. Kildare	15%
Rosadex Limited*	Research	13 Seaview Wood, Shankhill, Dublin 18	15%
Empathy Test**	Research	16 Roheboth Place, South Circular Road, Dublin 8	10%
ISAAT Technologies Ltd ***	Research	100 Leixlip Park, Leixlip, Co. Kildare	4.8%

* Rosadex Limited was dissolved on 24 July 2019

**Empathy Test was wound down on 4 August 2019

*** ISAAT Technologies was wound down on 18 August 2019

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

18 Trade and Other Receivables

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
<i>Amounts falling due within one year:</i>				
Research grants receivables	3,787	3,787	3,128	3,128
Accounts Receivable	2,574	2,565	2,687	2,579
Other receivables	848	848	469	440
Prepayments and accrued income	4,244	4,244	5,384	5,384
Staff House Loans	16	16	14	14
State Capital Grant Receivable	5,374	5,374	300	300
State Grant Receivable	-	-	1,424	1,424
Academic Fees Receivable	393	393	377	377
Amounts due from subsidiary undertakings	-	65	-	81
	<u>17,236</u>	<u>17,292</u>	<u>13,783</u>	<u>13,727</u>

The total amount outstanding on the loan from a subsidiary Innovation Value Services Ltd at 30 September 2019 is €0.065m. The University created a provision in the amount of €0.750m in 2017/18 due to accumulated losses in the subsidiary. In 2018/19, €0.685m of this loan was written off and offset against the provision resulting in a net credit of €0.065m in Other Operating Expenses.

Included in State Capital Grant Receivable is an amount of €5.374m due from the Higher Education Authority in relation to a capital grant receivable towards the construction of the Technology, Society and Innovation Project.

Included in Prepayments is an amount of €0.174m (2018: €0.231m) falling due after more than one year.

19 Creditors : amounts falling due within one year

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
Research Grants Unexpended in advance	16,239	16,239	12,636	12,636
Academic Fees Received in advance	16,557	16,557	15,019	15,019
Net Pension Liability	1,595	1,595	3,380	3,380
Trade Creditors	3,036	3,036	3,782	3,780
State Grant in advance	984	984	-	-
Other Creditors	1,230	1,230	617	616
Social security and other taxation payable	2,597	2,597	2,840	2,824
Accruals	3,785	3,774	4,468	4,404
Deferred Income	7,334	7,327	7,269	7,174
Unsecured loans due within one year	3,838	3,838	1,897	1,897
Lease liability due within one year	57	57	-	-
Amounts due to subsidiary Undertakings	-	26	-	27
	<u>57,252</u>	<u>57,260</u>	<u>51,908</u>	<u>51,757</u>

20 Creditors : amounts falling due after more than one year

	2019		2018	
	Consolidated	University	Consolidated	University
	€000	€000	€000	€000
Unsecured loans	69,454	69,454	73,930	73,930
Lease Liability	3,161	3,161	-	-
	<u>72,615</u>	<u>72,615</u>	<u>73,930</u>	<u>73,930</u>
Total Unsecured bank loans repayable as follows:	76,453	76,453	75,827	75,827
Due within 1 year	3,838	3,838	1,897	1,897
Due between two and five years	11,515	11,515	11,515	11,515
Due in five years or more	57,938	57,938	62,415	62,415
Total unsecured loans	73,291	73,291	75,827	75,827

Notes to the Financial Statements - (continued)

Year ended 30th September 2019

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 €1.248m (2018:€1.270m..)

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 (the Closed Scheme). The Closed Scheme applies to pensionable employees appointed prior to 31 January 2005 and is closed to new entrants. Up until 31 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 31 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 €428.6m (2018: €373m).

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 29 November 2004 and appointed or in receipt of an offer of employment dated no later than 31 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 €31.6m (2018: €99.2m).

Single Public Service Pension Scheme

The Single Scheme applies to all new staff who are joining the public sector as new entrants after 1 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 FRS 102 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 €12.9m (2018: €6.5m).

Summary of position at year end

	2019	2018
	€000	€000
Consolidated and University		
Net Pension Liability	(573,144)	(478,727)
Pension receivable	573,144	478,727
	<u>-</u>	<u>-</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

21 Retirement Benefits - (continued)

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

	2019	2018
	€000	€000
Staff costs		
Current service cost	(22,537)	(20,570)
Total charge to operating expenses	<u>(22,537)</u>	<u>(20,570)</u>
Other finance charges		
Interest on pension scheme liabilities	(9,505)	(9,296)
Net finance charge	<u>(9,505)</u>	<u>(9,296)</u>
Deferred Funding for Pensions in year		
Funding recoverable in respect of current year pension costs	32,042	29,866
Contributions by employer payable to the State	(3,758)	(4,081)
Net Deferred Funding for Pensions in year	<u>28,284</u>	<u>25,785</u>

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

	2019	2018
	€000	€000
Experience gain	2,558	542
Change in actuarial assumptions	(72,145)	(10,432)
Actuarial loss	<u>(69,587)</u>	<u>(9,890)</u>

Analysis of the movement in defined benefit obligation in the year

Present value of defined benefit obligation at beginning of year	(478,727)	(445,554)
Current service cost	(22,537)	(20,570)
Interest Cost	(9,505)	(9,296)
Benefits Paid	7,212	6,583
Actuarial loss	<u>(69,587)</u>	<u>(9,890)</u>
Present value of defined benefit obligation at the end of year	<u>(573,144)</u>	<u>(478,727)</u>

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

21 Retirement Benefits - (continued)

The requirements of FRS 102 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 30 September 2019 and 30 September 2018 and 30 September 2017 were as follows:

	2019	2018	2017
Rate of increase in Salaries	1.50%	2.05%	2.05%
Rate of increase in Pensions in payment	1.50%	2.05%	2.05%
Discount Rate for Scheme Liabilities	0.85%	2.00%	2.00%
Inflation Assumption	1.25%	1.80%	1.80%

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.

	2019	2018	2017
	Years	Years	Years
Male	88.3-90.6	88.2-90.5	88.1-92.2
Female	89.6-91.6	89.5-91.5	89.4-93.1

History of experience gains and losses is as follows:

	2019	2018	2017	2016	2015
	€000	€000	€000	€000	€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	2,558	542	(11,481)	8,042	4,161
Percentage of scheme liabilities	0.45%	0.12%	-2.58%	1.77%	1.16%
<i>Changes in Actuarial Assumptions</i>					
Amount	(72,145)	(10,432)	42,692	(87,560)	(18,942)
Percentage of scheme liabilities	-12.60%	-2.30%	9.58%	-19.23%	-5.29%

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

21 Retirement Benefits - (continued)

	2019	2018
	€000	€000
Analysis of Deferred Pension Funding Asset		
At beginning of year	478,727	445,554
Movement included in Staff costs	22,537	20,570
Movement included in Finance costs	9,505	9,296
Movement included in SOCI	69,587	9,890
Benefits Payable to the State	(7,212)	(6,583)
	<u>573,144</u>	<u>478,727</u>
At end of year	<u><u>573,144</u></u>	<u><u>478,727</u></u>

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 transaction:

Maynooth Campus Conference & Accommodation (MCCA) 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 in relation to the profit share at 30 September 2019 was €0.485m (2018: €0.217m) - see note 16. The trade debtors balance at 30 September 2019 is €0.07m (2018 : €0.03m) and the trade creditors is €0.18m (2018: €0.15m). Payments for services provided by MCCA totalled €0.45m (2018: €0.75m) and payments received from MCCA for services provided by the University totalled €0.28m (2018: Nil).

Notes to the Financial Statements - (continued)
Year ended 30th September 2019

23 Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants	Investment Income/Donations	2019 Total €000	2018 Total €000
	€000	€000	€000	€000
Balances at 1 October 2018	-	1,120	1,120	1,494
Investment income and donations	-	160	160	167
Capital grants utilised	-	-	-	-
Expenditure	-	(156)	(156)	(466)
Increase (Decrease) in market value of investments	-	25	25	(75)
Total restricted comprehensive income for the year	-	29	29	(374)
At 30 September 2019	-	1,149	1,149	1,120

24 Cash and Cash Equivalents

	1 Oct 2018 €000	Cash flows €000	30 Sep 2019 €000
Consolidated			
Cash and cash equivalents	73,341	2,109	75,450
	73,341	2,109	75,450

Included in the year end cash balances is an amount of €40.9m (2018: €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 30 September 2019:

	2019		2018	
	Consolidated €000	University €000	Consolidated €000	University €000
Commitments Contracted for	51,530	51,530	701	701
Commitments Authorised not yet Contracted	21,271	21,271	45,305	45,305
	72,801	72,801	46,006	46,006

Contracted commitments include an amount of €50.7m for the Technology, Society and Innovation Project and €0.74m for a Sports and Community Engagement Project. A portion of the Technology, Science and Innovation Project is being funded by a €25m capital grant from the HEA.

Authorised commitments include an amount of €14.5m for a new Student Centre, €5.7m for the new sports pitches, €0.9m 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 2019

26 Contingent Liabilities

	2019		2018	
	Consolidated €000	University €000	Consolidated €000	University €000
Guarantees	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The University has no known material contingent liabilities at 30 September 2019 or 30 September 2018.

27 Operating Lease Obligations

Total rentals payable under operating leases:

	2019			2018	
	Land and Buildings	Plant and Machinery	Other leases	Total	Total
	€000	€000	€000	€000	€000
Payable during the year	1,420	4		1,424	1,406
Future minimum lease payments due:					
Not later than 1 year	1,348	4	-	1,352	1,351
Later than 1 year and not later than 5 years	927	3	-	930	715
Later than 5 years	6,368	-	-	6,368	6,545
Total lease payments due	<u>8,643</u>	<u>7</u>	<u>-</u>	<u>8,650</u>	<u>8,611</u>

Operating lease commitments are mainly in respect of a 1 year property lease commenced on 1 Oct 2019 and a 62 year property lease which commenced on 1 October 1998.

As this note is a memorandum note, there is no requirement to restate for a prior-year omission of €15k.

28 Comparative Amounts Reclassification

Student assistance support and course fees had previously been included in Other operating expenses. In the current year, all such payments have been split out into a separate expense grouping, Student Related Costs, total €2.4m (2018: €2.1m). Outsourced security costs had previously been included in pay but have been reclassified to Cleaning and Security costs in the current and prior year, total €0.58m (2018: €0.56m). A portion of payments to third party teaching provider have been reclassified to Student Related Costs from Equipment in the current and prior year, €0.2m (2018 €0.2m). There is no impact on the current or prior year net surplus as a result of these reclassifications.

29 Events After The Reporting Period

COVID-19 has emerged as a major business challenge since the year-end and especially since the government announced the suspension of face-to-face teaching in Ireland from 13 March 2020. The impact of the pandemic on the liquidity of the University is something that is constantly being monitored and updated by the University Executive. Numerous scenarios have been run by the University (including no first year intake in September 2020, major loss of international student numbers, significant decline in postgraduate student numbers, continued costs associated with remote working offset by expected cost savings from operating a reduced campus) and based on a review of these scenarios, the Governing Authority is satisfied that the University will have access to adequate resources to continue in business for at least 12 months from the date of the signing of the Financial Statements. For this reason, they continue to adopt the 'going concern' basis for the preparation of the Financial Statements.

There were no other 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



Irish Aid

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



European Research Council
Established by the European Commission



An Roinn Talmhaíochta, Bia agus Mara
Department of Agriculture, Food and the Marine

