

**Galway University Foundation Limited
And Subsidiary
(A company Limited by guarantee)
Directors' Report and
Consolidated Financial Statements
For the year ended 30 June 2015**

**Galway University Foundation Limited and Subsidiary
(A company limited by guarantee)**

Financial Statements

Year Ended 30 June 2015

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**Galway University Foundation Limited and Subsidiary
(A company limited by guarantee)**

Company Information

Year Ended 30 June 2015

Company registration number	279868
Directors	John P MacNamara (Chairman) Mary Dooley Dr. James J Browne Tom Costello Irial Finan Joan Garahy (Resigned 31 December 2014) Michael Higgins Dr. Brian Joyce Dr. Ronan Lambe Alfie Lydon Patrick Mara Liam O'Coinne Domhnal Slattery Mark Moran Finian O'Sullivan Pól Ó Dochartaigh
Secretary	Dónal Cahalane
Registered office	Gate Lodge University Road Galway
Auditors	Mazars Statutory Registered Auditors Mazars Place Salthill Galway
Solicitors	RDJ Glynn Solicitors Aengus House Long Walk Galway Ivor Fitzpatrick & Co Solicitors 44-45 St. Stephen's Green Dublin 2
Bankers	Bank of Ireland NUI Galway Galway Allied Irish Bank Newcastle Galway

Galway University Foundation Limited and Subsidiary (A company limited by guarantee)

DIRECTORS' REPORT

For the year ended 30 June 2015

The directors present their report and the audited financial statements of the company for the year ended 30 June 2015.

Companies Act 2014

The Companies Act 2014 became effective on 1 June 2015. The transitional provisions of the Companies Act 2014, as they apply to Galway University Foundation Limited requires the company type (i.e. company limited by guarantee (CLG)) to be added to the end of the company name, unless exemption is granted under Section 1180 of the Companies Act 2014. The directors will make a formal decision on this within the transitional period as allowed by the Companies Act 2014.

Principal activities and business review

The main objects for which the company is established are engaging in fundraising activities for the purposes of the furtherance of education and research carried out by the National University of Ireland, Galway, in its pursuit of education, teaching and research. The company has charitable tax status. The directors continue to explore potential sources of philanthropic funding within Ireland and beyond and continue to cooperate with the University in respect of specific development projects. The Foundation currently manages reserves of €56 million including €55 million of designated reserves which have been donated for specific purposes. The Foundation has completed funding a range of capital projects and is engaged in a strategic review of future funding needs in association with University management.

The Foundation's reserves consist of funds substantially committed to University projects and are likely to decrease as the timing differences between the collection of funds and project expenditures are eliminated.

Operational funding

As has been the practice, Galway University Foundation funds its operating expenses through the application of a discretionary levy (maximum 5%) on donor income received and also retains interest and investment income for operational purposes. It also makes grants to projects from surplus investment income. The application of the levy has no material effect on any donor funded projects as NUI Galway is responsible for the balance of funds required. In the financial period to 30 June 2015, the total amount levied on donor income was €10,989. The comparative figure for 2014 was €10,676.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the company are in the following categories:

Economic risk: The risk of the current economic environment having an adverse impact on the ability of current and potential donors to contribute to the Foundation into the future.

Financial risks: These include investment, liquidity and other financial risks. The company has budgetary and financial reporting procedures to manage these risks. The board's audit and investment committees monitor compliance with these procedures on an ongoing basis. As the Foundation is funded through investment income, the Board is managing the Foundation's funds in a conservative manner while monitoring all operating costs and procedures to ensure an appropriate cost/income ratio.

Future developments

The Foundation will continue to work closely with a range of organisations and individuals to secure philanthropic funding for University priority projects. A number of specific initiatives are planned in order to strengthen the linkages between the University and its alumni. The Foundation will continue to actively manage any funds not yet advanced to the University in order to maximise investment returns whilst having due regard to capital protection and liquidity requirements. The Foundation is committed to full compliance with the Charities Act 2009.

Subsequent events

Subsequent to the year end 30 June 2015 there was a diminution in the value of the company's listed investments. Please refer to note 7 for further information. There have been no other significant events affecting the company since the year-end.

**Galway University Foundation Limited and Subsidiary
(A company limited by guarantee)**

DIRECTORS' REPORT

For the year ended 30 June 2015

Results and dividends

The financial results for the year ended 30 June 2015 are set out on the consolidated income statement on page 8. The consolidated statement of financial position is set out on page 9.

Directors and secretary

The names of the persons who served as directors or secretaries of the company during the year are listed on the 'Company Information' page. All directors and secretaries served for the entire year, except where indicated. The serving directors are the sole members of the company.

Accounting records

The measures taken by the directors to secure compliance with the requirements of section 281 to 285 of the Companies Act, 2014 with regard to keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at The Gate Lodge, University Road, Galway.

Transition to FRS 102

These are the company's first set of financial statements prepared in accordance with FRS 102 (see note 15 for an explanation of the transition).

Auditors

The auditors, Mazars, have indicated their willingness to continue in office under Section 383(2) of the Companies Act 2014.

Signed on behalf of the board:

Liam O'Coinne

Dr James J. Browne

22 October 2015

Director

Director

Date

**Galway University Foundation Limited
(A company limited by guarantee)**

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 30 June 2015

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland.

Irish company law requires the directors to prepare financial statements giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with FRS 102 (accounting standards issued by the Financial Reporting Council and promulgated by Chartered Accountants Ireland and Irish law).

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the board:

Liam O'Coinne

Dr James J. Browne

22 October 2015

Director

Director

Date

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

We have audited the financial statements of Galway University Foundation Limited for the year ended 30 June 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and for accounting periods beginning on or after 1 January 2015 or for which FRS 102 has been early adopted: FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2015 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of our obligation under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Act are not made.

Dermot Nolan
For and on behalf of
Mazars
Statutory Registered Auditors
Mazars Place
Salthill
Galway

Date: 23 October 2015

**Galway University Foundation Limited and Subsidiary
(A company limited by guarantee)**

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2015

	2015	2014
	€	(as restated) €
Income	8,121,189	4,419,312
Administration expenses	(1,353,891)	(1,185,164)
Monies transferred to projects	(12,813,042)	(1,042,333)
(Deficit)/surplus on ordinary activities	(6,045,744)	2,191,815
Gain on financial assets at fair value through the income statement	1,970,231	215,337
Interest receivable and similar income	1,258,330	2,032,807
(Deficit)/surplus for the year	(2,817,183)	4,439,959
Transfer from/(to) designated reserves	4,724,541	(4,723,228)
Retained surplus/(deficit) for the year	1,907,358	(283,269)

Galway University Foundation Limited
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015	2014 (as restated)
	€	€
Surplus/(deficit) for the year	1,907,358	283,269
Currency difference on translation of subsidiary	99,187	(24,017)
Total comprehensive surplus/(deficit) for the year	<u>2,006,545</u>	<u>(307,286)</u>

Galway University Foundation Limited
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at the 30 June 2015

		2015	2014 (as restated)
	Note	€	€
Fixed assets			
Tangible fixed assets	6	4,536	-
Financial assets	7	33,363,789	19,091,457
		<u>33,368,325</u>	<u>19,091,457</u>
Current assets			
Debtors	8	213,432	272,330
Cash at bank and in hand		23,284,290	39,567,128
		<u>23,497,722</u>	<u>39,839,458</u>
Creditors: amounts falling due within one year	9	(745,956)	(92,828)
		<u>22,751,766</u>	<u>39,746,630</u>
Net current assets			
		<u>56,120,091</u>	<u>58,838,087</u>
Net assets			
		<u>56,120,091</u>	<u>58,838,087</u>
Capital and reserves			
Accumulated reserves	10	836,163	799,849
Designated reserves	11	55,283,928	58,038,238
		<u>56,120,091</u>	<u>58,838,087</u>

The financial statements were approved and authorised for issue by the Board on 24 September 2015.

Signed on behalf of the board:

Liam O'Coinne

Dr James J. Browne

22 October 2015

Director

Director

Date

**Galway University Foundation Limited
(A company limited by guarantee)**

COMPANY STATEMENT OF FINANCIAL POSITION

As at the 30 June 2015

	2015	2014 (as restated)
Note	€	€
Fixed assets		
Tangible fixed assets	6 4,536	-
Financial assets	7 33,377,050	19,106,684
	<u>33,381,586</u>	<u>19,106,684</u>
Current assets		
Debtors	8 195,557	257,687
Cash at bank and in hand	22,881,058	39,210,040
	<u>23,076,615</u>	<u>39,467,727</u>
Creditors: amounts falling due within one year	9 (787,853)	(163,849)
Net current assets	<u>22,288,762</u>	<u>39,303,878</u>
Net assets	<u>55,670,348</u>	<u>58,410,562</u>
Capital and reserves		
Accumulated reserves	10 848,390	811,060
Designated reserves	11 54,821,958	57,599,502
	<u>55,670,348</u>	<u>58,410,562</u>

The financial statements were approved and authorised for issue by the Board on 24 September 2015.

Signed on behalf of the board:

Liam O'Coinne

Dr James J. Browne

22 October 2015

Director

Director

Date

Galway University Foundation Limited
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	General reserve €	Specific reserve €	Designated reserves €	Total €
Balance at 1 July 2013 as previously stated	57,382	1,265,090	52,098,530	53,421,002
Changes on transition to FRS 102 (Note 15)	-	-	1,001,143	1,001,143
Balance at 1 July 2013 as restated	57,382	1,265,090	53,099,673	54,422,145
Transfers during the year	(13,767)	(508,856)	4,723,228	4,200,605
Revaluation of financial fixed assets	-	-	215,337	215,337
Balance at 30 June 2014	43,615	756,234	58,038,238	58,838,087
Transferred during the year	10,016	26,298	(4,724,541)	(4,688,227)
Revaluation of financial fixed assets	-	-	1,970,231	1,970,231
Balance at 30 June 2015	53,631	782,532	55,283,928	56,120,091

Galway University Foundation Limited
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COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	General reserve €	Specific reserve €	Designated reserves €	Total €
Balance at 1 July 2013 as previously stated	79,330	1,253,666	51,542,451	52,875,447
Changes on transition to FRS 102 (Note 15)	-	-	1,008,679	1,008,679
Balance at 1 July 2013 as restated	79,330	1,253,666	52,551,130	53,884,126
Transfers during the year	(13,767)	(508,169)	4,834,184	4,312,248
Revaluation of financial fixed assets	-	-	214,188	214,188
Balance at 30 June 2014	65,563	745,497	57,599,502	58,410,562
Transferred during the year	10,016	27,314	(4,747,396)	(4,710,066)
Revaluation of financial fixed assets	-	-	1,969,852	1,969,852
Balance at 30 June 2015	75,579	772,811	54,821,958	55,670,348

Galway University Foundation Limited
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 €	2014 €
Net cash (outflow)/inflow from operating activities	12	(3,974,206)	1,562,934
Cash flow from investing activities			
Payments to acquire tangible fixed assets	6	(6,804)	-
Payments to acquire investments	7	(11,380,488)	(17,923,071)
Receipts from sales of investments	7.1	-	5,880,898
Income received on investments	7	(921,613)	(1,358,482)
Net cash flow from investing activities		(12,308,905)	(13,400,655)
Net (decrease) in cash and cash equivalents		(16,283,111)	(11,837,721)
Cash and cash equivalents at start date 2014		39,566,780	51,404,501
Cash and cash equivalents at end date 2015	12.1	23,283,669	39,566,780
Cash and cash equivalents consists of:			
Cash at bank and in hand, net of overdrafts		1,595,230	552,867
Short term deposits		21,688,439	39,013,913
Cash and cash equivalents at end date 2015		23,283,669	39,566,780

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

1 SIGNIFICANT ACCOUNTING POLICIES

(a) General information and basis of preparation

Galway University Foundation Limited is a company limited by guarantee and does not have a share capital. The company was incorporated in the Republic of Ireland. The address of the registered office is given in the company information on page 3 of these financial statements. The nature of the company's operations and its principal activities are set out in the Director's Report on pages 4 and 5.

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention modified to include certain items at fair value. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The financial statements are prepared in euro which is the functional currency of the company and rounded to the nearest euro.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The company transitioned from previously extant Irish GAAP to FRS 102 as at 1 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 15.

(b) Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking made up to the 30 June 2015.

(c) Income

Income consists of donations and gifts received, related investment income together with general deposit interest earned during the period. With regards to interest income this is recognised as interest accrues using the effective interest method.

(d) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(e) Tax

The foundation is a charity and is not liable to taxation.

(f) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	33.33% Straight Line
Software	33.33% Straight Line

(g) Financial Instruments

Financial fixed assets - initial recognition

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs.

Investments in the share capital of group companies are treated as non-monetary investments and are shown at cost less provision for permanent impairment, if required.

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with a maturity up to six months.

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(f) Financial Instruments - continued

Subscriptions made to the Seed and Early Stage Equity Funds are expensed as incurred as these subscriptions are viewed as being contributions to the innovative business community, in support of NUI Galway's strategy in this area. Returns earned from these funds will be recognised as income when received.

Financial fixed assets - subsequent measurement

At the end of the reporting period, if the fair value can be measured reliably, the investments are measured at fair value through the income statement.

Income from financial fixed assets, together with any related tax credit, is recognised in the income statement in the year in which it is receivable.

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

(i) Cash and cash equivalents

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

(j) Provisions

A provision is recognised in the statement of financial position when the company has a present obligation (either legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are measured at the directors best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability.

(k) Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(l) Reserves

Donations and gifts are transferred to designated reserves together with related investment income as agreed with the donor. Other income less expenses is transferred to accumulated revenue reserves. Both reserves may be used when making awards in compliance with the objects of the company.

(m) Judgements and key sources of estimation uncertainty

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

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

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

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

(n) Related party transactions

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

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

2 Turnover

	2015	2014
	€	€
Donations	<u>8,121,189</u>	<u>4,419,312</u>

Geographic analysis of turnover

	2015	2014
	€	€
Ireland	7,722,758	4,227,713
United Kingdom	65,903	12,523
Switzerland	52,106	-
United States of America	276,783	178,039
Rest of the world	3,639	1,037
	<u><u>8,121,189</u></u>	<u><u>4,419,312</u></u>

3 (Deficit)/surplus on ordinary activities

The (deficit)/surplus on ordinary activities for the year is stated after charging:

	2015	2014
	€	€
Depreciation of tangible fixed assets	2,268	4,555
Net losses/(gains) on foreign exchange	<u>7,494</u>	<u>(4,240)</u>

4 Staff costs

The average monthly number of employees, including directors, during the year was as follows:

	2015	2014
	Number	Number
Management and administration	<u>8</u>	<u>7</u>

The aggregate remuneration of such employees was as follows:

	2015	2014
	€	€
Wages and salaries	581,669	530,549
Social security costs	59,268	57,099
Other retirement benefit costs	83,220	37,426
	<u><u>724,157</u></u>	<u><u>625,074</u></u>

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

5 Interest and other finance income and charges

	2015	2014
	€	€
Bank interest receivable	336,717	674,325
Investment income	921,613	1,358,482
	<u>1,258,330</u>	<u>2,032,807</u>

6 Tangible fixed assets

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

6.1 Tangible fixed assets – prior year

	Office equipment	Software	Total
	€	€	€
Cost at 1 July 2013	49,572	11,610	61,182
At 30 June 2014	<u>49,572</u>	<u>11,610</u>	<u>61,182</u>
Depreciation at 1 July 2013	48,887	7,740	56,627
Charge for the year	685	3,870	4,555
At 30 June 2014	<u>49,572</u>	<u>11,610</u>	<u>61,182</u>
Net Book Value at 30 June 2014	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value at 30 June 2013	<u>685</u>	<u>3,870</u>	<u>4,555</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

7 Financial assets - company

	Investment in subsidiary €	Listed investments €	Total €
Cost at 1 July 2014	21,948	17,861,869	17,883,817
Additions	-	12,300,514	12,300,514
At 30 June 2015	21,948	30,162,383	30,184,331
Revaluation at 1 July 2014	-	1,222,867	1,222,867
Movement for the year	-	1,969,852	1,969,852
At 30 June 2015	-	3,192,719	3,192,719
Net Book Value at 30 June 2015	21,948	33,355,102	33,377,050
Net Book Value at 30 June 2014	21,948	19,084,736	19,106,684

The listed investments are measured at the market value with gains or losses recognised in the income statement. Post year end the valuation of the listed investments decreased from €33,355,102 to €32,076,071 (at 11th September 2015). The effects of this decrease have not been reflected in the financial position as at the 30th June 2015.

The company own 100% of Galway University Foundation Inc, a company incorporated in the United States of America. Galway University Foundation Inc is a not –for-profit organisation that provides support for various aspects of National University of Ireland (NUI) Galway. At the end of the year, the aggregate capital and reserves of the company amounted to \$527,775 and deficit for the year amounted to \$86,542.

7.1 Financial assets – prior year company

	Investment in subsidiary €	Listed investments €	Total €
Cost at 1 July 2013	21,948	4,460,644	4,482,592
Additions	-	19,282,123	19,282,123
Disposals	-	(5,880,898)	(5,880,898)
At 30 June 2014	21,948	17,861,869	17,883,817
Revaluation at 1 July 2013	-	1,008,679	1,008,679
Movement for the year	-	214,188	214,188
At 30 June 2014	-	1,222,867	1,222,867
Net Book Value at 30 June 2014	21,948	19,084,736	19,106,684
Net Book Value at 30 June 2013	21,948	5,469,323	5,491,271

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

7.2 Financial assets - group

	Listed investments €	Total €
Cost at 1 July 2014	17,874,977	17,874,977
Additions	12,302,101	12,302,101
At 30 June 2015	<u>30,177,078</u>	<u>30,177,078</u>
Revaluation at 1 July 2014	1,216,480	1,216,480
Movement for the year	1,970,231	1,970,231
At 30 June 2015	<u>3,186,711</u>	<u>3,186,711</u>
Net Book Value at 30 June 2015	<u>33,363,789</u>	<u>33,363,789</u>
Net Book Value at 30 June 2014	<u>19,091,457</u>	<u>19,091,457</u>

7.3 Financial assets – prior year group

	Listed investments €	Total €
Cost at 1 July 2013	4,474,322	4,474,322
Additions	19,281,553	19,281,553
Disposals	(5,880,898)	(5,880,898)
At 30 June 2014	<u>17,874,977</u>	<u>17,874,977</u>
Revaluation at 1 July 2013	1,001,143	1,001,143
Movement for the year	215,337	215,337
At 30 June 2014	<u>1,216,480</u>	<u>1,216,480</u>
Net Book Value at 30 June 2014	<u>19,091,457</u>	<u>19,091,457</u>
Net Book Value at 30 June 2013	<u>5,475,465</u>	<u>5,475,465</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

8 Debtors

Company	2015	2014
	€	€
Other debtors	301	50
Accrued income	175,736	257,637
Prepayments	19,520	-
	<u>195,557</u>	<u>257,687</u>
Group	2015	2014
	€	€
Other debtors	301	50
Accrued income	175,736	257,637
Prepayments	37,395	14,643
	<u>213,432</u>	<u>272,330</u>

9 Creditors: amounts falling due within one year

Company	2015	2014
	€	€
Bank overdrafts	621	348
Trade creditors	636,218	32,478
Amounts owed to group undertakings	58,093	81,271
PAYE/PRSI	20,259	16,252
Accruals	72,662	33,500
	<u>787,853</u>	<u>163,849</u>
Group	2015	2014
	€	€
Bank overdrafts	621	348
Trade creditors	637,221	32,478
PAYE/PRSI	20,259	16,252
Accruals	87,855	43,750
	<u>745,956</u>	<u>92,828</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

10 Accumulated reserves

Company

	General Reserve	Specific Reserve	Total	General Reserve	Specific Reserve	Total
	2015	2015		2014	2014	
	€	€	€	€	€	€
At 1 July 2014	65,563	745,497	811,060	79,330	1,253,666	1,332,996
Transferred during the year	10,016	27,314	37,330	(13,767)	(508,169)	(521,936)
	<u>75,579</u>	<u>772,811</u>	<u>848,390</u>	<u>65,563</u>	<u>745,497</u>	<u>811,060</u>

Group

	General Reserve	Specific Reserve	Total	General Reserve	Specific Reserve	Total
	2015	2015		2014	2014	
	€	€	€	€	€	€
At 1 July 2014	43,615	756,234	799,849	57,382	1,265,090	1,322,472
Transferred during the year	10,016	26,298	36,314	(13,767)	(508,856)	(522,623)
	<u>53,631</u>	<u>782,532</u>	<u>836,163</u>	<u>43,615</u>	<u>756,234</u>	<u>799,849</u>

The specific reserve relates to the funding of the company's operating activities.

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

10.1 Reconciliation of surplus/(deficit) for the year

	2015	2014
	€	€
Transfer to/(from) general reserves	10,016	(13,767)
Transfer to specific reserves	26,298	(508,856)
Transfer to designated reserves	1,970,231	215,337
Total comprehensive surplus	<u>2,006,545</u>	<u>(307,286)</u>
Currency difference on translation	(99,187)	24,017
Retained surplus for the year	<u>1,907,358</u>	<u>(283,269)</u>

11 Designated reserves

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Company

	2015	2014
	€	€
Designated reserves at beginning of year	57,599,502	52,551,130
Transfer (from)/to income statement	(4,747,396)	4,834,184
Revaluation of investments	1,969,852	214,188
Designated reserves at end of year	<u>54,821,958</u>	<u>57,599,502</u>

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For the year ended 30 June 2015

11 Designated reserves - continued

Group

	2015	2014
	€	€
Designated reserves at beginning of year	58,038,238	52,098,530
Transfer (from)/to income statement	(4,724,541)	4,723,228
Revaluation of investments	1,970,231	1,216,480
Designated reserves at end of year	<u>55,283,928</u>	<u>58,038,238</u>

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

12 Reconciliation of (deficit)/surplus to cash flow from operating activities

	2015	2014
	€	€
(Deficit)/surplus on ordinary activities	(6,045,744)	2,191,815
Foreign currency translation	99,187	(24,017)
Income from fixed asset investments	921,613	1,358,482
Interest receivable and similar income	336,717	674,325
Operating (deficit)/surplus	<u>(4,688,227)</u>	<u>4,200,605</u>
Depreciation on tangible fixed assets	2,268	4,555
Decrease/(increase) in debtors	58,898	(138,986)
Increase/(decrease) in creditors	652,855	(2,503,240)
Cash flow from operating activities	<u>(3,974,206)</u>	<u>1,562,934</u>

12.1 Components of cash and cash equivalents

	2015	2014
	€	€
Cash at bank and in hand	1,595,851	553,215
Short term deposits	21,688,439	39,013,913
Bank overdraft	(621)	(348)
	<u>23,283,669</u>	<u>39,566,780</u>

13 Financial commitments

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

During the year ended 30 June 2011, Galway University Foundation Limited became a limited partner in the Bank Of Ireland Seed and Early Stage Equity Fund 2009. The partnership is made up of the following entities; Scribe Holdings Limited, Enterprise Ireland, The University of Limerick Foundation and Galway University Foundation Limited. As at the 30 June 2014, Galway University Foundation Limited has subscribed €597,735 and is committed to subscribe a further €402,265 to the said partnership, bringing the total commitment to €1,000,000, which equates to 3.125% of the total investment value. The remaining payments from the designated reserves will be over a number of years; the exact timing of which has not yet been determined.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

14 Related party transactions

Included in income for the year is an amount of €165,749 (2014: €109,106) received in the form of donations from board members or companies associated with board members

15 First-time adoption of FRS 102

The company has adopted FRS 102 for the first time in the year ended 30 June 2015.

The effect of transition from Irish GAAP to FRS 102 is outlined below.

a) Effects of FRS 102 adoption on the statement of financial position

Company statement of financial position

	As at 30 June 2013 (date of transition)			As at 30 June 2014 (end of last period presented under previous GAAP)		
	Previous GAAP	Effects of Transition to FRS 102	Opening FRS 102	Previous GAAP	Effects of Transition to FRS 102	Opening FRS 102
	€	€	€	€	€	€
Fixed assets						
Tangible fixed assets	4,555	-	4,555	-	-	-
Financial assets	4,482,592	1,008,679	5,491,271	17,883,817	1,222,867	19,106,684
	4,487,147	1,008,679	5,495,826	17,883,817	1,222,867	19,106,684
Current assets						
Debtors	133,344	-	133,344	257,687	-	257,687
Cash at bank and in hand	51,008,550	-	51,008,550	39,210,040	-	39,210,040
	51,141,894	-	51,141,894	39,467,727	-	39,467,727
Creditors: amounts falling due within one year	(2,753,594)	-	(2,753,594)	(163,849)	-	(163,849)
Net current assets	48,388,300	-	48,388,300	39,303,878	-	39,303,878
Net assets	52,875,447	1,008,679	53,884,126	57,187,695	1,222,867	58,410,562
Capital and reserves						
Accumulated reserves	1,332,996	-	1,332,996	811,060	-	811,060
Designated reserves	51,542,451	1,008,679	52,551,130	56,376,635	1,222,867	57,599,502
	52,875,447	1,008,679	53,884,126	57,187,695	1,222,867	58,410,562

Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

15 First-time adoption of FRS 102 - continued

Group statement of financial position

	As at 30 June 2013 (date of transition)			As at 30 June 2014 (end of last period presented under previous GAAP)		
	Previous GAAP	Effects of Transition to FRS 102	Opening FRS 102	Previous GAAP	Effects of Transition to FRS 102	Opening FRS 102
	€	€	€	€	€	€
Fixed assets						
Tangible fixed assets	4,555	-	4,555	-	-	-
Financial assets	4,474,322	1,001,143	5,475,465	17,874,977	1,216,480	19,091,457
	4,478,877	1,001,143	5,480,020	17,874,977	1,216,480	19,091,457
Current assets						
Debtors	133,344	-	133,344	272,330	-	272,330
Cash at bank and in hand	51,404,501	-	51,404,501	39,567,128	-	39,567,128
	51,537,845	-	51,537,845	39,839,458	-	39,839,458
Creditors: amounts falling due within one year	(2,595,720)	-	(2,595,720)	(92,828)	-	(92,828)
Net current assets	48,942,125	-	48,942,125	39,746,630	-	39,746,630
Net assets	53,421,002	1,001,143	54,422,145	57,621,607	1,216,480	58,838,087
Capital and reserves						
Accumulated reserves	1,322,472	-	1,322,472	799,849	-	799,849
Designated reserves	52,098,530	1,001,143	53,099,673	56,821,758	1,216,480	58,038,238
	53,421,002	1,001,143	54,422,145	57,621,607	1,216,480	58,838,087

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

15 First-time adoption of FRS 102 - continued

b) Effect of FRS 102 adoption on the statement of comprehensive income

Company statement of comprehensive income

	Year ended 30 June 2014 (the latest period presented under previous GAAP)		
	Previous GAAP	Effects of transition to FRS 102	FRS 102
Note	€	€	€
Income	4,241,273	-	4,241,273
Administration expenses	(1,184,006)	-	(1,184,006)
Monies transferred to Projects	(777,652)	-	(777,652)
Surplus on ordinary activities	2,279,615	-	2,279,615
Other gains	-	214,188	214,188
Interest receivable and similar income	2,032,633	-	2,032,633
Surplus on ordinary activities	4,312,248	214,188	4,526,436
Transfer (to)/from designated reserves	(4,834,184)	-	(4,834,184)
Accumulated deficit for the year	(521,936)	214,188	(307,748)

**Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

15 First-time adoption of FRS 102 - continued

Group statement of comprehensive income

Year ended 30 June 2014 (the latest period presented under previous GAAP)

	Note	Previous GAAP €	Effects of transition to FRS 102 €	FRS 102 €
Income		4,419,312	-	4,419,312
Administration expenses		(1,185,164)	-	(1,185,164)
Monies transferred to Projects		(1,042,333)	-	(1,042,333)
Surplus on ordinary activities		2,191,815	-	2,191,815
Other gains		-	215,337	215,337
Interest receivable and similar income		2,032,807	-	2,032,807
(Deficit)/surplus on ordinary activities		4,224,622	215,337	4,439,959
Transfer (to)/from designated reserves		(4,723,228)	-	(4,723,228)
Accumulated deficit for the year		(498,606)	215,337	(283,269)

c) Reconciliation of equity

Company reconciliation of equity

	As at 30 June 2013 (date of transition) €	As at 30 June 2014 (end of last period presented under previous GAAP) €
Total equity under previous GAAP	52,875,447	57,187,695
Investments recognised at fair value	1,008,679	1,222,867
Total Equity under FRS 102	53,884,126	58,410,562

**Galway University Foundation Limited
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

15 First-time adoption of FRS 102 - continued

Group reconciliation of equity

	As at 30 June 2013 (date of transition)	As at 30 June 2014 (end of last period presented under previous GAAP)
	€	€
Total equity under previous GAAP	53,421,002	57,621,607
Investments recognised at fair value	<u>1,001,143</u>	<u>1,216,480</u>
Total Equity under FRS 102	<u><u>54,422,145</u></u>	<u><u>58,838,087</u></u>

d) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of FRS 102 were as follows:

Financial assets

Prior to the implementation of FRS 102, Investments were stated at cost less provisions for permanent impairments in value. Income from financial fixed assets, together with any related tax credit, was recognised in the profit and loss account in the year in which it was recoverable.

Under FRS 102 investments are measured at fair value through the income statement if the fair value can otherwise be measured reliably.

e) Transition reliefs

Investment in subsidiaries

The company has elected to treat the carrying amount of investments in subsidiaries under previous Irish GAAP at the date of transition as deemed cost of transition to FRS 102.

16 Controlling interest

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

17 Approval of financial statements

The financial statements were approved by the Board on 24 September 2015.