

Mary Immaculate College

Coláiste Mhuire gan Smál

Financial Report

For the Year Ended

31 August 2019

Mary Immaculate College
Coláiste Mhuire gan Smál

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An tÚdarás Rialaithe (The Governing Authority) and Other

An tÚdarás Rialaithe/Governing Authority Members September 2018 to August 2023

| Name | Source of Membership | Date appointed | Term |
|-------------------------|---|------------------------------------|--------------------------|
| Bishop Brendan Leahy | Cathaoirleach/Chairman | April 2013 | 2018-2023 |
| Dr. Áine Lawlor | Nominee of the Trustees from their number | September 2013 | 2018-2023 |
| Ms. Maedhbh Uí Chiagáin | Nominee of the Trustees from their number | September 2018 | 2018-2023 |
| Prof. Eugene Wall | Ex-Officio | September 2013 | 2018-2023 |
| Mr. Michael Keane | Ex-Officio | September 2017 | 2018-2023 |
| Dr. Eugene O'Brien | Ex-Officio | October 2017 (Appointed A/VPAA) | 2018-2019 |
| Prof. Niamh Hourigan | Ex-Officio | March 2019 (Appointed VPAA) | 2019-2023 |
| Mr. Declan Madden | Trustees Nominee | September 2013 | 2018-2023 |
| Mr. Conn Murray | Trustees Nominee | September 2013 | 2018-2023 |
| Mr. Fachtna O'Driscoll | Trustees Nominee | September 2013 | 2018-2023 |
| Ms. Mary Considine | Trustees Nominee | September 2018 | 2018-2023 |
| Ms. Helen O'Donnell | Trustees Nominee | September 2018 | 2018-2023 |
| Mr. Gerry Reeves | Trustees Nominee | September 2018 | 2018-2023 |
| Mr. Eamon Stack | Trustees Nominee | September 2013 | 2018-2023 |
| Dr. Marie Griffin | Sisters of Mercy Nominee | September 2018 | 2018-2023 |
| Ms. Catherine Kelly | Sisters of Mercy Nominee | September 2013 | 2018-2023 |
| Sr. Coirle McCarthy | Sisters of Mercy Nominee | September 2018 | 2018-2023 |
| Ms. Áine Finucane | Professional Services Staff Nominee | September 2018 | 2018-2023 |
| Ms. Emma Barry | Professional Services Staff Nominee | September 2018 | 2018-2023 |
| Ms. Rachel Dunne | MISU President | September 2018 | September 2018-June 2019 |
| Ms. Alison Dervan | MISU VP | December 2018 | December 2018-June 2019 |
| Mr. Seán McMahon | Alumni Nominee | September 2013 | 2018-2023 |
| Judge Tom O'Donnell | Senior Independent Governor | September 2013 | 2018-2023 |
| Dr. Des Fitzgerald | President, University of Limerick | March 2019 | 2019-2023 |

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An tÚdarás Rialaithe (The Governing Authority) and Other

Iontaobhaithe (Trustees)

| Name | Source of Membership | Date appointed | Term |
|----------------------------|---------------------------------|----------------------------------|------------------------------------|
| Bishop Brendan Leahy | Cathaoirleach/Chairman | April 2013 | 2013-2019 |
| Sr. Cait O'Dwyer | Nominee of the Sisters of Mercy | Nov 2016 | 2016-2018 (Resigned November 2018) |
| Fr. Tony Mullins | | June 2013, reappointed June 2016 | 2016-2019 (Retired June 2019) |
| Ms. Maedhbh Uí Chiagáin | Nominee of the Sisters of Mercy | Oct 2013, reappointed Nov 2016 | 2016-2019 (Retiring Nov 2019) |
| Archbishop Kieran O'Reilly | | Feb 2016 | 2016-2019 |
| Dr. Marie Griffin | Nominee of the Sisters of Mercy | Nov 2016 | 2016-2019 |
| Dr. Áine Lawlor | | Nov 2016 | 2016-2019 |
| Mr. Richard Leonard | | Nov 2016 | 2016-2019 |
| Mr. Seán Burke | | Nov 2016 | 2016-2019 |
| Bishop Raymond Browne | | Jan 2014, reappointed Apr 2017 | 2014-2020 |
| Sr. Frances Minihan | | Jan 2019 | 2019-2022 |

Auditors

Comptroller and Auditor General
 3A Mayor Street Upper
 North Wall
 Dublin 1
 DO1PF72
 Ireland

Solicitors

Leahy & Partners
 Park Manor House
 Upper Mallow Street
 Limerick

Principal Bankers

Bank of Ireland
 125 O'Connell Street
 Limerick

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Vice-President Administration & Finance Report

The Vice-President Administration and Finance on behalf of *An tÚdarás Rialaithe* presents herewith the financial statements of the College for the year ended 31 August 2019.

Principal Activities

Mary Immaculate College is a university-level institution which is engaged primarily in teaching and research. The College has a population of approximately 5,000 students. It offers a range of programmes in Teacher Education and in the Humanities from undergraduate level up to and including doctoral level. The number of research postgraduate students has been increasing steadily over the past decade and the college is now actively recruiting international students.

Overall Results

Total Comprehensive Income for the year was €1,819K which comprises a surplus relating to core College operations of €1,671K, increase in other College reserves of €548K and offset by the decrease in St Patricks Education Fund €400K as detailed in the Statement of Changes in Reserves.

| | €'000 |
|--|--------------|
| College Operating Surplus | 1,671 |
| Increase in other College Reserves | 548 |
| Decrease in St Patricks Education Fund | (400) |
| Total Comprehensive Income | <u>1,819</u> |

Increase in other College Reserves comprises of the following:

| | €'000 |
|------------------------------|------------|
| Development Reserve | 742 |
| Library Reserve | 105 |
| Accommodation Reserve | (601) |
| Academic/Research Reserve | <u>302</u> |
| Increase in College Reserves | <u>548</u> |

State Funding

The Higher Education Authority (HEA) is the statutory planning and policy development body for higher education and research in Ireland and advises the Minister for Education and Skills and the Government on Higher Education policy. In addition, it is the funding body for the Universities, Institutes of Technology, and a number of designated higher education institutions as well as the Colleges of Education. The HEA provides Research Funding, Capital Funding for buildings and equipment and Recurrent Funding through the process of reviewing and approving annual budgets and estimates.

Capital Commitments and Enhancement of the College Campus

The College has obtained Planning Permission to construct a new Library / Learning Resource Centre on its Limerick Campus and this project awaits confirmation of funding before it can proceed further. The College continues to be actively engaged in extending and enhancing its campuses in line with its Strategic Plan.



Mr. Michael Keane
Vice-President Administration & Finance

Date: 26th Feb. 2020

**Statement of Governance and Internal Control
for the year ended 31 August 2019**

Mary Immaculate College has adopted a code which is in compliance with the Higher Education Authority (HEA)/Irish Universities Association (IUA) Code of Governance for Irish Universities (2012). The College has implemented procedures to meet the requirements of that Code. The College notes that this code was revised in 2019 to incorporate provisions contained within the Code of Practice for the Governance of State Bodies (2016).

MIC has implemented procedures to ensure compliance with the requirements of the Code of Practice for the Governance of State Bodies (2016). MIC is currently reviewing the processes and procedures around its governance and executive boards to ensure that MIC is in full compliance with the Code of Governance for Irish Universities (2019).

An tÚdarás Rialaithe (UR) (the Governing Authority) has approved Mary Immaculate College's annual Statement of Governance and Internal Control for the financial period ended 31 August 2019.

1. Code of Conduct for Members

The following Codes have been put in place and implemented by the College. Both codes take account of the Ethics of Public Office Acts, 1995 and the Standards in Public Office Act, 2001 as well as the Irish Universities Act, 1997. The Codes were developed in full accordance with the document Governance of Irish Universities: A Governance Code of Legislation, Principles, Best Practice and Guidelines (HEA IUA).

- Code of Conduct for Members of the MIC Board of Trustees
- Code of Conduct for Members of *An tÚdarás Rialaithe*

The College will review these codes in the AY 2019/2020 to ensure that they are in compliance with the Code of Governance for Irish Universities (2019).

2. Code of Conduct for Employees

A Code of Conduct for MIC Staff has been put in place and implemented by the College. This code takes account of the Ethics of Public Office Acts, 1995 and the Standards in Public Office Act, 2001 as well as the Irish Universities Act, 1997. The Code was developed in full accordance with the document Governance of Irish Universities: A Governance Code of Legislation, Principles, Best Practice and Guidelines (HEA IUA).

The College will review this code in the AY 2019/2020 to ensure that it is in compliance with the Code of Governance for Irish Universities (2019).

3. Financially significant developments

- (i) There were no financially significant developments affecting the College in the past financial year and there are no major issues likely to arise in the short to medium term.
- (ii) The College engages external consultancy firms and investigators to carry out investigations and enquiries on internal matters, as needed. There were no significant investigations or enquiries carried out in the period.
- (iii) Details of expenditure on external consultancy/adviser fees paid to external parties providing advisory services are included in note 9 to the Financial Statements and are incurred in the normal course of business.
- (iv) There were no significant commercially sensitive developments in the preceding 12 months and there will be no developments for the rest of the year.
- (v) There are no joint venture arrangements.
- (vi) There are no aggregate costs to the Exchequer of the arrangements outlined in section (v).

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- (vii) The financial position of the College is outlined in the Statement of Financial Position in the Financial Statements and continues to present a positive net asset value.
- (viii) There were no significant post balance sheet events.

4. Pay

- (i) MIC is in compliance with Government policy on pay.
- (ii) There were no severance payments in the period under review.
- (iii) The College has in place arrangements for ensuring that external work undertaken by employees does not impact upon the performance of core contracted duties.

5. Financial reporting

- (i) All appropriate procedures for financial reporting are being carried out.
- (ii) The College is reporting, through the medium of the annual financial statements, the specific disclosures required by the Code of Governance for Irish Universities with reference to the State Code.

6. Off Balance Sheet Transactions

There were no off balance sheet transactions during the period under review.

7. Trusts and Foundations

Mary Immaculate College Foundation financial statements are not consolidated on grounds that it is a separate company governed by an independent Board.

8. Internal audit

The College has outsourced its Internal Audit function and the College's Internal Auditors report to the MIC Audit & Risk Committee who, in turn, report to *An tÚdarás Rialaithe*. There is a robust system of internal audit in place with Internal Auditors carrying out an annual programme of risk-based audits.

9. Procurement

- (i) The College has procurement procedures in place that comply with current National and EU procurement rules and guidelines. The College has addressed staffing constraints in this area and all appropriate procedures for procurement are in the process of being developed and are circulated regularly to all staff.
- (ii) Procedures have been put in place to detect non-compliance with procurement procedures including a monitoring system to review all payments in excess of €25,000 in order to flag non-competitive procurement.
- (iii) During the year ended 31 August 2019 a review of expenditure was undertaken. This review and the audit of the 2019 financial statements identified a number of instances where the College procured goods and services without fully complying with national and EU procurement guidelines. These instances of non-compliance totalled 31 suppliers with a cumulative total of €2m which was 21% of total procured expenditure of €9.6m to 904 suppliers. Of this €2m, €1.35m related to 4 suppliers where due to staffing constraints there was a delay in completing the retender process, €0.4m related to 11 suppliers > €25k annual spend which were not tendered and €0.25m related to 16 suppliers < €25k for which three quotes had not been obtained. While the College endeavours to publically procure for all necessary work, there have been occasions, due to resource issues as well as urgent requirements, when this has not always been achieved. The College is working towards

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full compliance and appointed a Procurement Operations Manager in September 2018 and is also developing a contracts and procurement database to facilitate continuous monitoring of the extent of the College's compliance in this area.

- (iv) The College has developed a Corporate Procurement Plan (CPP) and annually submits a three year Multi-Annual Procurement Plan (MAPP) to EPS.
- (v) The College avails of the services and frameworks of the OGP and the EPS, whenever applicable. The College is working towards full compliance for all tenders >€25,000 by the year end 2019/20.

10. Asset disposals

Procedures for asset disposal are being carried out by the College. There were no disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties during the period.

11. Guidelines for the Appraisal and Management of Capital Proposals

MIC complies with the Guidelines for the Appraisal and Management of Capital Proposals.

12. Travel policy

Government Travel policy requirements are being implemented in all respects.

13. Guidelines on Achieving Value for Money in Public Expenditure

MIC is following the guidelines on Achieving Value for Money in Public Expenditure as set out in the Department of Public Expenditure and Reform Public Spending Code.

14. Tax laws

MIC is committed to full compliance with taxation laws. Any issues identified during the period were investigated and resolved. MIC is fully committed to ensuring that all tax liabilities are paid on the relevant due dates.

15. Legal Disputes

There were no legal disputes involving other State bodies during the period under review.

16. Confidential Disclosure Reporting – Protected Disclosures Act 2014

- (i) *An tÚdarás Rialaithe* has adopted a Protected Disclosures Policy in line with Protected Disclosures Act 2014.
- (ii) The Annual Report required under section 22(1) of the Act has been published.
- (iii) There were no protected disclosures reported during the period.

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17. Governing Authority meetings

Four meetings of *An tÚdarás Rialaithe* took place during the financial period ended 31 August 2019 as follows:

| Attendance of UR members | 17.10.18 | 12.12.18 | 27.03.19 | 19.06.19 |
|--------------------------|-----------|-----------|-----------|-----------|
| Bishop Brendan Leahy | 1 | 1 | 1 | 1 |
| Dr. Áine Lawlor | 0 | 1 | 1 | 1 |
| Ms. Maedhbh Uí Chiagáin | 1 | 1 | 1 | 1 |
| Prof. Eugene Wall | 1 | 1 | 1 | 1 |
| Mr. Michael Keane | 1 | 1 | 1 | 1 |
| Dr. Eugene O'Brien | 1 | 1 | n/a | n/a |
| Prof. Niamh Hourigan | n/a | n/a | 1 | 1 |
| Mr. Declan Madden | 1 | 0 | 0 | 1 |
| Mr. Conn Murray | 1 | 0 | 0 | 1 |
| Mr. Fachtna O'Driscoll | 1 | 1 | 1 | 1 |
| Ms. Mary Considine | 1 | 1 | 1 | 1 |
| Ms. Helen O'Donnell | 1 | 1 | 1 | 1 |
| Mr. Gerry Reeves | 1 | 1 | 1 | 1 |
| Mr. Eamon Stack | 1 | 0 | 1 | 1 |
| Dr. Marie Griffin | 1 | 0 | 1 | 1 |
| Ms. Catherine Kelly | 1 | 1 | 1 | 1 |
| Sr. Coirle McCarthy | 1 | 1 | 1 | 0 |
| Ms. Áine Finucane | 1 | 1 | 1 | 1 |
| Ms. Emma Barry | 1 | 1 | 1 | 0 |
| Ms. Rachel Dunne | 1 | 1 | 1 | 1 |
| Ms. Alison Dervan | n/a | 0 | 0 | 1 |
| Mr. Seán McMahon | 1 | 0 | 1 | 1 |
| Judge Tom O'Donnell | 0 | 0 | 0 | 0 |
| Dr. Des Fitzgerald | n/a | n/a | 1 | 0 |
| | | | | |
| Total | 19 | 15 | 19 | 19 |

At their meetings on 20 June 2018 and 27 March 2019, UR met without Executive Board members or management present to discuss any matters deemed relevant. The practice of UR meeting at least twice a year without Executive Board members or management present to discuss any matters deemed relevant is now normal practice.

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18. Audit and Risk Committee meetings

Five meetings of the Audit and Risk Committee (ARC) took place during the financial period ended 31 August 2019 as follows:

| Attendance of ARC members | 20.11.18 | 29.1.19 | 6.02.19 | 08.05.19 | 04.06.19 Joint Meeting FRC |
|---------------------------|------------|------------|------------|----------|----------------------------------|
| Members | | | | | |
| Dr. Marie Griffin | 1 | 1 | 1 | 1 | 1 |
| Ms. Catherine Kelly | 0 | 0 | 0 | 1 | 0 |
| Mr. Fachtna O'Driscoll | 1 | 1 | 1 | 1 | 1 |
| Mr. Ger Lyons | n/a | n/a | 1 | 1 | 1 |
| In attendance | | | | | |
| Prof. Eugene Wall | 1 | 0 | 1 | 1 | 1 |
| Mr. Michael Keane | 1 | 1 | 1 | 1 | 1 |
| Prof. Gary O'Brien | 1 | 1 | 0 | 0 | 0 |
| Dr. Eugene O'Brien | 1 (A/VPAA) | 1 (A/VPAA) | 1 (A/VPAA) | n/a | n/a |
| Ms. Lara Doris | 1 | 1 | 0 | 1 | 1 |
| Dr. Deirdre Ryan | 0 | 1 | 1 | 1 | 0 |
| Total | 7 | 7 | 7 | 8 | 6 |

The Audit and Risk Committee routinely meet without members of management being present during review of accounts with external auditors, including presentation of annual audit findings by the Comptroller and Auditor General. This occurred during the period ended 31 August, 2019, as normal, and the recommendations of the ARC in respect of the accounts and observations of the external auditors were reported to UR prior to approval of the accounts, and subsequently, the formal adoption of the Statement of Governance and Internal Control.

19. Review of *An tÚdarás Rialaithe* performance

A new Governing Authority was appointed in October 2018 for a five-year term.

In April 2019, the Quality Office administered online bespoke questionnaires to the governance and management committees of the College in order to fulfil the requirement under the 2016 Code of Practice for the Governance of State Bodies, where under the Code, it is a requirement that all publicly-funded decision-making bodies conduct an annual self-evaluation of its functional performance with the aim of highlighting areas in which improvements can be made. The surveys were based on the recommended criteria for review within the Code and they incorporated statements that are measured against a Likert Scale (Strongly Agree ... Strongly Disagree) in order to give weightings to key indicators of good practice.

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An tÚdarás Rialaithe noted the Governing Authority Self Evaluation Report for the AY 2018/19 at their meeting on the 19th June 2019 as well as the Self-Evaluation Reports for the following Boards:

- Executive Team
- Audit and Risk Committee
- Equality Committee
- Finance and Resource Committee
- Quality Committee

The Chairperson of each board will act on the results of the 2019 performance evaluation by addressing any weaknesses identified through the Board self-assessment evaluations, in order to ensure that the boards are operating as effectively as possible. Annual self-evaluation surveys will be conducted with the governance and management committees of MIC henceforth. The next external review of the Governing Authority will take place in 2020.

20. Salary of President

The President's salary for the 12 month period ended 31 August 2019 was €146,239, as set by the Department of Education and Skills and as communicated to the College by the HEA. Following a selection process for College President, the MIC Trustees and Governing Authority agreed to appoint Professor Eugene Wall to this post. Professor Wall took up his permanent appointment on January 1st 2019, prior to which he had continued in his substantive capacity as Acting College President.

21. Data provided to HEA

- (i) The College has satisfied itself as to the integrity and robustness of any data on student numbers provided to the HEA for the purpose of calculating and allocating the core grant.
- (ii) The College has satisfied itself as to the integrity and robustness of staff numbers provided to the HEA under the Employment Control Framework.

22. Child protection policy

MIC has a policy and procedures in place for child protection. The College commenced review of this policy in 2013 and adopted a new Safeguarding Policy and procedures in 2014 inclusive of policy relating to child protection, vulnerable adults, and Garda Vetting. In 2017, MIC initiated a public procurement process for a Safeguarding and Garda Vetting Service to support the development and maintenance of organisational arrangements that promote:

1. The welfare of children and vulnerable persons in their interaction with College personnel and in their participation on College programmes;
2. A safe and high quality environment for children and vulnerable persons in their involvement with Mary Immaculate College, including its facilities and resources.

There are two fully trained Designated Liaison Persons at MIC, with the Associate Vice-President Administration, acting as the "Senior Person," so called. He acts as the liaison person with the College's External Safeguarding Advisor and the network of services in the College as well as acting as the link between the Executive Team and the safeguarding process at operational level.

Three new safeguarding policies were adopted by the Governing Authority on 27 March 2019:

- (i) Safeguarding (for Children)
- (ii) Staff Garda Vetting Policy
- (iii) Vulnerable Adult / Adult at Risk Policy

These policies are in compliance with the requirements of the Children First Act (2015). Implementation

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and training plans are currently being developed for these policies. It is compulsory that all staff at MIC undergo Garda Vetting prior to commencing work at the College.

23. Fees and expenses

No fees were paid to College Trustees and members of *An tÚdarás Rialaithe* during the period under review. MIC confirms that expenses paid to members of College Trustees and *An tÚdarás Rialaithe* are in accordance with the guidelines from the Department of Finance and these are detailed in Note 23 of the Financial Statements.

24. Subsidiaries and interests in external companies

The College has no subsidiaries or shareholdings in external companies.

25. Intellectual Property (IP) and Conflict of Interest

- (i) The College has put in place a single IP Policy Statement which was adopted by *An tÚdarás Rialaithe* on 19 June 2019. Following its adoption it was published on the MIC website. The policy will be followed in due course by two implementation plans, which are flagged in the statement (i) for the Curriculum Development Unit (ii) for the wider College community.
- (ii) The College has put in place a Conflict of Interest Policy which was adopted by *An tÚdarás Rialaithe* on 19 June 2019. Following its adoption it was published on the MIC website.
- (iii) To date, there have been no IP commercialisation or IP conflicts of interest. Henceforth, *An tÚdarás Rialaithe* will be made aware of all IP commercialisation and IP conflicts of interest on an annual basis.
- (iv) To date, there has been no major commercialisation of intellectual property, including spin-out companies at the College.

26. General governance and accountability issues

There are no governance or accountability issues that the College may wish to bring to the attention of the HEA.

Statement on Internal Control

27. Governing Authority responsibility for system of internal control

A review of the effectiveness of the system of internal control for the financial year ended 31 August 2019 has been carried out and approved by the Audit & Risk Committee and subsequently, by *An tÚdarás Rialaithe*. This review relied upon the work of Internal Audit, the review of that work by Audit and Risk Committee, assurances from senior officers of the College with responsibility for areas under their control and risk management processes. No weaknesses in internal control have been found that have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements, other than as disclosed in section 9 above.

28. Reasonable assurance against material error

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives or to conduct College affairs in an orderly and legitimate manner. To that extent, such a system can only provide reasonable, but not absolute, assurance against material error or loss.

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29. Review of the Statement on Internal Control (*An tÚdarás Rialaithe* and Audit and Risk Committee)

The Statement on Internal Control has been reviewed by the Audit and Risk Committee and *An tÚdarás Rialaithe* to ensure it accurately reflects the control system in operation during the reporting period.

30. Key procedures put in place designed to provide effective internal control

(i) Appropriate Control Environment

The following are the key control procedures in place to ensure that there is an appropriate and effective control environment in place in the College:

MIC Trustees

Mary Immaculate College (MIC) is governed and regulated in accordance with an Instrument of Government, by approval of the Trustees of the College whose role, in turn, is mandated by a Scheme of Incorporation approved by the Commissioner for Charitable Donations and Bequests for Ireland under the Charities Act, 1973. Under the Scheme of Incorporation, and with the exception of certain powers that they have reserved to themselves, the Trustees have delegated responsibility for the governance of the College to a governing authority, *An tÚdarás Rialaithe*. The powers reserved to the Trustees are:

- To appoint members of *An tÚdarás Rialaithe* of the College in the manner and or the term set out in the College's Instrument of Government
- To remove, following due process, a member of *An tÚdarás Rialaithe* where there are good and valid reasons for so doing and where these reasons have been set out in writing
- To accept the resignation of a member of *An tÚdarás Rialaithe* when offered or required
- To satisfy itself to the manner in which *An tÚdarás Rialaithe* conducts its affairs and exercises the powers delegated to it through the Instrument of Government
- To dissolve *An tÚdarás Rialaithe* if satisfied that the functions of the board are not being effectively discharged or where *An tÚdarás Rialaithe* has failed to carry out its duties
- To initiate and approve any sale or other transfer, purchase, mortgage or encumbrance of Property of the Corporation, and to approve any merger, consolidation, dissolution or other fundamental corporate reorganisation
- To initiate or approve any amendments to the Scheme
- To approve any significant change in use of the Property of the Corporation from that of the tradition and ethos of the Roman Catholic Church
- To exercise a right of approval before any appointment is made to posts in Religion (including Theology and Catechetics), Philosophy, and Philosophy of Education
- To appoint the President of the College

***An tÚdarás Rialaithe* (Governing Authority)**

In accordance with powers devolved by the Trustees under the Scheme of Incorporation and the Instrument of Government, *An tÚdarás Rialaithe*, the Governing Authority of Mary Immaculate College (MIC), has overall responsibility for the College's system of internal control. The system of internal control covers all material controls including financial, operational and compliance controls, and risk management systems that support the achievement of the College's aims and objectives, while safeguarding the public and other funds and assets for which the College is responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve aims and objectives or to conduct College affairs in an orderly and legitimate manner. To that extent, such a system can only provide reasonable, but not absolute, assurance against material error or loss.

An tÚdarás Rialaithe is the principal governance and decision-making body of the College. *An tÚdarás Rialaithe* is responsible for guiding the strategic direction of the College with particular emphasis on overseeing policy, monitoring the performance of senior management and working with the President to set the College's strategic aims. In accordance with the MIC Instrument of Government, the Chairperson of *An tÚdarás Rialaithe* is appointed by the Trustees and its non-ex officio membership is determined by

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the Trustees in accordance with the Instrument of Government and the recommendations of the Trustees' Nominations Sub-Committee. The membership of *An tÚdarás Rialaithe* includes a non-executive Senior Independent Director.

Under the Instrument of Government, there are four permanently constituted standing committees of the Governing Authority, chaired by independent chairpersons:

- Audit & Risk Committee (ARC)
- Equality Committee (EC)
- Finance & Resource Committee (FRC)
- Quality Committee (QC)

Audit & Risk Committee

The Audit & Risk Committee is responsible for advising *An tÚdarás Rialaithe* on audit and risk management matters in the College. The committee consists of members of the Governing Authority and an external appointee with expertise in audit and risk management matters.

Equality Committee

The Equality Committee is responsible for advising *An tÚdarás Rialaithe* on matters pertaining to equality in the College and consists of members of the Governing Authority.

Finance & Resource Committee

The Finance & Resource Committee is responsible for supervising the financial affairs of the College and for advising *An tÚdarás Rialaithe* on matters relating to the financial management of the College. The committee consists of members of the Governing Authority.

Quality Committee

The Quality Committee is responsible for advising *An tÚdarás Rialaithe* on matters pertaining to quality in the College and consists of members of the Governing Authority.

***An Chomhairle Acadúil* (Academic Council)**

An Chomhairle Acadúil is responsible, subject to the financial constraints determined by *An tÚdarás Rialaithe* and to review by *An tÚdarás Rialaithe*, subject to the Academic Regulations of the University of Limerick, and subject to the traditional principles of academic freedom, for controlling the academic affairs of the College including the curriculum or and instruction and education provided by the College. *An Chomhairle Acadúil* has established the following standing sub-committees to assist it in the carrying out of its functions:

- Academic Programme Appraisal Committee (APAC)
- Research Committee
- Teaching & Learning Committee

The Research Committee has established two further sub-committees, including the Research Ethics Committee (MIREC), which has an independent chairperson, and the Postgraduate Research Sub-committee (PRSC).

***Uachtarán an Choláiste* (President)**

An tUachtarán is the Chief Executive of the College and is appointed by the *An tÚdarás Rialaithe* at the recommendation of the Trustees. *An tUachtarán* has overall responsibility for managing and directing the College in its academic, administrative, financial, personnel and other activities and for those purposes has such powers as are necessary or expedient. In performing his or her functions, *An tUachtarán* is subject to such policies as may be determined from time to time by *An tÚdarás Rialaithe* and is answerable to *An tÚdarás Rialaithe* for the efficient and effective management of the College and for the due performance of his or her functions.

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Executive Team

The Executive Team (ET) comprises *An tUachtarán* and the senior officers of the College. The members of the ET are appointed by *An tUachtarán* who is responsible for formally advising *An tÚdarás Rialaithe* of the composition of the ET and of any changes which may occur from time to time. The ET, through *An tUachtarán*, is accountable to *An tÚdarás Rialaithe* and its sub-committees. *An tUachtarán*, together with the ET, is responsible for the operational management of the College and may appoint such management advisory group or groups and committees as they deem appropriate from time to time, to advise them in this role. The ET has created the following standing sub-committees, which are chaired by various officers of the College:

- Access Committee
- Bord na Gaeilge
- Energy & Environmental Committee
- Faculty of Arts Management Committee
- Faculty of Education Management Committee
- Finance Sub-Committee
- Health Promoting College Committee
- Health & Safety Committee
- ICT Services Committee
- Strategic Planning Group
- Student Wellbeing Committee

(ii) Business Risk Management Process

The College has in place a comprehensive set of processes for the identification, evaluation and management of significant risks.

An tÚdarás Rialaithe maintains overall executive responsibility for risk management, with monitoring and reporting conducted by the Audit & Risk Committee. Responsibility at the detailed operational level is held by the Executive Team.

The risk management framework established in the College includes:

- A Risk Management Policy, approved by *An tÚdarás Rialaithe*, which governs the risk framework and operationalisation of the risk management process;
- The Institutional Risk Register (IRR) and Local Risk Registers (LRRs), where risks are categorised as Strategic, Operational, Financial, Reputational. Risks are rated in accordance with likelihood of occurrence and business impact and categorised as high, medium or low impact;
- Regular review of the Institutional Risk Register, which is a standing agenda item and is reviewed at each meeting of the Executive Team (and quarterly by the Strategic Planning Group (SPG) comprised of the Directors, Heads of Function and Executive Team), Audit and Risk Committee and *An tÚdarás Rialaithe*;
- Regular review of Local Risk Registers where members of the Strategic Planning Group prepare detailed Risk Registers for each of their areas to ensure that key operational risks are identified and managed by the relevant operational manager. These are reported to the SPG;
- Risk assessment training and awareness, promoted through the management structures.

(iii) Information Systems

Key systems and procedures in place include:

- Clearly defined management responsibilities and delegated authorities;
- Policies, procedures and regulations;
- Strategic planning processes;
- Planning, resource allocation and budgetary control systems which are monitored through regular management reporting including the issuing of monthly reports to budget-holders and review by senior management throughout the period;
- Information systems to ensure timely management reporting including:

Mary Immaculate College
Coláiste Mhuire gan Smál

- Computerised Student Information System
- Computerised Payroll System
- Computerised Financial Accounting System
- A risk management system which identifies and reports key risks and the management actions taken to address these risks;
- Risk registers are maintained at institutional and local (functional) levels and reviewed on a 3-week basis by the Executive, and quarterly by the Strategic Planning Group, Audit & Risk Committee and *An tÚdarás Rialaithe*. Each register is iterative and subject to substantiation of rating amendments at each quarter;
- A comprehensive listing of internal controls has been developed for the Finance function and is subject to sample testing under reviews of internal control. Controls contained in other local Risk Registers are also subject to testing.
- A comprehensive listing of internal controls are being developed for all functions.

(iv) Financial Implications of Major Business Risks

The procedures for addressing the financial implications of major business risks include:

- A structured authorisation process for financial transactions;
- Finance review of all business cases and project budgets;
- Financial instructions and notes of procedures published on the College's website;
- Regular review and update of policies and procedures;
- A centralised finance structure with segregation of duties;
- Finance staff providing direct advice and support to the academic and other professional services functions in relation to financial matters;
- Finance processes training provided on a regular basis;
- Finance professionals in attendance at the Finance & Resource Committee and the Audit & Risk Committee;
- A Capital Projects Group that reviews all proposed and ongoing capital projects and is developing a Campus Master Plan for both College Campuses.

(v) Monitoring of the effectiveness of the internal control system:

Monitoring of the system of internal control is informed by the following processes:

- Ongoing review by the Executive Team, including monitoring of required policy development and amendment in accordance with the approved College Protocol for Policy Development;
- Creation, monitoring and review of an Annual Operating Plan;
- Quarterly review by the Strategic Planning Group on the implementation of the College Annual Operating Plan (inclusive of the MIC/HEA Performance Compact);
- Quarterly reports of the President to the College Trustees and *An tÚdarás Rialaithe*, inclusive of implementation of the College Annual Operating Plan and the MIC/HEA Performance Compact;
- Annual reports by *An tÚdarás Rialaithe* to the College Trustees;
- Quarterly reports of the Audit & Risk Committee, the Finance and Resource Committee, Equality Committee and the Quality Committee to *An tÚdarás Rialaithe*;
- Quarterly reports of *An Chomhairle Acadúil* to *An tÚdarás Rialaithe*;
- Creation, monitoring and review of a Risk Register;
- Quarterly reports from the Audit & Risk Committee to *An tÚdarás Rialaithe* on the status of the College Risk Register, the status of ongoing internal audits and the implementation of the approved internal audit schedule, and College compliance with statutory measure;
- Management letters and reports from the College's external auditors and the Comptroller and Auditor General which are reviewed by the Audit and Risk Committee and reported to *An tÚdarás Rialaithe*;
- Quarterly monitoring of the Quality Improvement Schedule by the Quality Committee and adoption of Quality Assurance reports by *An tÚdarás Rialaithe*;
- Quarterly reports from the Finance and Resource Committee to *An tÚdarás Rialaithe* relating to

Mary Immaculate College
Coláiste Mhuire gan Smál

finance and capital matters which are placed before meetings of the Governing Authority;

- Reporting to *An tÚdarás Rialaithe* and the Trustees on the results and recommendations arising from periodic reviews, including the recommendations arising from the MIC Review of Governance which took place in 2013.

31. Review of the effectiveness of the system of internal control

The Audit and Risk Committee (ARC) carried out a formal review of the effectiveness of the system of internal control for the year ended 31 August 2019. The review was based on existing controls which management have put in place, reports of various sub-committees on whether or not systems are operating effectively and based on the recommendations and findings of Internal and External Audits. The Audit and Risk Committee was satisfied with the effectiveness of the system of internal control in place for the financial year ended 31 August 2019. *An tÚdarás Rialaithe* considered ARC's review and was satisfied with the effectiveness of the system of internal control in place for the financial year ended 31 August 2019.

32. Weaknesses in internal control - disclosure of details regarding instances where breaches in control occurred

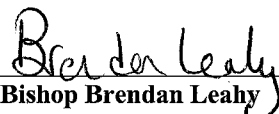
No weaknesses in internal control have been found, save as mentioned under section 9 above, that have resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

33. Description of the action taken to correct weaknesses

| Area of non-compliance or weaknesses in internal control | Actions to be taken to attain compliance or correct weaknesses | Due date |
|---|---|--|
| During the period ended 31 August 2019 a number of instances arose where the College procured goods and services without fully complying with national and EU procurement guidelines. | The College is working with the Office of Government Procurement (OGP) and Educational Procurement Service (EPS) to work towards full compliance. The College has addressed a resource deficiency in this area and introduced monitoring processes. | Dependent on the scheduling capacity of the OGP and EPS to meet all public sector tendering requirement the College is working towards full compliance for all tenders in excess of €25,000 by year end 2019/20. |

The Chairperson of *An tÚdarás Rialaithe* and the President, as Chief Officer of the College acknowledge that *An tÚdarás Rialaithe* is responsible for the body's system of internal control, which statement requires the formal approval of *an tÚdarás Rialaithe*.

An tÚdarás Rialaithe of Mary Immaculate College approved this Statement of Governance and Internal Control on 29th January, 2020.


 Bishop Brendan Leahy
 Cathaoirleach

Date: 26/02/2020


 Mr. Michael Keane
 Member of *An tÚdarás Rialaithe*

Date: 26/02/2020

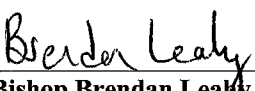
Mary Immaculate College
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Statement of Governing Authority's Responsibilities

The Higher Education Authority requires the College Trustees and *An tÚdarás Rialaithe* to prepare financial statements which give a true and fair view of the results for the year and of the state of affairs of the College. In preparing those financial statements the College Trustees and *An tÚdarás Rialaithe* are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless that basis is inappropriate;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Trustees and *An tÚdarás Rialaithe* are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the College. The College Trustees and *An tÚdarás Rialaithe* are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Bishop Brendan Leahy
Cathaoirleach

Date: 26/02/2020


Mr. Michael Keane
Member of *An tÚdarás Rialaithe*

Date: 26/02/2020



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

Report for presentation to the Houses of the Oireachtas

Mary Immaculate College, Coláiste Mhuire gan Smál

Opinion on the financial statements

I have audited the financial statements of Mary Immaculate College, Coláiste Mhuire gan Smál for the year ended 31 August 2019 as required under the provisions of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise

- the statement of comprehensive income
- the statement of changes in reserves
- the statement of financial position
- the 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 College at 31 August 2019 and of its income and expenditure 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 a deferred pension funding asset of €6.3 million in respect of the Single Public Service Pension Scheme reflects statutory provisions relating to the funding of that scheme.

The recognition of an asset of €196.3 million in respect of the Colleges of Education Pension Scheme anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the College 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 College 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 College has presented certain other information together with the financial statements. This comprises the vice-president of administration and finance's report, the statement of governance and internal control, the statement of governing authority's responsibilities and (note 28) the statement on management of and accountability for grants from Exchequer funds.

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

Procurement non-compliance

The statement of governance and internal control discloses that the College incurred significant expenditure on goods and services the procurement of which was not compliant with the relevant procedures. The statement also discloses that the College has assigned additional staff resources to procurement and is enhancing the systems in place to detect non-compliance with procurement procedures.

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

Seamus McCarthy
Comptroller and Auditor General

28 February 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 College's Scheme of Incorporation
- 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 Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the College 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 College'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 College 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.

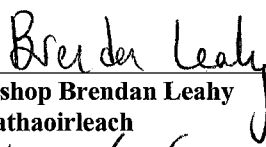
Mary Immaculate College
Coláiste Mhuire gan Smál


Statement of Comprehensive Income
Year ended 31 August 2019

| | | Year ended 31 August 2019 | Year ended 31 August 2018 Restated |
|--|-------------|--------------------------------------|---|
| | Note | €'000 | €'000 |
| Income | | | |
| State Recurrent Grants | 3 | 15,492 | 12,648 |
| Academic fees | 4 | 22,237 | 21,039 |
| Research and Self-Funded Programmes | 5 | 2,559 | 2,216 |
| Other income | 6 | 1,528 | 1,626 |
| Interest and Investment income | 7 | 36 | 45 |
| Deferred funding for pensions | 21 | 6,436 | 5,877 |
| Total income | | 48,288 | 43,451 |
| Amortisation of state capital grants | 17 | 1,465 | 1,405 |
| | | 49,753 | 44,856 |
| Expenditure | | | |
| Staff costs | 8 | 24,900 | 22,670 |
| Other operating expenses | 9 | 12,992 | 11,475 |
| Depreciation | 11 | 1,897 | 1,923 |
| Pension cost | 21 | 8,370 | 8,016 |
| Total expenditure | | 48,159 | 44,084 |
| Surplus for the year | | 1,594 | 772 |
| Actuarial gain/ (loss) in respect of pension schemes | 21 | (33,164) | (2,056) |
| Movement on pension receivable | 21 | 33,164 | 2,056 |
| Gain on Investment | 12 | 225 | 187 |
| Total comprehensive income for the year | | 1,819 | 959 |
| Represented by: | | | |
| Unrestricted Reserve | | 2,219 | 1,271 |
| Restricted St Patrick's Reserve | 24 | (400) | (312) |
| Total comprehensive income for the year | | 1,819 | 959 |

All items of income and expenditure relate to continuing activities.

The financial statements on pages 21-49 were approved by the Governing Body on the 29th January, 2020 and were signed on its behalf by:


Bishop Brendan Leahy
Cathaoirleach
 Date: 26/02/2020


Mr. Michael Keane
Vice-President Administration & Finance
 Date: 26/02/2020

Statement of Changes in Reserves
For the year ended 31 August 2019

The financial statements on pages 21-49 were approved by the Governing Body on the 29th January, 2020 and were signed on its behalf by:


Date: 26/02/2020

Mary Immaculate College
Coláiste Mhuire gan Smál

Statement of Financial Position
Year ended 31 August 2019

| | | Year Ended 31 August 2019 | Year Ended 31 August 2018 Restated |
|---|-------------|--------------------------------------|---|
| | Note | €'000 | €'000 |
| Non-current assets | | | |
| Tangible Fixed Assets | 11 | 80,109 | 81,902 |
| Investments | 12 | 3,077 | 3,059 |
| | | 83,186 | 84,961 |
| Current assets | | | |
| Cash and cash equivalents | 13 | 11,836 | 5,804 |
| Current Investments | 14 | 9,736 | 9,712 |
| Trade and Other Receivables | 15 | 3,070 | 3,237 |
| Inventory | 16 | 18 | 22 |
| | | 24,660 | 18,775 |
| Less: Creditors: amounts falling due within one year | 17 | (11,425) | (7,609) |
| Net current assets | | 13,235 | 11,166 |
| Total assets less current liabilities | | | |
| Creditors: amounts falling due after more than one year | 18 | (49,624) | (51,149) |
| Pension liability provision | 21 | (202,600) | (163,000) |
| Pension receivable | 21 | 202,600 | 163,000 |
| Total net assets | | 46,797 | 44,978 |
| Restricted reserves | | | |
| Income and expenditure reserve | 24 | 6,597 | 6,997 |
| Unrestricted reserves | | | |
| Income and expenditure reserve | | 28,393 | 26,174 |
| Revaluation Reserve | | 11,807 | 11,807 |
| Total | | 46,797 | 44,978 |

The financial statements on pages 21-49 were approved by the Governing Body on the 29th January, 2020 and were signed on its behalf by:


 Bishop Brendan Leahy
 Cathaoirleach

Date: 26/02/2020


 Mr. Michael Keane
 Vice-President Administration & Finance

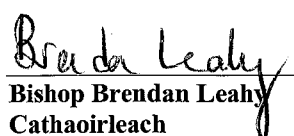
Date: 26/02/2020

Mary Immaculate College
Coláiste Mhuire gan Smál

Statement of Cash Flows
For the year ended 31 August 2019

| | | Year ended | Year ended |
|--|-------------|-----------------------|-----------------------|
| | | 31 August 2019 | Restated |
| | Note | €'000 | 31 August 2018 |
| | | | €'000 |
| Cash flow from operating activities | | | |
| Surplus for the year | | 1,594 | 772 |
| Adjustment for non-cash items | | | |
| Depreciation | 11 | 1,897 | 1,923 |
| Interest and Investment income | 7 | (36) | (45) |
| Operating cash flow before movement in working capital | | 3,455 | 2,650 |
| (Increase)/Decrease in trade and other receivables | | 167 | (983) |
| (Increase)/Decrease in inventory | | 4 | (6) |
| Increase/ (Decrease) in creditors | | 2,291 | (3,156) |
| Adjustment for investing or financing activities | | | |
| Interest and Investment income | 7 | 36 | 45 |
| Gain on Investment | 12 | 225 | 187 |
| Net cash (outflow)/inflow from operating activities | | 6,178 | (1,263) |
| Cash flows from investing activities | | | |
| Purchase of investments | 12 | (18) | (1,778) |
| Purchase of tangible fixed assets | 11 | (104) | (666) |
| | | (122) | (2,444) |
| Cash flows from financing activities | | | |
| Increase in Term Deposits | 14 | (24) | (2,511) |
| | | (24) | (2,511) |
| Increase/ (Decrease) in cash and cash equivalents in the year | | 6,032 | (6,218) |
| Cash and cash equivalents at beginning of year | | 5,804 | 12,022 |
| Cash and cash equivalents at end of year | | 11,836 | 5,804 |

The financial statements on pages 21-49 were approved by the Governing Body on the 29th January, 2020 and were signed on its behalf by:


 Bishop Brendan Leahy
 Cathaoirleach

Date: 26/02/2020


 Mr. Michael Keane
 Vice-President Administration & Finance

Date: 26/02/2020

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements
For the year ended 31 August 2019

1. Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – FRS 102 and the Statement of Recommended Practice (“SORP”) - Accounting for Further and Higher Education (2015), issued by the FE/HE SORP Board in the UK, which has been voluntarily adopted by the College. The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

Mary Immaculate College Foundation

Mary Immaculate College Foundation Limited is a company limited by guarantee not having a share capital which was incorporated under the Companies Acts on 7 February 2005. The main object for which the Foundation was established was in furtherance of the education and research carried out by the College in its pursuit of education, teaching and research, by engaging in fund raising activities. The Foundation accounts are not consolidated with the College accounts on the basis that it's a separate company governed by an independent board.

Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings which are reported at their fair value.

Recognition of income

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

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

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred.

Income from concession agreements is treated as deferred income and credited to the statement of comprehensive income and expenditure account in accordance with the right to consideration earned per the contractual terms.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements
For the year ended 31 August 2019

1. Significant accounting policies (continued)

Tangible fixed assets

1. Land and buildings

The College has revalued its land on a fair value basis as at 1 October 2014 and the revised values are now used as the deemed cost of land. Land is not depreciated.

Tangible fixed assets are stated at cost or valuation, net of depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|------------------------------|-----------------|
| Freehold buildings | 50 years |
| Buildings under construction | No Depreciation |
| Land | No Depreciation |

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are credited to Deferred Capital Grants in the Statement of Financial Position and are released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Grants for fixed assets funded from non-State sources are recognised under the performance model and income is recognised in the Statement of Comprehensive Income when performance-related conditions are met.

Refurbishments/Upgrades and Health & Safety works are charged to the statement of comprehensive income in the period that they are incurred.

2. Fit-out and equipment

Equipment costing less than €5,000 per individual item is written off to the Statement of Comprehensive Income in the year of acquisition.

All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

| | |
|----------------------------------|----------|
| Computer equipment | 4 years |
| Furniture and fittings | 10 years |
| Catering and Gardening Equipment | 10 years |
| Motor Vehicles | 5 years |

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to Deferred Capital Grants in the Statement of Financial Position and released to the Statement of Comprehensive Income over the expected useful economic life of the related equipment.

The cost of routine corrective maintenance is charged to the statement of comprehensive income in the period that it is incurred.

Mary Immaculate College

Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued **For the year ended 31 August 2019**

1. Significant accounting policies (continued)

Heritage Assets

The College holds and maintains certain heritage assets, such as paintings, sculptures and rare books. The College conserves these assets for research, teaching and for interaction between the College and the public. Heritage assets are not capitalised in the financial statements because it is considered that these assets are not readily realisable.

Investments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through the statement of comprehensive income. All investments are carried at their fair value. Investments in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Taxation

As the College holds tax-exempt status, it is not liable for Corporation Tax or Income Tax on any of its charitable activities.

Provisions

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

Financial instruments

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Retirement benefits

Pension Schemes for Academic, Administrative and Non-Academic staff in Colleges of Education for National Teachers 1988 (Colleges of Education Pension Scheme, 1988)

The College operates a defined benefit superannuation scheme which is unfunded. The disclosures required and principles contained in FRS 102 have been adopted in these financial statements and are based on a full actuarial valuation by a qualified independent actuary.

Pensions are funded annually on a pay as you go basis.

Pension costs charged to expenditure represent the current service cost plus interest on pension scheme liabilities less employee contributions.

Net deferred funding for pensions is recognized as income to the extent that it is recoverable, and offset by grants received in the period to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income and a corresponding adjustment is recognized in the amount recoverable from the HEA.

Pension Liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued
For the year ended 31 August 2019

1. Significant accounting policies (continued)

The Single Public Service Pension Scheme (SPSPS)

The College also accepts pension contributions under the new Single Public Service Pension Scheme ("SPSPS"). The Single Scheme is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances through which the donor or funder has designated a specific purpose and therefore the College is restricted in the use of these funds.

Revenue Reserve

The purpose of the Revenue Reserve is to reflect the surplus/deficit of the college for the year and the accumulated funds.

Development Reserve

The purpose of the Development Reserve is to provide funding for the future Capital and Strategic development of the College. Surplus funds arising from non-core activities as well as provision for funding of specific projected activities are credited to the Development Reserve.

Library Reserve

The purpose of the Library Development Reserve is to provide funding towards the future construction of a new library building. Surplus funds arising from Non-Core Courses have been transferred to the Library Development Reserve.

Accommodation Reserve

The purpose of the Accommodation reserve is to provide funding for the refurbishment of existing College student residences and for the purchase of additional student residential accommodation.

The surpluses generated from the rental of College student residences are transferred to the Accommodation Development Reserve.

Academic/Research Reserve

The purpose of the Academic / Research Reserve is to provide funding towards the future development of new and other courses. Surplus funds arising from Self-Funding programmes, Non-Core Courses and other programmes without contractual obligations have been transferred to the Academic / Research Reserve.

Revaluation Reserve

The College elected to use the first time adoption option on transition to FRS 102 and has revalued its land and buildings on a fair value basis as at 1 October 2014. The revised values are now used as the deemed cost of land and buildings. This resulted in the recognition of tangible assets and a corresponding revaluation reserve.

St Patrick's Reserve

In line with the St. Patrick's College Thurles legal transfer deed a restricted reserve consisting primarily of property and investment assets was transferred to the College from St Patricks' College, Thurles at 22 July 2016 and has been separately disclosed in the College Financial Statements. This reserve is designated "The St. Patrick's College Thurles Education Fund" in line with the terms of the transfer deed. The transfer deed provides for the furtherance of education at MIC Thurles Campus and funds will be released from the restricted reserve to match the expenditure when incurred.

Mary Immaculate College

Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued

For the year ended 31 August 2019

1. Significant accounting policies (continued)

Going concern

The College's activities, together with the factors likely to affect its future development, performance and position are set out in the Vice-President Administration & Finance report. The Governing Authority is satisfied that the College has adequate resources to meet its obligations as they fall due for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued
For the year ended 31 August 2019

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the College's accounting policies, which are described in note 1, the members of *An tÚdarás Rialaithe* are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The principal estimates, judgements and assumptions used in the financial statements for the period ended 31 August 2019 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. Impairments

Judgement is used to determine whether there has been any indication of impairment to the College's assets.

3. Recoverability of Bad Debts

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 of the debt and current market conditions.

4. Employee Benefits

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

5. Pension

As outlined in note 21 to the financial statements, the College operates two defined benefit pension schemes. In common with generally accepted practice in the sector, the pension liability has been offset by the recognition of an asset equivalent to the College's pension liabilities.

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 rates.

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 only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued
For the year ended 31 August 2019

3. State Recurrent Grants

| | | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|---|----------------|----------------------------------|----------------------------------|
| HEA grants allocated for recurrent purposes | Note 28 | 15,492 | 12,648 |

4. Academic fees

| | | 31 Aug 2019 €'000 | 31 Aug 2018 Restated €'000 |
|----------------------------------|--|----------------------------------|---|
| Undergraduate EU | | 19,525 | 18,545 |
| Undergraduate Non-EU | | 164 | 134 |
| Postgraduate Research EU | | 278 | 186 |
| Postgraduate Research Non-EU | | 54 | 7 |
| Postgraduate Taught EU | | 2,122 | 2,139 |
| Postgraduate Taught Non-EU | | 94 | 28 |
| Total Academic fee income | | 22,237 | 21,039 |

Total amount included in academic fee income paid directly by:

| | | | |
|--|----------------|-------|-------|
| Higher Education Authority (HEA) | Note 28 | 8,524 | 8,179 |
| Student Universal Support Ireland (SUSI) | Note 28 | 4,008 | 3,944 |

The 2018 comparatives have been reclassified and Postgraduate fee income previously included in Research & Self-funded Programmes of €998k, and Other Income of €342k is now recognised as Academic Fees.

5. Research & Self-funded Programmes

| | | 31 Aug 2019 €'000 | 31 Aug 2018 Restated €'000 |
|--|----------------|----------------------------------|---|
| <u>Research & Other Grants</u> | | | |
| State & Semi-State | Note 28 | 1,002 | 693 |
| European Union | | 280 | 365 |
| Other | | 217 | 173 |
| Total Research & Other Grants | | 1,499 | 1,231 |
| Self-funded Programmes | | 1,060 | 985 |
| Total Research & Self-funded Programme Income | | 2,559 | 2,216 |

The 2018 comparatives have been reclassified and Postgraduate Fees of €998k are now recognised as Academic Fees.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - Continued
For the year ended 31 August 2019

6. Other income

| | 31 Aug 2019 | 31 Aug 2018 |
|--|------------------------|---------------------------|
| | €'000 | Restated €'000 |
| Student Accommodation | 646 | 817 |
| Car Park Income | 15 | 16 |
| Printing/Photocopying | 64 | 66 |
| Rental Income | 134 | 92 |
| Concession Fees | 66 | 50 |
| Contribution to College Development from Self-funded Programmes | 293 | 274 |
| Student Services | 121 | 153 |
| Other operating income | 189 | 158 |
| | 1,528 | 1,626 |

The 2018 comparatives have been reclassified and the Contribution to College Development from self-funded Programmes relating to Postgraduate Fees of €342k is now recognised in Academic Fees.

7. Interest and Investment income

| | 31 Aug 2019 | 31 Aug 2018 |
|--------------------------------|------------------------|------------------------|
| | €'000 | €'000 |
| Interest and Investment income | 36 | 45 |

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

8. Staff costs

The average number of persons (including senior post-holders) employed by the College during the period, expressed in full-time equivalent is:

| | 31 Aug 2019 No. of Employees | 31 Aug 2018 No. of Employees |
|--|---|---|
| Core Staff | | |
| Academic | 155 | 153 |
| Professional Services | 165 | 160 |
| | 320 | 313 |
| Exchequer Funded Research & Project | | |
| Academic | 14 | 12 |
| Professional Services | 14 | 11 |
| | 28 | 23 |
| Other Funded Research & Project | | |
| Academic | 7 | 7 |
| Professional Services | 4 | 5 |
| | 11 | 12 |
| Total | 359 | 348 |
| | | |
| | 31 Aug 2019 €'000 | 31 Aug 2018 Restated €'000 |
| Salaries and wages per department | | |
| Academic | 16,023 | 14,439 |
| Student Accommodation | 200 | 203 |
| Faculty Support Offices | 1,368 | 1,202 |
| Research | 560 | 585 |
| Library | 759 | 837 |
| Information Technology | 549 | 522 |
| Placement Office | 170 | 158 |
| Administration | 2,646 | 2,255 |
| Premises | 639 | 637 |
| Student Academic Administration | 1,388 | 1,317 |
| Research & Self-Funded Programmes | 598 | 515 |
| | 24,900 | 22,670 |

The 2018 comparatives have been reclassified and Post-Graduate salaries of €784k previously included in Research & self-funded Programmes is now recognised in Academic.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

8. Staff costs (continued)

Pension related costs

| | 2019 | 2018 |
|--|--------------|--------------|
| | €'000 | €'000 |
| Employer pension costs | 8,370 | 8,016 |
| Incremental pension costs underwritten by the State/Interest on Pension Scheme Liabilities | (3,100) | (2,950) |
| Employee Contributions | 990 | 834 |
| | <u>6,260</u> | <u>5,900</u> |
| Current service cost | | |

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The College's key management personnel are members of the senior management team who form the Executive Team. The total remuneration for key management personnel for the year 2019 amounted to €816,823 (period 2018: €790,495).

This does not include the value of retirement benefits earned in the period. The key management personnel are members of either the Colleges of Education or Single Public Service Pension Schemes and their entitlements in that regard do not extend beyond the terms of the model public service pension schemes.

Higher paid staff

The College has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration, in salary bands of €10,000, using €60,000 as the starting value, is as follows:

| Salary Bands (€) | 31 Aug 2019 | 31 Aug 2018 |
|-------------------------|------------------------|------------------------|
| 60,000 – 70,000 | 30 | 32 |
| 70,001 – 80,000 | 36 | 17 |
| 80,001 – 90,000 | 70 | 87 |
| 90,001 – 100,000 | 24 | 6 |
| 100,001 – 110,000 | 7 | 6 |
| 110,001 – 120,000 | - | - |
| 120,001 – 130,000 | - | - |
| 130,001 – 140,000 | - | - |
| 140,001 – 150,000 | 1 | 1 |
| 150,001+ | - | - |
| Grand Total | <u>168</u> | <u>149</u> |

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

9. Other operating expenses

| | 31 Aug 2019 | 31 Aug 2018 |
|---------------------------------------|------------------------|---------------------------|
| | €'000 | Restated €'000 |
| Student Accommodation | 106 | 181 |
| Teaching Practice | 116 | 77 |
| Research | 217 | 401 |
| Academic | 1,199 | 1,250 |
| Library | 382 | 469 |
| Information Technology | 1,227 | 1,344 |
| Placement Office | 5 | 6 |
| Professional Fees | 157 | 266 |
| Administration | 532 | 501 |
| Premises | 5,207 | 3,853 |
| Student Academic Administration | 756 | 699 |
| College Accreditation and Examination | 279 | 221 |
| Public Relations | 1,072 | 618 |
| Other Expenses | 78 | 94 |
| Research & Self-Funded Programmes | 1,659 | 1,495 |
| | <hr/> | <hr/> |
| | 12,992 | 11,475 |
| | <hr/> | <hr/> |

Premises expenses included minor works of €2,193k (2018: €1,376k) and included necessary H&S works to Foundation and Tara buildings and upgrade of student accommodation.

The 2018 comparatives have been reclassified and Post Graduate programme operating expenses of €214k previously included in Research & Self-Funded Programmes is now included in Academic.

| | 31 Aug 2019 | 31 Aug 2018 |
|---|------------------------|---------------------------|
| | €'000 | Restated €'000 |
| Other operating expenses include: | | |
| Consultancy Costs: | | |
| - Legal | 1 | 81 |
| - Procurement | 16 | 9 |
| - Other | 38 | 23 |
| Travel & Subsistence: | | |
| - Domestic | 500 | 514 |
| - Foreign | 313 | 296 |
| Hospitality | 113 | 102 |
| Auditors' remuneration: | | |
| - External audit of College | 21 | 18 |
| - Comptroller and Auditor General audit fee | 34 | 17 |
| | <hr/> | <hr/> |

10. Taxation

The College is a registered charity and it therefore has taxation exempt status.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

| 11. Tangible fixed assets | | | | | | | | | |
|----------------------------------|-----------------------|----------------------------|------------------------------------|---|---|---|------------------------|--|--|
| College | Land €'000 | Buildings €'000 | Motor Vehicle €'000 | Computer equipment €'000 | Catering Equipment €'000 | Furniture & Fittings €'000 | Total €'000 | | |
| Cost | | | | | | | | | |
| At 1 September 2018 | 2,600 | 85,182 | 18 | 3,086 | 200 | 1,086 | 92,172 | | |
| Additions in year | - | - | - | 99 | - | 5 | 104 | | |
| Disposals in year | - | - | - | (173) | - | - | (173) | | |
| At 31 August 2019 | 2,600 | 85,182 | 18 | 3,012 | 200 | 1,091 | 92,103 | | |
| Depreciation | | | | | | | | | |
| At 1 September 2018 | - | 6,269 | 18 | 2,896 | 184 | 903 | 10,270 | | |
| Charge for year | - | 1,700 | - | 122 | 5 | 70 | 1,897 | | |
| Eliminated on disposals | - | - | - | (173) | - | - | (173) | | |
| At 31 August 2019 | - | 7,969 | 18 | 2,845 | 189 | 973 | 11,994 | | |
| Net book value | | | | | | | | | |
| At 31 August 2019 | 2,600 | 77,213* | - | 167 | 11 | 118 | 80,109 | | |
| At 1 September 2018 | 2,600 | 78,913* | - | 190 | 16 | 183 | 81,902 | | |

* Included in this figure is an investment property valued at €245,000.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

11. Tangible fixed assets – in respect of prior year

| College | Land €'000 | Buildings €'000 | Motor Vehicle €'000 | Computer equipment €'000 | Catering Equipment €'000 | Furniture & Fittings €'000 | Total €'000 |
|--------------------------|-----------------------|----------------------------|------------------------------------|---|---|---|------------------------|
| Cost | | | | | | | |
| At 1 September 2017 | 2,600 | 84,674 | 18 | 3,034 | 200 | 1,086 | 91,612 |
| Additions in year | - | 508 | - | 158 | - | - | 666 |
| Disposals in year | - | - | - | (106) | - | - | (106) |
| At 31 August 2018 | 2,600 | 85,182 | 18 | 3,086 | 200 | 1,086 | 92,172 |
| Depreciation | | | | | | | |
| At 1 September 2017 | - | 4,579 | 18 | 2,844 | 179 | 833 | 8,453 |
| Charge for year | - | 1,690 | - | 158 | 5 | 70 | 1,923 |
| Eliminated on disposals | - | - | - | (106) | - | - | (106) |
| At 31 August 2018 | - | 6,269 | 18 | 2,896 | 184 | 903 | 10,270 |
| Net book value | | | | | | | |
| At 31 August 2018 | 2,600 | 78,913* | - | 190 | 16 | 183 | 81,902 |
| At 1 September 2017 | 2,600 | 80,095* | - | 190 | 21 | 253 | 83,159 |

* Included in this figure is an investment property valued at €245,000.

Mary Immaculate College
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Notes to the Financial Statements - continued
For the year ended 31 August 2019

11. Tangible fixed assets (*continued*)

The College has revalued its land on a fair value basis as at 1 October 2014, taking advantage of the transitional provisions of FRS 102. The College appointed Hanly Donnellan as an independent external valuer. The valuation was performed in accordance with the RICS Valuation – Professional Standards April 2015. The revised land valuation has increased tangible fixed assets and the revaluation reserve by €11.8m at the date of transition 01 October 2014.

An annual impairment review of building assets is undertaken with Estates and Facilities to identify assets showing signs of impairment.

Heritage Assets

The College holds and maintains certain heritage assets such as paintings, sculptures and rare books. The College conserves these assets for research, teaching and for interaction between the College and the public. Key heritage assets held by the College fall into two categories, with an estimated valuation as follows:

| | |
|-------------------|----------|
| Arts & Sculptures | €405,400 |
| Rare Books | €449,000 |

Rare Books include The Croke Library in MIC Thurles Campus which is a restricted access library of rare and unusual books and awaits a detailed cataloguing process.

As per the Heritage Assets policy, these assets are not capitalised in the financial statements because it is considered that these assets are not readily realisable.

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

12. Investments

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|--|----------------------------------|----------------------------------|
| At beginning of the year | 3,059 | 1,281 |
| Additions | 878 | 1,968 |
| Disposals | (1,085) | (377) |
| Net appreciation of investment portfolio | 225 | 187 |
| | <u>3,077</u> | <u>3,059</u> |

The non-current investments represent the investments held by Mary Immaculate College (St Patrick's College Thurles Education Fund). All investments are carried at their fair value in line with the College's investments accounting policy.

Quoted investments are stated at market value based on prices ruling at the statement of financial position date. Investments which are held in managed funds and unit linked funds are stated at bid prices at the statement of financial position date. The market values of investments denominated in foreign currency are converted to euro using the rates of exchange ruling at the period-end date.

Represented by:

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|-------------------------|----------------------------------|----------------------------------|
| Government Bonds | 484 | 552 |
| Corporate & Other Bonds | 480 | 562 |
| European Equity | 65 | 26 |
| International Equity | 1,376 | 1,336 |
| Absolute Return | 259 | 285 |
| Private Equity | 104 | 103 |
| Property | 241 | 162 |
| Other Equity | 26 | - |
| Commodities | 34 | 25 |
| Other Alternatives | 8 | 8 |
| | <u>3,077</u> | <u>3,059</u> |

Mary Immaculate College
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Notes to the Financial Statements - continued
For the year ended 31 August 2019

13. Cash and cash equivalents

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|-----------------|----------------------------------|----------------------------------|
| Cash at bank | 11,519 | 5,071 |
| Restricted Cash | 317 | 733 |
| | <hr/> | <hr/> |
| | 11,836 | 5,804 |
| | <hr/> | <hr/> |

Restricted cash and bank balances are defined as cash and bank balances that are not available for immediate use by the College. Such cash balances can only be used for certain defined purposes.

14. Current Investments

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|-----------------------------------|----------------------------------|----------------------------------|
| Term Deposits (12 months or less) | 9,736 | 9,712 |
| | <hr/> | <hr/> |
| | 9,736 | 9,712 |
| | <hr/> | <hr/> |

Deposits are held with banks operating in the Republic of Ireland and licensed by the Central Bank of Ireland. These deposits have more than 10 months' maturity at the statement of financial position date. The interest rates for these deposits are 0.15%, 0.10% and 0.05% (i.e. fixed) for the duration of the deposit at the time of placement.

15. Trade and Other Receivables

| | 31 Aug 2019 €'000 | 31 Aug 2018 Restated €'000 |
|--|----------------------------------|---|
| Trade receivables | 419 | 324 |
| Academic fees receivable | 71 | 16 |
| Prepayments | 376 | 287 |
| State grant receivable | 1,913 | 2,375 |
| Other debtors | 29 | 64 |
| Research & Self-Funded contracts receivables | 262 | 171 |
| | <hr/> | <hr/> |
| | 3,070 | 3,237 |
| | <hr/> | <hr/> |

Mary Immaculate College
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Notes to the Financial Statements - continued
For the year ended 31 August 2019

16. Inventory

| | 31 Aug 2019 | 31 Aug 2018 |
|-----------|------------------------|---------------------------|
| | €'000 | Restated €'000 |
| Inventory | 18 | 22 |

17. Creditors: amounts falling due within one year

| | 31 Aug 2019 | 31 Aug 2018 |
|---|------------------------|---------------------------|
| | €'000 | Restated €'000 |
| Trade payables | 186 | 100 |
| Academic fees received in advance | 1,683 | 1,350 |
| Accruals | 1,279 | 1,787 |
| Deferred income – government capital grants | 1,465 | 1,405 |
| Amounts owed to related party | 65 | 84 |
| Other tax and social security | 645 | 582 |
| Other amounts received in advance | 1,229 | 1,116 |
| Deferred Income - Research & Self-Funded Programmes | 4,873 | 1,185 |
| | 11,425 | 7,609 |

18. Creditors: amounts falling after one year

| | 31 Aug 2019 | 31 Aug 2018 |
|---|------------------------|------------------------|
| | €'000 | €'000 |
| Deferred income – government capital grants | 49,624 | 51,149 |
| | 49,624 | 51,149 |

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

19. Related Parties

Mary Immaculate College paid operating expenses in the amount of €2,116 (2018: €1,002) and received income of €2,116 (2018: €1,002) on behalf of the Lime Tree Theatre Limerick Ltd during the year. There were no balances outstanding between these parties at year end (2018: €nil). Mary Immaculate College has provided a letter of support to the Lime Tree Theatre Limerick Limited confirming that it will provide the necessary funds to ensure sufficient working capital for the company up to 31st December 2019.

Mary Immaculate College Foundation Limited is a separate company on whose behalf Mary Immaculate College sometimes incurs miscellaneous expenses or receives miscellaneous income. At the 2019 year end an amount of €nil (2018: nil) was owed to Mary Immaculate College Foundation.

Wired FM radio station is a partnership of the students and staff of Mary Immaculate College and Limerick Institute of Technology licensed under the Broadcasting Authority of Ireland. It is funded largely by Capitation and other grants. At 31 August 2019 an amount of €65,139 (2018: €83,564) was due to Wired FM.

20. Contingent Liabilities

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

Mary Immaculate College
Coláiste Mhuire gan Smál

Notes to the Financial Statements - continued
For the year ended 31 August 2019

21. Retirement Benefits

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|--------------------|----------------------------------|----------------------------------|
| Pensions | | |
| Recurrent Pensions | 2,619 | 2,547 |
| Lump Sum Payments | <u>305</u> | <u>426</u> |
| | <u>2,924</u> | <u>2,973</u> |

(a) Financial Reporting Standard 102 Retirement Benefits Disclosures

The College operates two defined benefit superannuation schemes, the Colleges of Education Pension Scheme, 1988 and the Single Public Services Pension Scheme ("SPSPS"), which applies to the staff of Mary Immaculate College (MIC). Benefits are financed on a "pay-as-you-go" basis and there are no assets held in respect of the accrued pension liabilities of MIC staff.

The results set out below are based on an actuarial valuation of the liabilities in respect of MIC staff as at 31 August 2019. This valuation was carried out by a qualified independent actuary for the purposes of FRS 102. The main financial assumptions used in the valuations were:

| | 2019 | 2018 | 2017 |
|--------------------------------------|-------------|-------------|-------------|
| Rate of increase in salaries | 2.50% | 2.50% | 2.50% |
| Rate of increase in pension payments | 2.50% | 2.50% | 2.50% |
| Discount rate | 1.00% | 1.85% | 1.85% |
| Inflation assumption | 1.75% | 1.75% | 1.75% |

All assumptions sourced from the Department of Public Expenditure and Reform.

| | | |
|---|----------------------------------|----------------------------------|
| (b) Net Deferred Funding for Pensions in Period | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
| Funding recoverable in respect of current period | | |
| Pension Costs | 8,370 | 8,016 |
| State Grant applied to pay pensioners | (2,924) | (2,973) |
| Employee Contributions | <u>990</u> | <u>834</u> |
| | <u>6,436</u> | <u>5,877</u> |
| (c) Analysis of total pension costs charged to Expenditure | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
| Current Service Cost | 6,260 | 5,900 |
| Interest on Pension Scheme Liabilities | 3,100 | 2,950 |
| Employee Contribution | <u>(990)</u> | <u>(834)</u> |
| Total | <u>8,370</u> | <u>8,016</u> |

Mary Immaculate College
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Notes to the Financial Statements - continued
For the year ended 31 August 2019

(d) Deferred Funding asset for Pensions

The College recognizes as an asset, an amount corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process.

With regard to the Colleges of Education Scheme, 1988, whilst there is no formal agreement regarding these specific amounts with the Department of Education and Skills, the College has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice. The SPSPS liability is approximately 3.1% (€6.3m) of the closing defined benefit obligation and funding is guaranteed by State.

The deferred funding asset for pensions as at 31 August 2019 amounted to €202.6 million (2018: €163 million).

(e) Movement in Net Pension Liability during the Financial Period

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|---|----------------------------------|----------------------------------|
| Movement in (deficit) during the period | | |
| Scheme Liability at 1 October | (163,000) | (155,067) |
| Movement in Period: | | |
| Current Service Cost | (6,260) | (5,900) |
| Benefits Paid | 2,924 | 2,973 |
| Other Finance (Cost) | (3,100) | (2,950) |
| Actuarial Loss | <u>(33,164)</u> | <u>(2,056)</u> |
| Scheme Liability | <u>(202,600)</u> | <u>(163,000)</u> |

(f) History of Experience Gains and Losses

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|--|----------------------------------|----------------------------------|
| Experience gains/(losses) on schemes' liabilities | (33,164) | (2,056) |
| Percentage of schemes' liabilities | (16.4%) | (1.3%) |
| Total recognized in statement of total recognized Gains and losses | (33,164) | (2,056) |
| Percentage of the present value of the schemes' Liabilities | (16.4%) | (1.3%) |

Average future life expectancy according to the mortality tables used to determine the pension liabilities

| | 2019 | 2018 |
|----------------|-------------|-------------|
| Male aged 65 | 21 | 21 |
| Female aged 65 | 24 | 24 |

Mary Immaculate College
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Notes to the Financial Statements - continued
For the year ended 31 August 2019

22. Post Balance Sheet Events

There were no significant events since the balance sheet date which could have implications for these financial statements.

23. Governing Body & Audit & Risk Committee Fees and Expenses

No fees were paid to Governing Body or Audit & Risk Committee members in 2019 and 2018. Expenses were paid to committee members as follows:

| | 31 Aug 2019 | 31 Aug 2018 |
|-----------------------------------|------------------------|------------------------|
| Governing Body | | |
| Dr. Áine Lawlor | 1,899 | 1,022 |
| Mr. Sean McMahon | 502 | 0 |
| Mr. Nicolas O'Brien | 0 | 200 |
| Dr. Marie Griffin | <u>521</u> | <u>0</u> |
| | <u>2,922</u> | <u>1,222</u> |
| Audit & Risk Committee | | |
| Dr. Marie Griffin | <u>527</u> | <u>0</u> |

24. Combination of St Patrick's College

The Department of Education and Skills (DES) requested Mary Immaculate College to take over the running of St Patrick's College, Thurles. This integration took effect on the 23rd of July 2016 when certain assets of St Patrick's College, Thurles, as detailed below, were transferred into the ownership of Mary Immaculate College. The Deed of Appointment and Business Transfer Agreement reflected the conditions of integration.

This combination was accounted for in accordance with FRS102 Section 19 Business Combinations and Section 34 Public Benefit Entity Combinations. The excess of the fair value of the assets over the fair value of the liabilities, €9.190M, was recognised as a gain in the Statement of Comprehensive Income for 2016 and is held in a restricted reserve for the furtherance of education in St. Patrick's College.

The agreement provides for the establishment of an Institute for Pastoral Studies, following which an allocation of 92 places, together with a bursary of €2,000 per place per annum, shall be made available annually on the pastoral studies course run by it to the Archdiocese of Cashel and Emly for 5 years from the date such course is first offered.

All educational activities of the renamed Mary Immaculate College Thurles Campus now come under the Governance and other structures of Mary Immaculate College.

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|--|----------------------------------|----------------------------------|
| Land | 1,350 | 1,350 |
| College Buildings | <u>2,278</u> | <u>2,322</u> |
| Land & College Buildings Acquired | 3,628 | 3,672 |
| Investments | 3,076 | 3,059 |
| Current Bank | <u>(107)</u> | <u>266</u> |
| | <u>6,597</u> | <u>6,997</u> |

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The movement on the reserve is as follows:

| | 2018/2019 | 2017/2018 | 2016/2017 |
|-------------------------|---------------------|---------------------|---------------------|
| Opening Balance | 6,997 | 7,309 | 9,190 |
| Depreciation Charge | (44) | (30) | (49) |
| Movement on Investments | 17 | 1,778 | 820 |
| Movement on Bank | (373) | (2,060) | (2,652) |
| | (400) | (312) | (1,881) |
| Closing Balance | <u>6,597</u> | <u>6,997</u> | <u>7,309</u> |

The reduction in the reserve is due to the completion of necessary Health & Safety works and ongoing Campus minor works.

25. Capital Commitments

| | 31 Aug 2019 €'000 | 31 Aug 2018 €'000 |
|-------------------------------------|-------------------------|-------------------------|
| Contracted for but not provided for | - | - |

26. Shannon Consortium

The Shannon Consortium of Mary Immaculate College, University of Limerick and Limerick Institute of Technology is the Mid-West Cluster of higher education institutions, as established following the HEA's reconfiguration of the landscape of higher education in Ireland in 2014.

In Autumn 2019 Limerick Institute of Technology made the decision to explore the formation of a Technological University with Athlone Institute of Technology had the effect of terminating the existence of the Shannon Consortium and its existing structures. MIC continues to be committed to inter-institutional collaboration in alignment with the cluster model of regional cooperation, and the specific deliverables associated with this.

27. Comparative Information

Comparative information has been reclassified where necessary to conform to current financial period presentation.

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Note 28. Circular 13/2014 – Management of and Accountability for Grants from Exchequer Funds

| Grantor | Government funding Department/Office | Grant Deferred/(Due) 01/09/2018 €'000 | Cash Received 2018/19 €'000 | Taken to Income 2018/19 €'000 | Grant Deferred/(Due) 31/08/2019 €'000 |
|---|---|--|--|--|--|
| Recurrent Grants | | | | | |
| Higher Education Authority (Recurrent) | Dept of Education and Skills | (2,375) | 14,318 | (13,856) | (1,913) |
| Higher Education Authority (LINC) | Dept of Education and Skills | 518 | 1,373 | (1,432) | 459 |
| Higher Education Authority (PATH) | Dept of Education and Skills | 169 | 303 | (204) | 268 |
| Total Exchequer Recurrent Grants | | (1,688) | 15,994 | (15,492) | (1,186) |
| | Note 3 | | | | |
| Academic Fees | | | | | |
| Higher Education Authority | Dept of Education and Skills | - | 8,510 | (8,524) | (14) |
| Student Universal Support Ireland | Dept of Education and Skills | - | 4,008 | (4,008) | - |
| Total Exchequer Academic Fees Grants | | - | 12,518 | (12,532) | (14) |
| | Note 4 | | | | |
| Research & Other | | | | | |
| Arts Council | Dept of Arts, Heritage and Gaeltacht | (5) | 45 | (45) | (5) |
| Dublin City University | Dept of Education and Skills | (16) | 56 | (57) | (17) |
| An Chomhairle um Oideachas Gaeltachta | Dept of Education and Skills | 6 | 12 | (12) | 6 |
| Agus Gaelscola | Gaeltacht Affairs | | 21 | (19) | 2 |
| Clare Education Centre | Dept of Education and Skills | | 38 | (38) | - |
| Creative Ireland Programme-song seeking | | (22) | 70 | (66) | (18) |
| Special Education Needs | Dept of Education and Skills | - | 6 | (1) | 5 |
| Early Childhood Ireland | Dept of Children and Youth Affairs | 50 | 117 | (69) | 98 |
| Garda Síochana | Dept of Justice | 1 | (1) | - | - |
| Health Research Board | Dept of Health | 11 | 19 | (32) | (2) |
| Health Service Executive | Dept of Health | | | | |

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Notes to the Financial Statements - continued
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Note 28. Circular 13/2014 – Management of and Accountability for Grants from Exchequer Funds (continued)

| Grantor | Government funding Department/Office | Grant Deferred/(Due) 01/09/2018 €'000 | Cash Received 2018/19 €'000 | Taken to Income 2018/19 €'000 | Grant Deferred/(Due) 31/08/2019 €'000 |
|---|---|--|--|--|--|
| Irish Research Council | Dept of Education and Skills | (80) | 168 | (74) | 14 |
| Limerick and Clare Education Training Board | Dept of Education and Skills | 5 | - | - | 5 |
| Limerick City and County Council | Dept of Housing, Planning, Community & Local Govt | 20 | - | (4) | 16 |
| Limerick Education Centre | Dept of Education and Skills | 15 | - | - | 15 |
| Malloy Development Fund (Cork City and County Council) | Dept of Housing, Planning, Community & Local Govt | 24 | - | (11) | 13 |
| National Council for Special Education | Dept of Education and Skills | 33 | - | (14) | 19 |
| National Forum for Enhancement of Teaching and Learning | Dept of Education and Skills | 33 | 253 | (112) | 174 |
| Maynooth University | Dept of Education and Skills | - | 9 | (3) | 6 |
| Middleton Centre for Autism | Dept of Education and Skills | 9 | - | (2) | 7 |
| NCSE-Evaluation of pre-schools and in schools support | Dept of Education and Skills | - | 15 | (4) | 11 |
| NISE | Dept of Education and Skills | 9 | - | (1) | 8 |
| Science Foundation of Ireland | Dept of Business Enterprise and Innovation | 44 | 45 | (74) | 15 |
| SEAI | Dept of Communications climate action & Environment | - | 23 | (2) | 21 |
| Teaching Council | Dept of Education and Skills | -1 | - | - | 1 |
| University of Limerick – Ubuntu Network Department | Dept of Education and Skills | - | 5 | - | 5 |
| National Strategy for Educational Sustainable Development | Dept of Education and Skills | 88 | - | - | 88 |
| Lifelong and Flexible Funding Initiatives in Higher Education | Dept of Education and Skills | 11 | - | - | 11 |

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Note 28. Circular 13/2014 – Management of and Accountability for Grants from Exchequer Funds (continued)

| Grantor | Government funding Department/Office | Grant Deferred/(Due) 01/09/2018 €'000 | Cash Received 2018/19 €'000 | Taken to Income 2018/19 €'000 | Grant Deferred/(Due) 31/08/2019 €'000 |
|---|---|--|--|--|--|
| ESF Disability Fund-HEA | Dept of Education and Skills | - | 177 | (288) | (111) |
| ESF Aided Student Assistance Fund-HEA | Dept of Education and Skills | 41 | 97 | (46) | 92 |
| HEA Empower Entrepreneur Programme | Dept of Education and Skills | 5 | 12 | (16) | 1 |
| HEA Innovation & Transformation | Dept of Education and Skills | - | 57 | (11) | 46 |
| HEA NISE | Dept of Education and Skills | 20 | - | - | 20 |
| SAF Part-time lone parents HEA | Dept of Education and Skills | - | 23 | - | 23 |
| SAF PME students HEA | Dept of Education and Skills | - | 64 | - | 64 |
| Government of Ireland Academic Mobility Programme HEA | Dept of Education and Skills | (1) | 8 | (2) | 5 |
| Total Exchequer Research & Other Grants | | 302 | 1,339 | (1,002) | 639 |
| Total Exchequer Grants | | (1,386) | 29,851 | (29,026) | (561) |

Note 5

29. Approval of financial statements

The financial statements were approved by the Governing Authority on the 29th January, 2020.