The Financial Statements that follow were presented to the Board of the College at its meeting of 26 June 2013.

**Explanatory Foreword**

**Financial Statements for the Year-ended 30 September 2011**

This set of Financial Statements of Trinity College incorporates the Consolidated Financial Statements, the Higher Education Authority (HEA) Funding Statements and the reconciliation between both statements.

The first set of statements are Consolidated Financial Statements using Generally Accepted Accounting Principles (GAAP) which cover all activities of the College and its subsidiary undertakings in the income and expenditure account and balance sheet and are akin to statements published by commercial entities. All Universities are required to prepare accounts on this basis in respect of financial reporting periods since 2002/03.

The second set of statements are Funding Statements prepared on the basis of Irish University sector harmonised principles approved by the Higher Education Authority and the Comptroller and Auditor General (C&AG) and cover the teaching and research activities of the College. Funding Statements are uniformly prepared across the sector.

The Funding Statements for the year ended 30 September 2011 were approved by Board on 25 January 2012 and the Consolidated Financial Statements for 2011 were approved by Board on 26 June 2013.

On first reading, the GAAP consolidated results for the College may appear significantly worse when compared to the long established form of harmonised funding reporting. This is entirely due to the different accounting rules employed by the two methods. For further specific details of the movement from the Funding Statements to the Consolidated Financial Statements for the year ended 30 September 2011 please refer to the reconciliation as set out in the Financial Statements on pages 52 to 53. The Chief Financial Officer’s Report on pages 3 to 4 also refers to specific adjustments that have resulted in a deficit on the Consolidated Financial Statements during the year.

The 2011 Consolidated Financial Statements carry a qualified audit opinion from the Board appointed auditors, KPMG, arising from the non-compliance with accounting and disclosure requirements of Financial Reporting Standard (FRS) 12 “Provisions, Contingent Liabilities & Assets”. The College has included a pension receivable asset in the balance sheet in relation to the Master Pension Scheme, Model Pension Scheme and Pension Supplementation to recognise the funding due from the State in respect of the pension liabilities which are now funded on a “pay-as-you-go” basis. However, it is the opinion of KPMG that no formal obligation in relation to the Model Pension Scheme and Pension Supplementation was accepted by the State as at 30 September 2011 and they have qualified the accounts on this basis. This qualification is a technical qualification and arises due to a lack of sufficient evidence to satisfy KPMG that the pension liabilities were guaranteed by the State at that time. The provision of this evidence is outside of the College’s control. Accordingly, it is important to note that this qualification does not arise as a consequence of issues in relation to the management of the College’s finances.

The Comptroller and Auditor General (C&AG) has not issued a qualification in this regard, as the recognition of the pension funding asset in respect of the Model Pension Scheme anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the College will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future pension liabilities.
The C&AG has taken the opposing view and has not qualified his audit report for this matter for the following reasons:

- The legislation has been passed transferring the full liability for the Master Scheme to the State;
- The Universities Act 1997 underpins the Model Pension Scheme; and
- State funding of legitimate costs, including pension costs, is normal practice in non-commercial bodies.

The audit opinion of the College auditors is included as part of the Financial Statements. To view the audit opinion of the C&AG please click here.

The Financial Statements are available to view or download in English or Irish, please click the following links as appropriate:

- English version.
- Irish version.