



Minutes of the Finance Committee Meeting of 30 September 2022

Present: Provost (Chair), COO, Ms. C. Bryce (via Zoom), Mr. L. Kavanagh, Professor Louis Brennan, Chief Financial Officer (CFO) – Secretary to the Committee

In Attendance: Deputy CFO, CFO's Strategic & Admin Support (Minute-taker)

Apologies: Vice-Provost/CAO, Bursar, Dean of Health Sciences, Ms. N. Holland, President of the Students Union

Statement of Interest: None received

The Committee noted and approved the minutes of the Finance Committee meeting of 02.06.2022 as circulated, along with the updates provided on open actions under Matters Arising.

Section A

No items

**FN/22-23/1
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Policy, Practice and Regulations on Intellectual Property

The Director of TR&I, Senior Patents & Licencing Manager and Licencing Manager attended for this item.
(Minute FN/20-21/69 of 04.03.2021 refers)

The Committee noted the memorandum from the Director of TR&I, Senior Patents & Licencing Manager and Licencing Manager, dated 21.09.2022, which set out proposed changes to the University's Intellectual Property policy along with supporting information which had previously been considered by Planning Group at its meeting of 19.04.2022.

In his presentation, the Director of TR&I highlighted that the University's IP policy provides a framework for the ownership, protection, management and commercialisation of IP arising from TCD research and aims for a fair and reasonable return and maximal benefits to Trinity and Ireland, in recognition of State-funded research. Regular review of the University's policy has been carried out since its inception to ensure it remains relevant, serving both Trinity and its staff, is aligned with State policy and national recommendations and is benchmarked against leading practices worldwide.



The Committee noted that the policy changes as presented have emerged in response to the changing financial and regulatory environment, and the financial considerations arising centre on the impact of proposed new equity share arrangements.

In response to a question, the Director of TR&I noted that while the value of the equity allocation to the University can be diluted over time through funding rounds, a lower equity stake appeals to investors, making Trinity a competitive option and that the new share allocation endeavours to strike an appropriate balance in this regard. The Provost further noted the availability of venture capital in the Irish market and that equity share arrangements must suit the domestic environment, even if benchmarked rates may be higher elsewhere.

In discussing the generation of licensing fees, shareholder distributions etc. within the University, the Committee noted that the proposed policy changes will apply to future acquisitions only, with distribution arrangements for existing companies remaining as-is. Welcoming the additional clarity on distribution arrangements for Research Institutes and Schools, now embedded in the updated policy, the Committee requested an analysis/forecast of the impact of the new equity allocation model on School, Institute and University income in advance of the policy proceeding to Board, noting the importance of such discretionary income in the University context.

Having noted the increase in innovation and entrepreneurship activity for licensing and spin-out formation and growth in student participation and the role of the policy in guiding decision making in this area, the Committee endorsed the proposed policy change and recommended it for onward consideration and approval by Board, subject to receipt of the additional financial analysis as requested.

Action:

- 1.1** The Committee endorsed the proposed policy change and recommended it for onward consideration and approval by Board, subject to receipt of the additional financial analysis as requested.



Section B

FN/22-23/2 Review of Finance Committee meeting format and structure (Minute FN/21-22/97 of 02.06.2022 refers)

The Committee welcomed the circulated memorandum from the CFO dated 23.09.2022 and the accompanying schedule, which set out a work programme for the Committee for 2022-23, including scope for consideration of a broader strategic agenda, as had been requested. To provide further clarity and support the efficient use of the Committee's time, matters requiring active consideration at meetings have been denoted as either compliance-based or for strategic review.

The Committee also welcomed the new cover template for agenda items which will further support the streamlining of documentation being circulated, noting that more detailed information will be provided as required to ensure the Committee is well-placed to execute its fiduciary responsibilities on behalf of Board and the University.

The Committee further noted that, as requested, an overall capital project dashboard focusing on issues and challenges will be included on each meeting agenda, with more detailed updates on specific capital projects to come forward as required, ensuring the Committee has a clear view of any issues of concern across the capital programme.

Further to a brief update from the Provost on the status of the HEA Bill and expected changes in University Governance arising from it, the Committee noted that any specific changes to the work and role of the Finance Committee would come forward for consideration in due course.

Action:

- 2.1** Any specific changes to the work and role of the Finance Committee arising from the HEA Bill to come forward for consideration in due course.



FN/22-23/3

Capital Projects Dashboard

(Minute FN/21-22/97 of 02.06.2022 refers)

The Committee welcomed the circulated document from the COO, dated September 2022, which gave a high-level overview of the University's major capital programme, including the approved budget for each of the 5 active projects, expected completion dates, key activities for the next six months along with a RAG rating.

By way of a short presentation, the COO also provided further detail on each of the active projects, along with a brief update on the status of pipeline projects.

Welcoming the comprehensive overview of the capital programme as outlined, including pipeline projects, the Committee noted the capacity and capability limitations in terms of taking on additional building projects in the medium to long-term. In the context of required investment in the University's IT infrastructure, the Committee agreed that progress reports on this project, once initiated, would also come forward for regular consideration and review.

In considering the imminent completion of Printing House Square, and the subsequent availability of student accommodation therein, along with the ongoing refurbishment of historical accommodation buildings on campus, the Committee welcomed this additional capacity and acknowledged the significant impact of the housing crisis on both staff and students and the broader risks arising in terms of attracting and retaining both cohorts. The Committee also recognised the funding challenges facing Universities in delivering accommodation projects and the need for a more integrated planning and funding model with the State.

Thanking the COO for her report, the Committee requested an updated report come forward for consideration at the next meeting in Michaelmas Term 2022.

Action:

- 3.1** An updated report to come forward for consideration at the next meeting in Michaelmas Term 2022.



FN/22-23/4 Financial & Performance Highlights – Qtr 3 2021/22

The Group Financial Manager and Projects Accounting Manager attended for this item.

In considering the Q3 2021/22 Summary and Detailed Reports from the Group Financial Manager and the Projects Accounting Manager dated 30.09.2022 as circulated, the Committee welcomed the updated information, including the key messages and highlights as set out (by way of presentation) across the following headings:

- Financial Performance Q3
- Financial Summary Dashboard
- HEA Regular Reporting
- Actuals v Budget
- Budget v Forecast
- Area Dashboards - Pay and Non-Pay Costs to Q3
- Student numbers trend FY18-22
- Executive Summaries (Research and Capital)
- FY21/22 Cashflow
- Trinity's Gearing - Loans/Debt Profile
- Trinity Endowment Fund
- Budget to Actual Variances (by Faculty, Division and School)

The Committee noted the enclosed report to the HEA (Regular Report C), based on Q3 financial information, which will be submitted to the HEA once approved, further noting that the HEA has been notified of the projected GAAP deficit for 2021/22 in accordance with Section 37 (5) of the Universities Act, 1997.

The Group Financial Manager drew the Committee's attention to the financial summary and budget to latest forecast for 2021/22, noting the forecasted deficit to 30.09.2022 which, while favourable to budget, reflects the continued post-Covid recovery along with increased operating costs. The Committee noted that Q3 income is ahead of budget, driven by higher Research activity and increased academic fees along with Covid support funding. The Q3 operational position – i.e. earnings before interest, tax, depreciation and amortisation (EBITDA) is also ahead of budget and the prior year position for



the same period, again due to higher fee and research income, Covid-support funding, partially offset by lower donation income.

In considering the final student numbers submitted to the HEA, the Committee noted they are higher than prior year and ahead of budgeted numbers, further noting that EU: Non-EU student ratios have moved from 87:13 in FY20/21 to 82:18, a positive sign of recovery in international student recruitment.

The Committee noted the University's research performance, with Q3 income ahead of prior year by 13.9% and research activity increasing by 1.8% year on year.

The update on capital project activity was noted.

In considering the updated cashflow, the Committee noted the increase in closing cash over prior year, largely as a result of two loan drawdowns and a large HEA pension funding receipt in FY22. The Committee also considered the update on the University's gearing and noted future committed borrowings are in line with 5-Year forecasts.

The Committee welcomed the positive variance in the EBITDA position achieved. However, with pay costs higher year on year (due to the impact of PSSA awards, annual increments and higher FTE), combined with increases in energy costs and broader inflationary pressures, the Committee acknowledged the considerable impact increased operating costs will have over the coming year.

Further to a query on potential investment gains in the year, the CFO advised that equity markets remain extremely volatile but that value of endowment fund investments had held up well during the year. The CFO also confirmed that interest rates were being monitored closely, however with 82% of the University's loans on fixed rates, there was full visibility on costs despite the uncertain environment.

Having noted the results as outlined, the Committee thanked the Group Financial Manager and the Projects Accounting Manager and requested an update on Q4 2021/22 activity in Hilary Term 2023.



Action:

- 4.1** An update on Q4 2021/22 activity to be provided in Hilary Term 2023.

**FN/22-23/5
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FY23 Consolidated University Budget Challenges

The Head of Financial Planning & Analysis attended for this item.

The Committee noted the circulated document from the Head of Financial Planning & Analysis, dated 30.09.2022, which set out an update on the FY23 Budget shape across the following headings:

- FY22/23 Budget Process – Timelines
- Recap: Updated 5-Year Plan (March 22)
- FY23 Overall Budget Shape – Current Draft
- FY23 Budget Challenges
- Energy Costs (draft) Movements
- Exceptional Energy Costs
- Student Numbers - FY22/23 Forecasts
- Next steps

The CFO drew the Committee's attention to the Budget timeline, noting that the final FY23 Budget will come forward to the November meeting for approval. In presenting the budget challenges for FY23 the CFO drew particular attention to exceptional increases in energy costs in FY23 and the expected impact on FY23 budget projections.

The Committee welcomed the update as presented and noted the importance of maintaining a focus on costs. Thanking the CFO and Head of Financial Planning & Analysis for their presentation, the Committee noted the final FY23 Budget would come forward for approval in November 2022.

Action:

- 5.1** The FY23 consolidated budget to come forward for consideration later in Michaelmas Term 2022.



FN/22-23/6

The Lir (National Academy of Dramatic Art at Trinity College)

(Minute FN/21-22/5 of 07.10.2021 refers)

The Director of The Lir and the Director of Administration attended for this item.

The Committee welcomed the circulated memorandum from the Director of The Lir dated 19.09.2022 and the accompanying schedules, providing an update on The Lir's activities under the following headings:

- Introduction
- Audited Accounts 2020-21
- Significant Financial Developments
- Post-Covid Income Streams
- 2021-22 Outturn
- Projections for 2022-23
- Other Significant Events in Reporting Period
- Current Risks

By way of presentation, the Director of The Lir summarised the financial outcome for FY20/21, including the significantly improved EBITDA deficit achieved versus budget, due to a rebound in earned income and strong cost management, which resulted in a return to a healthy cashflow position and he once again acknowledged the financial support of the University during this challenging period.

He also highlighted the impact of two significant gifts received by The Lir in 2021/22, which will be used, in part, to assist with the start-up of a Reserves Fund to provide a buffer against future financial shocks. Furthermore, The Lir has established an Endowment Fund, the proceeds of which will focus on supporting students in difficulty through annual scholarships in the areas of Acting, Directing and Playwriting. The Lir also launched an Alumni Network, creating a regular giving platform to support sustainable fundraising.

The Committee noted the positive outlook for FY22/23 due to growth in student numbers and fee income, particularly in the Stage Management and Technical Theatre degree programme which is a strong contributor to growth, with student intake unaffected by Covid-19. Short course income has also rebounded and is exceeding targets, while *The Lir at Work* has been impacted by the current uncertain environment experiencing only modest growth with



other products and initiatives being explored to mitigate this reduction in forecasted revenues.

The Committee welcomed the improved performance overall, noting The Lir had successfully traded out of deficit during the year, noting that receipt of the gifts has led to a significant surplus position at year end. The Committee also welcomed the update on developments since the last report and the projections for 2022/23 aligned with The Lir's new Strategic Plan 2022-26.

Congratulating the Director of The Lir on the recovery achieved and acknowledging the value of the The Lir's product, the Committee requested a further update in Michaelmas Term 2023.

Action:

6.1 An updated report to come forward for consideration in Michaelmas Term 2023.

FN/22-23/7

University Bridge Fund II – Governance Update

(Minute FN/21-22/46 of 04.02.2022 refers)

Dr. Helen McBreen, Mr. Gerry Maguire and Dr. Eimear Gleeson, Atlantic Bridge, and the Director of TR&I attended for this item.

The Committee noted the circulated memorandum from the Director of TR&I dated 21.09.2022, which set out summary detail on the University Bridge Funds I and II, including the initial investment made into each fund, drawdowns to date, along with the total value of funds invested and the number of recipient companies.

In their presentation Dr. McBreen and Mr. Maguire provided an update on Fund II, in which the University has invested, across the following headings:

- Investment activity
- Pipeline development and ecosystem engagement
- Team hiring and development

The Committee noted the Q2 2022 investment summary, which included detail on the investment value, sector and co-investors, along with post Q2 commitments. The Committee, noting the number of new portfolio companies and capital invested versus both the 2021 and 2022 models,



welcomed the additional detail provided on the progress of 4 portfolio companies.

In considering the level of pipeline development and ecosystem engagement as outlined, the Committee noted the focus on key strategic sectors, the pipeline opportunities identified since the Fund launched, along with detail of on-campus and sectoral engagement, including targeted venture capital content sessions with University TTOs.

In response to a query, Mr. Maguire outlined the timing of expected returns to the University on its investment noting the 10-year term of the Fund, with investment in companies occurring in the first 5 years and returns only expected from year 6, at the earliest. The Committee further noted the expertise available within Atlantic Bridge to maximise opportunities available across a range of key sectors, ensuring extensive due diligence is undertaken prior to any investment being made with early, on-campus engagement also a key focus for Atlantic Bridge.

Further to another query, Dr. McBreen confirmed that Trinity was performing very well in comparison to its peers, albeit that each University is at a different stage of the investment journey, noting that there is a strong pipeline of Trinity spin outs.

Thanking them for their report, the Committee requested an update to come forward for consideration in Michaelmas Term 2023.

Action:

7.1 An updated governance report on University Bridge Fund II to come forward for consideration in Michaelmas Term 2023.



FN/22-23/8

Procurement Strategy

The Procurement Manager attended for this item.

The Committee noted the circulated paper from the Procurement Manager dated 23.09.2022, setting out the first of the bi-annual updates on the University's Procurement Strategy, across the following headings:

- Introduction & Overall Environment
- Capital Works & Facilities
- Sustainable Procurement
- Category Activity
- Resourcing
- External Environment

Also circulated was a copy of a report entitled "Top 50 Supplier Sustainability Programme – Roadmap to 2030", which provided an update on the Procurement Team's engagement with Trinity's Top 50 suppliers on the areas of sustainability and biodiversity to better understand and improve the University's supply chain impact.

By way of presentation, the Procurement Manager drew the Committee's attention to key inflation and supply risks arising in the current environment, along with detail of the impacts on various categories of spend and mitigants in place. He outlined the challenges facing the sector as a result of the energy crisis and the work being undertaken at sectoral and local level to identify the best options for Trinity into the future. He also outlined the key risks in respect of wholesale gas price volatility and noted to the Committee that suppliers in general are now pricing in risk in response to market uncertainty. With respect to laboratory spend, the Committee noted the potential impact of supply issues with particular products and potential mitigants, as outlined.

In considering the ongoing impacts of inflation and market volatility on capital projects, the Committee noted the impact of the Government framework on prospective tenders and welcomed the update on the successful outcome of the procurement elements of the Interim Exhibition project.

The Committee further noted the category updates including the new furniture framework and new hotel panel, both of which include



sustainability/carbon-metric elements. The potential increase in the national tender threshold was welcomed as was the possibility of an increase in the EPS threshold, which would streamline laboratory tenders significantly.

In considering the report on the 'Top 50 Supplier Programme', the Committee commended the Procurement Manager on this timely initiative and welcomed the co-operative and collaborative approach being taken with the University's suppliers. The Committee noted the challenges arising in terms of securing buy-in and economic prioritisation, and the programme of work identified across 9 projects and acknowledged the positive steps in the right direction arising from this initiative, noting their cumulative potential. The Committee also welcomed the informed and pro-active approach being taken to this critical activity. Having noted the updated KPI report as circulated, the Committee requested an updated report for consideration in Hilary/Trinity Term 2023.

Action:

- 8.1** An updated report to come forward for consideration in Hilary/Trinity Term 2023.

Section C

FN/22-23/9 Provost's Expenses

The circulated memoranda from the College Secretary both dated 27.09.2022, setting out the report of the Provost's expenses for the periods 01.08.2021 to 31.01.2022 and 01.02.2022 to 31.07.2022, were noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant University policies, no exceptional items of expenditure were incurred and reimbursement claims (and supporting documentation) were available for review, if required.



FN/22-23/10 University Bridge Fund II - Investor Report Qtr 2 2022
(Minute FN/21-22/99 of 02.06.2022 refers)

The Committee considered the circulated memorandum from the Director of TR&I dated 21.09.2022 and the enclosed University Bridge Fund II L.P. Investor Report for Q2 2022, which provided an update on the Fund's performance across the following headings:

- Fund Information
- Portfolio Update
- University Bridge Fund II, L.P. Financial Statements

The Committee noted the value of total investments made to-date along with those made in the quarter under review and the key portfolio highlights as set out. The Committee also noted the investments closing in Q2 2022 along with the update on fundraising activity and requested the update on Q3 performance to come forward for review in Michaelmas Term 2022.

Action:

- 10.1** An update on Q3 performance to come forward for review in Michaelmas Term 2022.

FN/22-23/11 Treasury Management Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager and Treasury Accountant dated 30.09.2022, setting out an update for the period 01.10.2021 to 30.06.2022, along with comparative data for the previous financial year across the following headings:

- Current deposits, credit ratings and credit limits
- Deposit Capacity
- Average deposit rates and monthly cash balances
- Bank of Ireland Negative Interest Charges on No 1 Current Account
- EIB Loan No. 1
- EIB Loan No. 2
- EIB Loan No. 3



- EIB Loan No. 3 Top Up Financing
- Commercial Borrowing
- Ulster Bank Rolling Credit Facility
- Obligations under Finance Lease
- EIB Financial Covenants, Borrowing Capacity & HEA considerations
- Bank Overdrafts

An updated report on the final quarter of the financial year 2021/22 will come forward for consideration in Michaelmas Term 2022.

Action:

- 11.1** An updated report on the final quarter of the 2021/22 financial year to come forward for consideration in Michaelmas Term 2022.

FN/22-23/12 Additional Fee Derogations for Academic Year 2023/24
(Minute FN/21-22/110 of 02.06.2022 refers)

The Committee noted the circulated memorandum and appendices from the Project Appraisal Manager dated 30.09.2022, which set out fee derogations for 2023/24, for courses in all three Faculties and RIAM, that had been previously approved by the relevant Course Directors, Heads of School and Faculty Deans.

FN/22-23/13 Sub Committee – Extension of tenure of External Members of Investment Committee

The Committee noted the circulated memorandum from the CFO dated 23.09.2022 and, as requested, noted the two-year membership extensions for the Investment Committee Chair, Mr. Manus O'Donnell and current external members Ms Aoifinn Devitt and Ms Ciara Hurley.



FN/22-23/14 Minutes of Audit Committee

The Committee noted the circulated memorandum from the CFO dated 23.09.2022 along with minutes of the Audit Committee meeting of 10.03.2022, which included the following items:

- Audit of the Consolidated Financial Statements for 2020/21
- Trinity Endowment Fund Financial Statements for the y/e 30.09.21
- Conduct of the Audits
- Audit Committee Annual Report 2021/2022
- Subsidiary Undertakings
- Board Papers

FN/22-23/15 Minutes of Estates Policy Committee

The Committee noted the circulated memorandum from the CFO dated 23.09.2022 along with minutes of the Estates Policy Committee meeting of 09.06.2022, which included the following items:

- Draft Habitat's Policy
- Update on OLRP/Interim Exhibition
- Trinity Trails
- Review of Estates Policy Committee
- Signage for Douglas Hyde Gallery
- Three Antennas to roof of Aras an Phiarsaigh
- Capital Review Group Minutes
- Space Allocation Committee Minutes

FN/22-23/16 Related Entity Financial Reporting

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The Committee noted the circulated memorandum from the CFO dated 23.09.2022 and recommended the Directors' Report and audited Financial Statements of the following entities to Board for noting:

- Science Gallery International for the year ended 30.09.2021
- The Lir (National Academy of Dramatic Art at Trinity College) for the year ended 30.09.2021
- HEAnet for the year ended 31.12.2021



- Douglas Hyde Gallery for the year ended 31.12.2021
- National Institute of Bioprocessing Research and Training Group (NIBRT) for the year ended 31.12.2021
- Molecular Medicine Ireland (MMI) for the year ended 15.02.2022

Action:

- 16.1** The Directors' Report and audited Financial Statements of Science Gallery International, The Lir, HEAnet, Douglas Hyde Gallery, NIBRT and MMI for FY2021 to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for 23 November 2022 **at 10:00am** in person.

PROVOST.....

DATE.....