The Financial Statements that follow were presented to the Board of the College at its meeting of 28 March 2012.

Explanatory Foreword
Financial Statements for the Year-ended 30 September 2010

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 2010 were approved by Board on 26th January 2011 and the Consolidated Financial Statements for 2010 were approved by Board on 28 March 2012.

On first reading, the GAAP consolidated results for the College may appear significantly better 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 2010 please refer to the reconciliation as set out in Financial Statements on pages 51 to 52. The Treasurer's Report on pages 3 to 4 also refers to specific adjustments that have resulted in a surplus on the Consolidated Financial Statements during the year.

As a result of the differences that arise in the preparation of both sets of accounts, the Higher Education Authority (HEA) recognise that the Consolidated Financial Statements, while an accurate accounting record in accordance with the best international standards, could be misleading in terms of providing accessible forward planning information for the Universities and funding agencies. For example, the treatment of depreciation, which is a real cost to the University is not funded by Government; and needs to be interpreted carefully as there is a danger that this can lead those unfamiliar with the accounting details to believe that the Universities are maintaining their assets on a sustainable basis when in fact they are not.

The 2010 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 2010 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 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 UNIVERSITY OF DUBLIN

Trinity College

Financial Statements

(incorporating Consolidated Financial Statements and Extract from Funding Statements)

YEAR ENDED 30 SEPTEMBER 2010

Elements of both Capital and Recurrent expenditure reported in these Consolidated Financial Statements have been funded under one or more of the following programmes administered by the HEA:

HEA
Higher Education Authority
An tÚdarás um Ard-Oideachas

Ireland's EU Structural Funds
Programmes 2007 - 2013
Co-funded by the Irish Government
and the European Union

PROGRAMME FOR RESEARCH IN THIRD-LEVEL INSTITUTIONS
PRTLI 10 1998-2008
Transforming the Irish Research Landscape

EUROPEAN SOCIAL FUND

EUROPEAN REGIONAL
DEVELOPMENT FUND

AN ROINN OIDEACHAIS AGUS EOLAÍOCHTA | DEPARTMENT OF EDUCATION AND SCIENCE

Elements of Research expenditure reported in these Consolidated Financial Statements have been funded by the following agencies:

sfi
science foundation ireland
fondúireacht eolaíochta éireann

ENTERPRISE IRELAND

PROGRAMME FOR RESEARCH IN THIRD-LEVEL INSTITUTIONS
PRTLI 10 1998-2008
Transforming the Irish Research Landscape

HRB
Health Research Board

IRCSET Irish Research Council for Science, Engineering & Technology
Investing in People and Ideas

EUROPEAN
COMMISSION

IRCHSS

wellcome trust

Contents

Treasurer's Report

Introduction

I present the Consolidated Financial Statements of Trinity College (incorporating an extract from the Higher Education Authority (HEA) Funding Statements and the reconciliation between both statements) that were approved by Board on 28 March 2012. The Consolidated Financial Statements are prepared in accordance with accounting standards generally accepted in Ireland (GAAP), as published by Chartered Accountants Ireland and issued by the Accounting Standards Board. In this context, the College has reviewed its accounting policies and made judgements and estimates that are reasonable and prudent to ensure a true and fair view of the College's affairs at 30 September 2010. The HEA Funding Statements, approved by Board on 26 January 2011, from which an extract is also presented in this volume, have been prepared on the historically agreed harmonised basis approved by the HEA and as adopted by all Irish universities. The Funding Statements only report the core teaching/research and research grants and contracts activity in the Income and Expenditure Account.

The Consolidated Financial Statements include the College and its subsidiary undertaking, Ghala Limited, and the basis of preparation is explained in greater detail in the Statement of Accounting Policies on pages 11 to 13. The Financial Statements of the Trinity Foundation, Pension Funds, Trust Funds and Capitated Bodies have not been included as the College does not control them. Other undertakings in which the College has an interest, as indicated in Note 29 on pages 29 to 30, have not been consolidated as they are not controlled by the College.

Audit Qualification

I draw your attention to the qualified audit opinion issued by 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 the KPMG that no formal obligation in relation to the Model Pension Scheme and Pension Supplementation was accepted by the State as at 30 September 2010 and they have qualified the accounts on this basis. 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.

Income and Expenditure Account

	2009/10	**2008/09**
Consolidated surplus/(deficit)	€10.7m	(€5.2m)
Funding Statements surplus	€0.2m	€9.7m

The main sources of movement between the Consolidated Financial Statements surplus and the Funding Statements surplus are set out in the reconciliation on pages 51 to 52. The main reconciling items relate to the following:-

(i) €7.3m has been deferred to a future period in the Funding Statements to fund a VERI (Voluntary Early Retirement Initiative) scheme which has yet to be finalised and approved by the HEA. Under Irish GAAP this cost cannot be recognised; and

(ii) Concession income of €1.9m is not recognised in the Income & Expenditure Account of the Funding Statements as it is not part of core activity. Under Irish GAAP concession income is included in the Consolidated Financial Statements Income & Expenditure Account.

Treasurer's Report (cont'd..)

The key movements between the 2009/10 Consolidated Financial Statements surplus of €10.7m and the 2008/09 Consolidated Financial Statements deficit of (€5.2m) are set out below.

Consolidated income for 2009/10 amounted to €346m (2008/09: €352m) which represents a decrease of 2% on the prior year. The movement of €6m primarily relates to a decrease in state grant of €25m which is mainly offset by increases in academic fee income of €14m and other operating income of €6m. The financial performance for the year reflects the impact of the 26% calendar year reduction in state recurrent funding in 2010 over 2009 as notified by the Higher Education Authority (HEA). Student fee income has increased due to a combination of the increase in the student charge from €900 to €1,500 by the HEA, an increase of 600 additional students and approved increases in postgraduate fees of 3%. Other operating income includes additional concession income of €1.9m and donation income of €6.5m which was used to purchase the Lincoln House property.

Consolidated expenditure for the year amounted to €335m (2008/09: €357m). The movement of €22m primarily relates to decreases in staff costs of €15m (6%) which reflect the impact of reductions in public sector pay rates, depreciation of €2m and a loss on disposal of fixed assets of €1m in 2008/09 which did not re-occur in 2009/10.

The level of research activity for 2009/10 recorded in the Consolidated Financial Statements (measured on the basis of expenditure activity during the year and not income received) amounted to €88m (2008/09 €88m). As in previous years, the contribution to indirect costs from research activity in many cases continues to be below the full economic cost of hosting the research, a position that is not sustainable.

Balance Sheet

As reported in the Consolidated Financial Statements, the net assets of the College amount to €744m at 30 September 2010, an increase of €12m over 2008/09. Capital additions during the year amounted to €87m (2008/09: €73m) and mainly related to the continued construction of the Biosciences Facility and the Long Room Hub, the refurbishment of Phoenix House and student residences and the purchase of 5 College Green.

The College also purchased Lincoln House in 2010, which for accounting purposes has been classified as an investment property, along with Oisin House, 3 & 4 South Leinster Street and 18/19 Lincoln Place.

The reported cumulative revenue reserves for 2009/10 of €50m are fully committed against achieving the College's strategic objectives.

Conclusion

It is clear the environment of steadily rising public funding has ended with the College facing a future that is demand-led and one that will have much less certainty and predictability, particularly in relation to Government sourced funding. The HEA Recurrent Funding Model is also a cause for concern as the model is effectively an allocation mechanism for the core grant funding where there is no control over the amount of resource allocated per student and where the funding per student declines as overall student numbers increase in the sector.

The College is well positioned to focus on the challenges ahead and to drive forward, building on its achievements to date. However, there is real concern relating to the impact of funding reductions on the quality of College's outputs and, in my view, the priority of the Government must be the protection and preservation of funding resources to organisations that support and deliver on the national agenda of economic recovery.

In these challenging times, it is essential that all opportunities are embraced going forward and that Board approves (where appropriate) continued investment in capital and recurrent related activities.

TREASURER

Statement of Responsibilities

The University of Dublin, Trinity College ("Trinity College") is required to comply with the Universities Act 1997, and to keep in such form as may be approved by An t-Údarás um Ard-Oideachas, all proper and usual accounts of money received and expended by it. In preparing those accounts, Trinity College is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

Trinity College is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of Trinity College and which enables it to ensure that its Funding Statements comply with the Universities Act 1997. Trinity College is also responsible for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trinity College is responsible for keeping proper books of account which disclose with reasonable accuracy, at any time, the financial position of Trinity College and which enable it to ensure that its consolidated financial statements comply with the Universities Act, 1997 and are prepared in accordance with accounting standards generally accepted in Ireland.

Trinity College is responsible for ensuring that the business of the College is conducted in a proper and regular manner and for safeguarding all assets under its operational control and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the University of Dublin, Trinity College

PROVOST

TREASURER

Statement of Internal Control

On behalf of the Board of the University of Dublin, Trinity College, I acknowledge that it has overall responsibility for the College's system of internal control; covering all material controls including financial, operational and compliance controls and risk management systems, that support the achievement of the College's policies, aims and objectives while safeguarding the public and other funds and assets for which we are responsible.

A system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to conduct affairs in an orderly and legitimate manner. To that extent it can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. Management of risk has always been an integral part of the management of the College. In keeping with best practice a formal risk management process has been in place since 2006 and will continue to be reviewed and evaluated on an on-going basis.

In detail,

(i) The following ensure that there is an appropriate control environment in place in the College:

- Faculty Deans and Heads of Schools, Administrative and Service areas in fulfilling their functions operate according to policies on the Roles and Responsibilities in relation to financial matters approved by the Finance Committee and Board;

- Procedural manuals and guidelines on financial, research and HR management are available to managers.

- The Board, Finance Committee and the College's Executive Officer Group review the risk profile of major initiatives prior to, and during the implementation of, major projects;

- The terms of reference of Principal Committees of Board include the oversight of major initiatives within their remit and minutes of their meetings are received by Board;

- Regular reporting to the relevant Board Committees and Board on the financial and legal aspects of major projects;

- The College's High Level Risk Register, drawn from Faculty, School and administrative and service areas, is considered by the College's Executive Officers Group and Board on a regular basis;

- The Audit Committee, supported by the Internal Audit function, reviews the scope and effectiveness of the College's internal controls, including financial, operational and compliance controls and reports regularly to Board;

- Control Exception Reports are compiled by the Treasurer's Office and considered by the Finance Committee on a biannual basis. Actions are identified to address the matters identified;

- A policy on the detection of, and response to alleged financial fraud was introduced in December 2001; this policy also includes provisions for reporting fraud to the relevant authorities;

(ii) The following processes are used to identify business risks and to evaluate their financial implications:

- A Risk Management Policy was adopted by Board in May 2006. This policy is implemented by way of a formal risk management process which involves all areas of the College, academic and administrative, in assessing and managing the risks, including the financial implications thereof, in a structured manner;

Statement of Internal Control (cont'd..)

- The Board is made aware of the College's High Level Risks and the steps being taken to manage them. The implementation of the Risk Policy and the full integration of risk management into the operation of the College has made progress over previous years and continues to be embedded into the College's management structures;

- All major proposals being presented to Board include a formal risk assessment, including financial risks;

- A sectoral approach, initiated by the College, to ensure that the Board receives regular reports on the risk profile and coherence with the College's Strategic Plan from inter-institutional bodies of which the College is a member has been agreed and implementation is underway.

(iii) Details of the major information systems in place such as budgets, and means of comparing actual results with budgets during the year.

- The College has established a resource allocation and budgeting system and has developed a 5 year financial planning model. It carries out an annual budgeting process and the resulting Annual Estimates are approved by the Finance Committee and then Board. Budgets are reviewed against actual during the year. Monthly reports are issued to budget-holders and the financial reports are reviewed by the Finance Committee on a quarterly basis.

(iv) Best practice procedures for addressing the financial implications of major business risks are followed including:

- The College has a structured authorisation process matching the monetary limits for the signing authority on financial transactions, within specified accounts, to the appropriate grade within each area; the Head of School/Function has overall responsibility for the delegation of signing authority within his/her area. In a devolved financial structure the Faculty Dean is accountable to Board through Finance Committee for all financial matters of his/her Faculty. The Treasurer's Office works in partnership with and advises areas of College in relation to compliance with legislative and other obligations on the College;

- Detailed procedures on handling financial transactions are published on the College's website by the Treasurer's Office. This Office also provides training to staff on a regular basis. Policies and procedures are regularly reviewed and updated as appropriate;

- Finance professionals are members of the following Principal Committees:
  - Finance Committee
  - Human Resources Committee
  - Estates Committee
  - Student Services Committee

- Faculty Financial Advisors provide direct advice and support to the Academic community in relation to financial matters.

(v) Internal controls are monitored by:

- The regular review of the management of risks by Managers of administrative and support areas, Heads of School and Faculty Deans and the provision of an assurance statement on an annual basis;

- The review of risks and their control by Principal Committees of Board with regular reporting to Board of issues to which its attention should be drawn by way of the minutes of these committees and reporting by the Chairs of Committees who are all elected members of Board with the exception of the Finance Committee whose membership is defined in the College Statutes;

- The Audit Committee based on reports from the Internal Auditor on the status of internal controls; these reports are carried out in accordance with a work programme laid down by the College's Audit Committee and on a planned basis reviews controls across College functions. The Audit Committee reports to Board on an annual basis and issues an annual statement on the effectiveness of internal controls;

- A programme of external quality reviews of academic and support areas, the results of which feed into the risk registers of the individual areas.

Statement of Internal Control (cont'd..)

I confirm that the procedures outlined above have been undertaken by the College during the year.

No weaknesses in internal control have been identified 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.

On behalf of the University of Dublin, Trinity College

PROVOST TREASURER

Independent Auditor's Report to the Board of the University of Dublin, Trinity College

We have audited the financial statements of the College for the year ended 30 September 2010 as set out on pages 11 to 37. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of Board and auditor

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland), as described on page 5.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland. We also report to you whether, in our opinion, proper books of account have been kept by the College. In addition, we state whether we have received all the information and explanations we consider necessary for the purposes of our audit.

We read the other information accompanying the financial statements which is included in the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement

As more fully explained in Note 30 to the financial statements, an asset representing a receivable from the State, equivalent to the value of the College's net pension obligations in relation to its defined benefit pension schemes, has been recognised in the College's financial statements (and an equivalent amount recognised in the revenue reserves) on the basis that the Board consider these pension liabilities to have always been guaranteed by the State. In addition, gains or losses matching the movements in these pension liabilities during the year have been recorded in the profit and loss account and statement of total recognised gains and losses for the year.

In our opinion, while the enactment in June 2009 of the Financial Measures (Miscellaneous Provisions) Act 2009, and the resulting Transfer Order dated 31 December 2009, caused the State to assume responsibility for any shortfall in funding arising in the Master Pension scheme operated by the College, such legislation did not specifically cover other defined benefit pension schemes operated by the College.

Independent Auditor's Report to the Board of the University of Dublin, Trinity College – cont'd

In the absence of the State's formal acceptance of the obligation to fund deficits in the College's other defined benefit pension schemes (Model Scheme and Pension Supplementation), it is not appropriate to recognise the pension receivable pertaining to the deficits on those schemes on the College's balance sheet at 30 September 2010 and 30 September 2009.

In our opinion, the treatment adopted is not in accordance with the requirements of FRS12 "Provisions, Contingent Liabilities and Assets" as the receivable pertaining to the other defined benefit pension schemes (Model Scheme and Pension Supplementation) remains contingent in nature until the State formally accepts the obligation, and the receivable pertaining to the Master Scheme was contingent until June 2009.

Accordingly, the pension receivable asset, net assets and revenue reserves at 30 September 2010 should be reduced by €132,243,000 and the result after taxation for the year ended 30 September 2010 should be restated to a deficit of €403,000.

Also, in relation to the prior year, the pension receivable asset, net assets and revenue reserves at 30 September 2009 should be reduced by €110,569,000 and the result after taxation for the year ended 30 September 2009 should be restated to a deficit of €17,481,000. The opening net assets as at 30 September 2008 should be reduced by €525,253,000 as the Financial Measures (Miscellaneous Provisions) Act 2009 was not virtually certain to be enacted at 30 September 2008.

Except for the financial effect of the recognition of the receivable from the State referred to in the preceding paragraphs, in our opinion the financial statements on pages 11 to 37 give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's and College's affairs at 30 September 2010 and of its surplus for the year then ended.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the College. The balance sheet of the College is in agreement with the books of account.

In our opinion, the information given in the Treasurer's report is consistent with the financial statements.

On 26 January 2011 we reported that the Funding Statements, from which an extract is set out on pages 38 to 50, had been properly prepared in accordance with the most recent Harmonisation of Accounts agreement.

KPMG
Chartered Accountants *2012*
Registered Auditor

Statement of Accounting Policies

The significant accounting policies adopted by the University of Dublin, Trinity College (referred to hereafter as "the College") are as follows:

Basis of preparation
The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland. The financial statements have also been prepared in accordance with the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2007), issued by the HE/FE SORP Board in the UK, with the exception of endowment funds which are not controlled by the College.

Accounting convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings.

Basis of consolidation
The consolidated financial statements of the Group include the College and its subsidiary undertaking, Ghala Limited; other undertakings in which the College has an interest, as indicated in Note 29, have not been consolidated on the basis that they are not controlled by the College or on the grounds of immateriality. Intra-College income and expenditure are eliminated fully on consolidation.

In accordance with FRS 2 ("Accounting for Subsidiary Undertakings"), the financial statements of the Trinity Foundation, Pension Funds, Trust Funds and Capitated Bodies have not been consolidated as they are not controlled by the College.

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 or other 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 during the year and any related contributions towards overhead costs.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments and donations is included to the extent of the relevant expenditure incurred during the year, together with any related contributions toward overhead costs.

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

Foreign currency translation
Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro either at year end rates or, where they are related to forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Tangible fixed assets

(a) Land and buildings
The College's buildings are valued on an existing use basis. Land has been valued at €126,974 per acre and buildings have been valued at a standard cost of €2,413 per square metre. Land and buildings were revalued by the Board of the College in 1998.

In accordance with FRS 15 "Tangible Fixed Assets", the College retained the book value of land and buildings, which were revalued in 1998. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11. Land and buildings acquired since the valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Statement of Accounting Policies (cont'd..)

(a) Land and buildings - continued

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

A fixed asset impairment review is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

The College has considered the application of FRS 5: "Reporting the Substance of Transactions" with regard to certain assets used by the College where the legal form of these transactions would indicate that all or part of the assets are not owned by the College. The financial substance of all transactions has been reflected in the consolidated financial statements and as such the full value of these assets is included in tangible fixed assets.

(b) Equipment

Equipment costing less than €10,000 per individual item is written off to the income and expenditure account in the year of acquisition.

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

Leased assets	20 years or primary lease period, if shorter
Computer equipment	3 years
Furniture	10 years
Equipment	5 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

(c) Donations

The College receives, on occasion, benefits in kind such as gifts of equipment. Items of a significant value donated to the College, which, if purchased, the College would treat as tangible fixed assets, are capitalised at their current value and depreciated in accordance with the policy set out above. The value of the donation is treated as a deferred capital grant and amortised in the income and expenditure account over the life of the related asset.

Leased assets

Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases.

Initially where scheduled payments are less than the interest charge for the year, the unpaid element of interest is added to the outstanding lease obligation. Otherwise the lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

Investment Properties

In accordance with SSAP 19, investment properties are stated at open market value. Investment properties are revalued annually by either independent professional third party valuers or the College and are not depreciated or amortised. All movements in value are reflected in the general reserve.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the College on books and consumable stocks financed from recurrent grants are charged to the income and expenditure account.

Statement of Accounting Policies (cont'd..)

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

Activities undertaken by the College, administered through its subsidiary company, are liable to Corporation Tax.

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.

Retirement benefits
The College has certain defined benefit arrangements as detailed in Note 30.

The College operates a defined contribution scheme. The assets of the scheme are held separately from the College in an independently administered fund. The amount charged to the income and expenditure account represents the contribution payable to the scheme in respect of the accounting period.

Pension costs
For defined benefit pension schemes, the difference between the market value of the scheme's assets (if any) and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed on the balance sheet.

The amount charged to the income and expenditure account is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The expected return on the pension scheme's assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are shown as financing costs in the income and expenditure account.

Any difference between the expected return on assets and that actually achieved and any changes in the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

Pension receivable asset
Although the Financial Measures (Miscellaneous Provisions) Act 2009 relates specifically to the Master Pension Scheme, as further detailed in Note 30, the College has been advised that the State would also be meeting future pension liabilities for the Model Scheme and Pension Supplementation on a pay-as-you-go basis. As a result, the accounts reflect a receivable asset which completely offsets the pension liability. Movements on this pension receivable are included in the income and expenditure account or statement of total recognised gains and losses in order to mirror the underlying movement on the pension liability.

Maintenance of premises
The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

Cash and liquid resources
Within the cashflow statement, cash is defined as cash, deposits repayable on demand and overdrafts. Other deposits with maturity or notice periods of over one working day, but less than one year, are classified as liquid resources.

CONSOLIDATED AND COLLEGE INCOME AND EXPENDITURE ACCOUNT
Year Ended 30 September 2010

	Notes	Consolidated and College 2010 €'000	Consolidated and College 2009 €'000
Income			
State grants	1	80,819	105,737
Academic fees	2	107,663	93,425
Research grants and contracts	3	88,262	88,085*
Amortisation of deferred capital grants	18	15,062	16,352
Other operating income	4	49,580	43,727*
Interest income		4,359	4,754
Other finance income/(expense)	5	-	-
Total income		345,745	352,080
Expenditure			
Staff costs	6	229,745	244,935
Other operating expenses	7	73,026	76,803*
Interest payable	8	3,412	3,377
Depreciation	11	28,877	31,005
Loss on disposal of fixed assets	9	-	1,203
Total expenditure		335,060	357,323
Surplus/(deficit) for the year before taxation		10,685	(5,243)
Taxation	10	-	-
Surplus/(deficit) for the year after taxation	20	10,685	(5,243)

* A detailed review of income and expenditure deemed it more appropriate to show the following:

- Gross income for Research "Other overheads" as opposed to netting against expenditure. This resulted in a reclassification of €3.4m in 2009 (see Note 3 and Note 7).
- Gross expenditure for faculty transfer to Trust Funds as opposed to netting against income. This resulted in a reclassification of €3.3m in 2009 (see Note 4 and Note 7).

The income and expenditure account is in respect of continuing activities. The financial statements on pages 11 to 37 were approved by the Board of the College on 28 March 2012 and signed on its behalf by:

PROVOST **TREASURER**

CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS
Year Ended 30 September 2010

	2010 €'000	2009 €'000
Surplus/(deficit) for the year after taxation	10,685	(5,243)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	5,729	5,729
Historical cost surplus for the year before taxation	16,414	486
Historical cost surplus for the year after taxation	16,414	486

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2010

	Notes	2010 €'000	2009 €'000
Surplus/(deficit) for the year after taxation		10,685	(5,243)
Revaluation loss on investment properties	12	(2,657)	-
Actuarial (loss)/gain in respect of pension schemes	30	(140,822)	65,145
Movement on pension receivable	30	140,822	(65,145)
Total recognised gains/(losses) for the year		8,028	(5,243)

CONSOLIDATED AND COLLEGE BALANCE SHEETS
At 30 September 2010

		Consolidated		College	
	Notes	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Fixed assets					
Tangible assets	11	788,227	743,905	788,227	743,905
Investment properties	12	17,891	-	17,891	-
		806,118	743,905	806,118	743,905
Current assets					
Debtors	13	38,412	35,973	38,412	36,180
Stock	14	387	352	387	352
Cash at bank and in hand	28	23,607	54,623	23,607	54,416
Short term deposits	28	137,013	109,323	137,013	109,323
		199,419	200,271	199,419	200,271
Creditors: amounts falling due within one year	15	(139,668)	(132,803)	(139,668)	(132,803)
Net current assets		59,751	67,468	59,751	67,468
Total assets less current liabilities		865,869	811,373	865,869	811,373
Creditors: amounts falling due after one year	16	(121,663)	(78,904)	(121,663)	(78,904)
Net assets excluding pension (liability)/asset		744,206	732,469	744,206	732,469
Net pension liability	30	(960,906)	(497,354)	(960,906)	(497,354)
Pension receivable	30	960,906	497,354	960,906	497,354
Net assets		744,206	732,469	744,206	732,469
Deferred capital grants	18	359,689	355,980	359,689	355,980
Revaluation reserve	19	334,730	337,387	334,730	337,387
Revenue reserves	20	49,787	39,102	49,787	39,102
	20	384,517	376,489	384,517	376,489
		744,206	732,469	744,206	732,469

The financial statements on pages 11 to 37 were approved by the Board of the College on 28 March 2012 and signed on its behalf by:

PROVOST **TREASURER**

CONSOLIDATED CASHFLOW STATEMENT
Year Ended 30 September 2010

	Notes	2010 €'000	2009 €'000
Net cash inflow from operating activities	23	26,653	17,516
Returns on investments and servicing of finance	24	1,764	1,959
Capital expenditure	25	(76,009)	(40,464)
Net cash outflow before management of liquid resources and financing		(47,592)	(20,989)
Management of liquid resources	26	(27,690)	23,582
Financing	27	40,000	20,000
(Decrease)/increase in cash in the year	28	(35,282)	22,593

Reconciliation of net cash flow to movement in net funds

(Decrease) /increase in cash in the year	28	(35,282)	22,593
Increase/(decrease) in liquid resources	28	27,690	(23,582)
Increase in bank loans	28	(40,000)	(20,000)
Movement in net funds resulting from cash flows		(47,592)	(20,989)
Increase in finance lease obligations	28	(248)	(582)
Movement in net funds in year		(47,840)	(21,571)
Net funds at beginning of year	28	86,054	107,625
Net funds at end of year	28	38,214	86,054

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 State grants	2010 €'000	2009 €'000
State grants allocated for recurrent purposes	80,819	105,737

The above grant income was received from the following sources:	2010 €'000	2009 €'000
HEA	75,372	99,898
Department of Health and Children	5,447	5,839
	80,819	105,737

Reconciliation of State grant received to income recognised	2010 €'000	2009 €'000
State grant received in respect of current year	79,616	99,405
State grant deferred from prior accounting year (Note 15)	5,275	11,607
State grant deferred to subsequent accounting years (Note 15)	(4,072)	(5,275)
	80,819	105,737

State funding is received on a calendar year basis. The College's financial year is based on the academic year, from October to September. In accordance with the College's accounting policies, recurrent grants have been recognised on an accruals basis. Therefore, in any accounting year, an element of funding will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.

2 Academic fees	2010 €'000	2009 €'000
Academic fee income	106,731	92,701
Miscellaneous fee income	932	724
Total fees paid by or on behalf of individual students	107,663	93,425

A total of €40,656,996 (2009: €38,571,524) included in academic fee income was paid directly by the Higher Education Authority.

The academic fee income is analysed as follows:	2010 €'000	2009 €'000
Full time EU	79,510	63,763
Full time non EU	18,881	19,475
Part time EU	8,221	8,662
Part time non EU	96	783
Short courses	23	18
	106,731	92,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Academic fees *(continued)*	2010 €'000	2009 €'000
Student service charge		
Included in academic fee income above is student service charge income as set out below with the expenditure to which it relates:		
Income from student service charge*	8,724	8,271
Expenditure		
Student service costs	(4,771)	(5,051)
Examination costs	(1,301)	(1,345)
Space costs associated with student facilities	(769)	(1,639)
Costs relating to registration, fees, admissions and records	(1,347)	(1,398)
Total expenditure	(8,188)	(9,433)
Surplus/(shortfall)	536	(1,162)

* Student service charge increased from €900 to €1,500 in 2009/10. The additional €600 per student is treated as a contribution towards a reduction in core grant and is included in academic fee income.

The Higher Education Authority (HEA) is in the process of updating the HEA's Framework of Good Practice for the Provision of Student Services. The student service charge note above is being used by the sector until further clarification is received.

3 Research grants and contracts	2010 €'000	2009* €'000
State and semi-state	63,238	66,558
European Union	7,588	5,940
Industry	3,373	4,313
Other	10,118	7,954
SFI Overheads	3,945	3,320
	88,262	88,085

* A detailed review of Research "Other overheads" deemed it more appropriate to show gross income as opposed to netting against expenditure. This resulted in a reclassification of €3.4m in 2009 (see Note 7).

4 Other operating income	2010 €'000	2009 €'000
Academic Schools and Faculty Offices	7,280	8,350*
Income from Service areas	2,978	3,059
Catering	3,144	3,988
Residences	9,268	9,388
Other ancillary services	777	1,039
Rental income	3,774	4,595
Funded post income	1,373	838
Library income	6,018	6,209
Concession income	1,860	-
Other income**	13,108	6,261
	49,580	43,727

* A detailed review of other operating income deemed it more appropriate to show gross income as opposed to netting against expenditure. This resulted in a reclassification of €3.3m in 2009 (see Note 7).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

4 Other operating income *(continued)*

** Included in Other income is donation income of €6.528m during the year which was used to purchase the Lincoln House property (see Note 12). As Lincoln House is a non-depreciating fixed asset investment property, the donation income has not been deferred, and is therefore treated as a realised gain in the year.

5 Other finance income/(expense)

	Notes	2010 €'000	2009 €'000
Expected return on pension assets	30	4,690	22,561
Interest on pension liabilities	30	(47,014)	(50,977)
		(42,324)	(28,416)
Movement on pension receivable to offset finance expense	30	42,324	28,416
		-	-

6 Staff costs

Notes

The average weekly number of persons (including senior post-holders) employed by the College during the year, expressed as full-time equivalents was:

	2010 Number	2009 Number
Teaching and research	1,255	1,290
Technical	955	987
Support services	887	894
Other	780	724
	3,877	3,895

	2010 €'000	2009 €'000
Salaries and wages	197,088	209,165
Social welfare costs	13,110	14,725
Other pension costs*	19,547	21,045
	229,745	244,935

* **Other pension costs in respect of:**		2010 €'000	2009 €'000
Defined benefit	30	24,709	29,826
Defined contribution	30	27	49
Movement on pension receivable to offset FRS 17 incremental costs	30	(5,189)	(8,830)
		19,547	21,045

Salaries and wages of €197.1m is stated net of a credit of €3.26m. During 2010 accruals held in respect of pension contributions to the Model Pension Scheme where related funding has not been received by the College, amounting to €3.26m, have been released to the Income & Expenditure account in 2009/10. Such amounts are no longer considered payable following the changes in pension arrangements (see Note 30). This has been credited against salaries and wages to match the original accounting treatment for the corresponding costs charged in previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7 Other operating expenses	2010 €'000	2009* €'000
Telephone and related charges	883	925
Conference fees	713	612
Consumables	16,470	17,024
Computer software and hardware	7,157	7,121
Heat, light, water and power	5,995	7,363
Books and periodicals	2,957	3,344
Repairs and general maintenance	10,661	9,129
Insurance	1,149	1,118
Audit and professional	4,522	4,187
Rent and rates	2,627	2,999
Print and stationery	3,861	3,819
Travel and subsistence	4,989	4,630
Hospitality and entertainment	975	1,360
Recruitment	346	435
Capitation	1,177	1,127
Other expenses	8,544	11,610
	73,026	76,803

Other operating expenses include:		
Auditors' remuneration:		
- External audit (including VAT)	123	132
- Other services from external audit	-	-

The University of Dublin, Trinity College employs an internal auditor and these costs have been included as part of staff costs for the year.

Other expenses include a payment to Trinity Foundation of €1.3m during 2009/10 (2008/09: €1.3m).

* A detailed review of income and expenditure deemed it more appropriate to show the following:

- Gross income for Research "Other overheads" as opposed to netting against expenditure. This resulted in a reclassification of €3.4m in 2009 (see Note 3).
- Gross expenditure for faculty transfer to Trust Funds as opposed to netting against income. This resulted in a reclassification of €3.3m in 2009 (see Note 4).

8 Interest payable	2010 €'000	2009 €'000
On finance leases	3,412	3,377

Cumulative interest of €736,763 charged on a loan with the European Investment Bank (note 16) has been capitalised to date.

9 Disposal of fixed assets

During 2008/09 an aggregate loss of €1.2m was made on the disposal of Cumberland Stores (€0.1m) and the demolition of St Joseph's, Dun Laoghaire (€1.1m). There were no similar disposals made in the year ended 30 September 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

10 Taxation

Trading activities undertaken by the College, administered through its subsidiary, are liable to corporation tax. There is no corporation tax charge for the College and its subsidiary in the current year.

11 Tangible fixed assets	Land and Buildings €'000	Computer Equipment €'000	Equipment €'000	Total €'000
CONSOLIDATED				
Cost or valuation				
At 1 October 2009	850,826	18,975	136,081	1,005,882
Additions	81,464	1,085	4,728	87,277
Reclassification to Investment Properties (Note 12)	(18,447)	-	-	(18,447)
Disposals	-	(3,562)	(1,709)	(5,271)
At 30 September 2010	913,843	16,498	139,100	1,069,441
Depreciation				
At 1 October 2009	138,785	17,549	105,643	261,977
Depreciation for year	16,473	996	11,408	28,877
Disposals	-	(3,562)	(1,651)	(5,213)
Reclassification to Investment Properties (Note 12)	(4,427)	-	-	(4,427)
At 30 September 2010	150,831	14,983	115,400	281,214
Net book value				
At 1 October 2009	712,041	1,426	30,438	743,905
At 30 September 2010	763,012	1,515	23,700	788,227

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11 Tangible fixed assets – *continued*	Land and Buildings €'000	Computer Equipment €'000	Equipment €'000	Total €'000
COLLEGE				
Cost or valuation				
At 1 October 2009	850,826	18,975	136,081	1,005,882
Additions	81,464	1,085	4,728	87,277
Reclassification to Investment Properties (Note 12)	(18,447)	-	-	(18,447)
Disposals	-	(3,562)	(1,709)	(5,271)
At 30 September 2010	913,843	16,498	139,100	1,069,441
Depreciation				
At 1 October 2009	138,785	17,549	105,643	261,977
Charge for year	16,473	996	11,408	28,877
Disposals	-	(3,562)	(1,651)	(5,213)
Reclassification to Investment Properties (Note 12)	(4,427)	-	-	(4,427)
At 30 September 2010	150,831	14,983	115,400	281,214
Net book value				
At 1 October 2009	712,041	1,426	30,438	743,905
At 30 September 2010	763,012	1,515	23,700	788,227

Land and Buildings include assets valued by the Board of the College in 1998 and the historical cost of assets revalued amount to €341,648,000.

Land was valued on an existing use basis at a valuation of €126,974 per acre. Buildings were valued on an existing use basis at a standard cost of €2,413 per square metre.

Land and Buildings include assets in course of construction of €92,358,682 (2008/09: €29,849,380).

The College owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the financial statements because even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them.

In applying FRS 5 *'Reporting the Substance of Transactions'*, the College has included in Land and Buildings property for which the related liabilities of €58,041,433 (2008/09: €57,792,987) are included in creditors (see Note 17). The net book value of this property was €61,920,000 at 30 September 2010 (2008/09: €63,360,000).

In addition, included in Land and Buildings are other assets with a net book value of €79,474,181 (2008/09: €107,531,344) in order to report the substance of the arrangements in place rather than the legal form.

A disclosure in relation to the cost of inherited Land and Buildings cannot be given as their value prior to the revaluation in 1997/98 is not known.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12 Investment Properties	Consolidated and College 2010 €'000	2009 €'000
At beginning of year	-	-
Additions in year	6,528	-
Reclassification from tangible fixed assets at net book value	14,020	-
Revaluation loss in year	(2,657)	-
At end of year	17,891	-

Lincoln House was purchased in 2010 and therefore is valued at the purchase price of €6.53m. Oisin House was reclassified as an investment property in 2010 following a review of the intended future use of this property and the negotiation of a new lease agreement and had been valued in tangible fixed assets at €12.6m. Oisin House was valued at €9.95m as at 30 September 2010 on an open market basis. This resulted in a revaluation deficit of €2.66m relative to the carrying value of the property, which has been transferred to the revaluation reserve. Following a detailed review of the investment properties portfolio 3&4 South Leinster Street and 18/19 Lincoln Place have also been reclassified as investment properties in 2010.

13 Debtors	Consolidated		College	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Trade debtors	7,951	4,856	7,951	4,856
Research grants and contracts receivable	16,036	17,493	16,036	17,493
State capital grants receivable	375	5,954	375	5,954
Non State capital funding receivable	570	1,118	570	1,118
Prepayments and other debtors	13,480	6,552	13,480	6,535
Amounts due from subsidiary undertakings	-	-	-	224
	38,412	35,973	38,412	36,180

14 Stocks	Consolidated and College 2010 €'000	2009 €'000
Raw materials and consumables	81	96
Finished goods for resale	306	256
	387	352

There is no material difference between the balance sheet amount of stocks and its replacement cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

15 Creditors: Amounts falling due within one year	Consolidated		College	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Trade creditors	10,595	11,567	10,595	11,567
Research grants and contracts in advance	30,758	34,493	30,758	34,493
Academic fees received in advance	36,627	36,556	36,627	36,556
State recurrent grants received in advance	4,072	5,275	4,072	5,275
Capital funding received in advance	4,757	8,837	4,757	8,837
Accruals	20,475	11,395	20,475	11,395
Bank loans and overdrafts (Note 17)	4,365	99	4,365	99
PAYE/PRSI	4,534	5,988	4,534	5,988
Other creditors	23,485	18,593	23,485	18,593
	139,668	132,803	139,668	132,803

Accruals include deferred income of €3.9m (2009: €nil) from concession agreements.

16 Creditors: Amounts falling due after one year	Consolidated		College	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
Obligations under finance leases (Note 17)	58,041	57,793	58,041	57,793
Bank Loan (Note 17)	60,000	20,000	60,000	20,000
Other creditors and accruals	3,622	1,111	3,622	1,111
	121,663	78,904	121,663	78,904

The finance lease obligation relates to the financing arrangement for Trinity Hall which has the substance of a finance lease. The obligations under finance leases are all included in creditors due after one year. The College has a €75 million loan facility with the European Investment Bank of which €60 million was drawn down at 30 September 2010. The loan is repayable in equal semi-annual instalments with the first instalment being due in 2019. The College is in compliance with certain required covenants with regard to this loan facility.

17 Borrowings	Consolidated		College	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
(a) Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
Amounts due within one year	4,365	99	4,365	99
Due after more than five years	60,000	20,000	60,000	20,000
Total	64,365	20,099	64,365	20,099

The College has €15 million of undrawn bank loan facilities available to it at 30 September 2010 (2009: €55 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17 Borrowings	Consolidated		College	
	2010 €'000	2009 €'000	2010 €'000	2009 €'000
(b) Finance leases				
The net finance lease obligations committed to are:				
Over five years	58,041	57,793	58,041	57,793

The obligation relates to the financing arrangement for Trinity Hall which has the substance of a finance lease.

18 Deferred capital grants Consolidated and College	State €'000	Other Grants and Benefactors €'000	Total €'000
At 1 October 2009			
Buildings	189,680	141,895	331,575
Equipment	14,867	9,538	24,405
Total	204,547	151,433	355,980
Amount receivable			
Buildings	12,465	10	12,475
Equipment	6,061	235	6,296
Total	18,526	245	18,771
Released to income and expenditure			
Buildings	(5,527)	(2,791)	(8,318)
Equipment	(4,697)	(2,047)	(6,744)
Total	(10,224)	(4,838)	(15,062)
At 30 September 2010			
Buildings	196,618	139,114	335,732
Equipment	16,231	7,726	23,957
Total	212,849	146,840	359,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19 Revaluation reserve

Consolidated and College	2010 €'000	2009 €'000
At 1 October 2009	337,387	337,387
Revaluation of investment properties (Note 12)	(2,657)	-
At 30 September 2010	334,730	337,387

20 Reconciliation of movement in reserves

Consolidated and College	Revenue reserves €'000	Revaluation reserve €'000	Total €'000
At 1 October 2009	39,102	337,387	376,489
Surplus for the financial year	10,685	-	10,685
Revaluation of investment properties (Note 12)	-	(2,657)	(2,657)
At 30 September 2010	49,787	334,730	384,517

21 Contingent liabilities

The College has given indemnities in relation to the qualification of certain expenditure for capital allowance purposes in the financing of the Lloyd Building, Botany Bay, Trinity Hall Student Residences, the Sports Hall and CRANN Building.

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 legal actions.

22 Commitments

	Consolidated 2010 €'000	Consolidated 2009 €'000	College 2010 €'000	College 2009 €'000
Capital Commitments				
Contracted for but not provided	24,894	100,588	24,894	100,588
Authorised but not contracted out	2,707	4,040	2,707	4,040
	27,601	104,628	27,601	104,628

Contracted Capital Commitments have decreased significantly due to the reduction in outstanding commitments on the Biosciences Facility from €86.4m in 2009 to €20.6m at 30 September 2010.

Other Commitments

In respect of the Trinity Hall Student Residences, Trinity College is committed to an annual financial payment of €2.22m incrementing at 4% per annum for 33 years which commenced in 2003/2004.

In respect of the Botany Bay Student Residences, Trinity College guaranteed to pay €9.42m to a group of investors availing of 'Section 50' tax relief on eligible expenditure under Part 11A of the Taxes Consolidation Act 1997. Payment commenced in 2001/2002 and the total amount payable at 30 September 2010 was €471,200.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

23 Reconciliation of consolidated surplus/(deficit) to net cash inflow from operating activities	2010 €'000	2009 €'000
Surplus/(deficit) for the year	10,685	(5,243)
Depreciation	28,877	31,005
Amortisation of deferred capital grants	(15,062)	(16,352)
Loss on disposal of fixed assets	-	1,203
(Increase)/decrease in stocks	(35)	80
(Increase)/decrease in debtors	(8,566)	2,933
Increase in creditors	11,701	5,267
Interest payable	3,412	3,377
Interest received	(4,359)	(4,754)
Net cash inflow from operating activities	26,653	17,516

24 Returns on investments and servicing of finance	2010 €'000	2009 €'000
Interest received	4,359	4,754
Interest paid	(2,595)	(2,795)
Net cash inflow from returns on investments and servicing of finance	1,764	1,959

25 Capital expenditure	2010 €'000	2009 €'000
Purchase of tangible fixed assets	(90,299)	(72,270)
Capital grants received	20,818	30,306
Disposal of tangible fixed assets	-	1,500
Purchase of investment properties	(6,528)	-
Net cash outflow from capital expenditure	(76,009)	(40,464)

26 Management of liquid resources	2010 €'000	2009 €'000
Movement in short term deposits	(27,690)	23,582

27 Financing	2010 €'000	2009 €'000
Bank loan received	40,000	20,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

28 Analysis of changes in net funds	At 1 October 2009 €'000	Cashflows €'000	Other changes €'000	At 30 September 2010 €'000
Cash	54,623	(31,016)	-	23,607
Bank overdraft	(99)	(4,266)	-	(4,365)
	54,524	(35,282)	-	19,242
Liquid resources	109,323	27,690	-	137,013
Obligations under finance leases	(57,793)	-	(248)	(58,041)
Bank loan	(20,000)	(40,000)	-	(60,000)
Total	86,054	(47,592)	(248)	38,214

Liquid resources include short term bank deposits with maturity or notice periods greater than one working day.

29 Related parties

Details of Trinity College's transactions with related parties are as follows:

The Haughton Institute is a related company limited by guarantee. The main objectives of the Institute are to facilitate the development, on a combined basis with hospitals, of medical postgraduate education and training and the management and funding of research. Trinity College holds a 33.3% interest in the Haughton Institute. During the period, Trinity College made payments of €149,188 (2008/09: €167,411) to the Haughton Institute and received €252,733 (2008/09: €244,309) for services provided to the Haughton Institute. All transactions were conducted on an arm's length basis. At 30 September 2010, there was an amount of €38,360 (2008/09 €79,952) due from Trinity College to the Haughton Institute. The net reserves of the Haughton Institute per their audited Financial Statements at 31 December 2010 were €553,769 (2009: €563,153) and the deficit for the year amounted to €9,387 (2009: surplus €47,056).

Ghala Limited is a related company and its principal activity is the construction and refurbishment of College properties. Trinity College holds a 100% interest in Ghala Limited. During the period, Trinity College made payments in respect of development work done to the value of €58,979 (2008/09: €1,646,413). Ghala Limited transferred development costs to the value of €51,552 to Trinity College during the year. At 30 September 2010, there was an amount of €Nil (2008/9: €223,914) due from Ghala Limited.

Molecular Medicine Ireland (MMI) is a related company limited by guarantee, does not have a share capital and has been registered without the word “Limited” in its name. Its principal activities are research into molecular bases of diseases and graduate education, training, research and consultancy work in the biosciences. Trinity College is a member of MMI. During the period Trinity College incurred expenditure of €325,341 (2008/09: €372,517) in supporting the activities of the MMI. At 30 September 2010 there was an amount of €200 (2008/09: €35,000) due to MMI. All transactions were conducted on an arm's length basis. The net reserves of MMI per their Financial Statements as at 30 September 2010 were €Nil (2009: €Nil) and the surplus for the year amounted to €Nil (2009: €Nil).

The National Digital Research Centre (NDRC) Limited is limited by guarantee and does not have share capital. Trinity College is a member of NDRC Limited. At 30 September 2010 there was an amount of €84,251 (2008/09: €64,563) due from NDRC Limited. The net reserves per their Financial Statements as at 31 December 2010 were €710,603 (2009: €678,689) and the surplus for the year amounted to €31,914 (2009: €45,568).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

29 Related parties *(continued)*

The National Institute for Bioprocessing Research and Training (NIBRT) Limited is limited by guarantee and does not have share capital. Trinity College is a member of NIBRT Limited. At 30 September 2010 there was an amount of €18,150 (2008/09: €Nil) due from NIBRT Limited. The adjusted net reserves per their Financial Statements as at 31 December 2010 were €Nil (2009: €Nil) and the surplus for the year amounted to €Nil (2009: €Nil).

Trinity College Dublin Academy of Dramatic Art Limited 'The Lir' was incorporated on 14 June 2010, does not have a share capital and is limited by guartantee. Its principal activities are to establish and operate an Academy for the provision of educational services, training and research in relation to dramatic art. As at 30 September 2010 no financial activity had occurred in the Lir.

Gleeson, McGrath, Baldwin Solicitors provided legal advice to the College during the year ended 30 September 2010 amounting to €3,926 of which €nil was outstanding at 30 September 2010. Geraldine Clarke, a partner in the firm, was a member of the Board of the College to 30 August 2010.

Q4 Public Relations, provided services to the College during the year end 30 September 2010 amounting to €33,779 of which €2,100 was outstanding at 30 September 2010. Mr Jackie Gallagher, a director in the firm was appointed a member of the Board of the College on 31 August 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits

a) Defined contribution pension scheme

The College operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the College to the scheme and amounted to €0.03 million (2009: €0.05 million).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

b) Defined benefit pension schemes

i) *Background*

The College had the following defined benefit arrangements in place during the year:

- Master Pension Scheme
- Model Scheme
- Pension Supplementation

Master Scheme

Prior to the changes outlined below, the College funded a Master Pension Scheme, comprising a pension scheme and a prolonged disability income scheme, operating under a Trust Deed with seven Trustees including Irish Pensions Trust as Corporate Trustee and Chairperson of the Trustees. The Master Pension Scheme provides the pension entitlements of certain employees, which are based on final pensionable pay and are secured by contributions by the College and the employees. This Master Pension Scheme applies to pensionable employees appointed prior to 31 January 2005 and is closed to new entrants who commenced employment with the College on or after 1 February 2005. The latest full actuarial valuation was carried out at 31 March 2005 by independent professionally qualified actuaries using the projected unit method of valuation. In 2009, legislation was enacted (see further details below) to provide for the assets of this scheme to be transferred to the State National Pensions Reserve Fund, and for the State to guarantee the payment of pension entitlements of members on a pay-as-you-go basis.

The College's contribution was limited to 15% of pensionable salary due to a restriction imposed by the HEA on the level of the College's contribution rate.

Model Scheme

The Model Scheme was set up in 2005, following approval from the Department of Finance and Department of Education and Science. Although the scheme operates under an agreed set of rules, its establishment was never formalised under statute or under the terms of a Trust Deed. However the College is obliged by the HEA to provide pension benefits under the rules of the scheme to new staff appointed from 1 February 2005. This scheme is an unfunded defined benefit pension arrangement which operates on a pay-as-you-go basis from the College's core funding.

Pension Supplementation

This relates to post-retirement pension increases for all staff which are unfunded and paid on a pay-as-you-go basis from the College's recurrent core grant from the HEA.

Fundamental changes to pension arrangements

Ongoing discussion over a number of years between the Universities, HEA and Government in relation to putting in place revised pension arrangements in the longer-term arising from the deficit position in a number of University pension schemes concluded in 2009 with significant legislative changes being introduced in the form of the Financial Measures (Miscellaneous Provisions) Act 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

i) Background

The Financial Measures (Miscellaneous Provisions) Act 2009 was enacted on 26 June 2009 and included, in relation to the Master Pension Scheme of the College, certain provisions, following a Transfer Order by the Ministers for Finance and Education, for the transfer of the assets of the Master Pension Scheme to the National Pension Reserve Fund and the continued payment of benefits formerly payable from the Master Pension Scheme.

The transfer order for the Master Pension Scheme was executed on 31 December 2009 and as provided in the legislation:

- the existing trust was terminated and the trust deed ceased to have effect;
- all pension assets transferred to the National Pension Reserve Fund;
- the College and each member continues to contribute at the same rate as before, and these contributions are paid into or disposed of for the benefit of the Exchequer;
- the obligation to pay benefits in accordance with the pension scheme remains an obligation of the College in relation to the scheme;
- if the aggregate of the members and employers' contributions paid or withheld above are insufficient to meet the College's obligations to pay those benefits in accordance with the Scheme, the Minister for Finance shall make good the deficiency by payments to the College from funds provided by the Oireachtas for this purpose. Hence the payments of pension obligations of the Master Pension Scheme are guaranteed by the State and they will be paid on a pay-as-you-go basis.

The College is of the opinion that discussions held between the sector, the HEA and the government in advance of the enabling legislation being introduced represented assurances that the State would guarantee all pension liabilities of the College i.e. those liabilities associated with the Master Pension Scheme and other defined benefit pension arrangements that the College has in place. Therefore the College has booked a pension receivable in the Consolidated Financial Statements for the year ended 30 September 2010 and in the 30 September 2009 Consolidated Financial Statements matching the pension liability reported.

Although the above legislation enacted during 2009 relates specifically to the Master Pension Scheme, the College has been advised that the State would also be meeting future pension liabilities for the Model Scheme and Pension Supplementation on a pay-as-you-go basis.

As a result of this the College has offset the net deficit in the defined benefit pension schemes in full with a pension receivable asset due from the State being recognised in the balance sheet which is equivalent to the net pension liability.

ii) Summary of position at year end

Consolidated and College		**2010 €'000**	**2009 €'000**
Net pension liability – FRS 17	Section (iii) below	(960,906)	(497,354)
Pension receivable	Section (iv) below	960,906	497,354
		-	-

Analysis of net pension liability – FRS 17	**2010 €'000**	**2009 €'000**
Master Pension Scheme	(828,663)	(386,785)
Model Scheme and Pension Supplementation	(132,243)	(110,569)
	(960,906)	(497,354)

The net pension liability at 30 September 2009 included scheme assets of €273,633,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17

The valuation of the Master Pension Scheme obligations and other defined benefit obligations (Model Scheme and Pension Supplementation) for the purposes of FRS 17 disclosures has been performed by an independent professionally qualified actuary as at the balance sheet date.

During the period, the assets of the Master Pension Scheme were transferred to the National Pension Reserve Fund in accordance with the Financial Measures (Miscellaneous Provisions) Act 2009. The fair value of the scheme assets at 30 September 2009 and the expected long term rate of return on those assets were as follows:

	At 30 September 2009	
	Expected Return	**Fair Value €'000**
Equities	7.90%	213,160
Bonds	3.50%	35,846
Property	6.90%	17,513
Cash	3.00%	7,114
Total market value of assets		273,633

	2010 €'000	**2009 €'000**
Present value of funded obligations	-	(660,418)
Total fair value of scheme assets	-	273,633
Deficit for funded plans	-	(386,785)
Present value of unfunded obligations	(960,906)	(110,569)
Net pension liability	(960,906)	(497,354)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

The assumptions used by the actuaries to value the liabilities as at 30 September 2010 and 30 September 2009 were as follows:

Financial assumptions	**30 September 2010**	**30 September 2009**
Valuation method	Projected Unit	Projected Unit
Discount rate	4.8%	6.0%
Inflation rate	2.0%	2.0%
Salary increases	3.5%	3.5%
Pension supplementation	2.5%	2.5%

The discount rate of 4.8% is based on AA Corporate Rated Bonds for the duration of the liabilities of the scheme.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

Mortality	**30 September 2010**	**30 September 2009**
Member aged 65 (current life expectancy)	22.8	21.6
Member aged 40 (life expectancy at age 65)	26.1	22.7

Change in benefit obligations	**2010 €'000**	**2009 €'000**
Benefit obligations at beginning of year	770,987	817,109
Service cost	24,709	29,573
Interest cost	47,014	50,977
Plan members' contributions	2,749	3,004
Past service costs	-	253
Actuarial loss/(gain)	144,546	(102,525)
Benefits paid	(28,449)	(26,545)
Expenses paid	(650)	(840)
Premiums paid	-	(19)
Benefit obligations at end of year	960,906	770,987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

Change in plan assets	Notes	2010 €'000	2009 €'000
Fair value of plan assets at beginning of year		273,633	291,856
Expected return on plan assets		4,690	22,561
Actuarial gain/(loss)		3,724	(37,380)
Employer contributions		6,204	20,996
Member contributions		747	3,004
Benefits paid from plan		(9,313)	(26,545)
Expenses paid		(352)	(840)
Premiums paid		-	(19)
Transfer to National Pension Reserve Fund and receivable from State		(279,333)	-
Fair value of plan assets at end of year		-	273,633

The estimated employer contributions for the 2011 financial year are €20.2m.

Expense recognised in the income and expenditure account before movement on pension receivable	Notes	2010 €'000	2009 €'000
Analysis of amount charged to other finance costs			
Expected return on pension assets		(4,690)	(22,561)
Interest on pension liabilities		47,014	50,977
	5	42,324	28,416
Analysis of amount charged to staff costs			
Current service cost		24,709	29,573
Past service cost		-	253
	6	24,709	29,826
Total pension expense recognised in income and expenditure account before movement on pension receivable		67,033	58,242

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

Cumulative amount of actuarial gains immediately recognised before movement on pension receivable	**2010 €'000**	**2009 €'000**
At beginning of year	152,555	87,410
Amount recognised in the consolidated statement of total recognised gains/(losses)		
Actual return less expected return on assets	3,724	(37,380)
Experience (losses)/gains on liabilities	(48,260)	11,876
Changes in assumptions	(96,286)	90,649
Actuarial (loss)/gain recognised in STRGL before movement on pension receivable	(140,822)	65,145
At end of year	11,733	152,555

History of experience gains and losses	**2010 €'000**	**2009 €'000**	**2008 €'000**	**2007 €'000**	**2006 €'000**
Difference between expected and actual return on scheme assets	3,724	(37,380)	(99,341)	8,220	22,378
Percentage of scheme assets (fair value)	n/a	(13.7%)	(34.0%)	2.2%	6.8%
Experience gains and losses on scheme liabilities	(48,260)	11,876	(1,885)	(76,215)	4,492
Percentage of scheme liabilities (present value)	(5.0%)	1.5%	(0.2%)	(9.0%)	0.6%
Total actuarial gains and losses	(140,822)	65,145	(7,442)	23,264	71,589
Percentage of scheme liabilities (present value)	(14.7%)	8.4%	(0.9%)	2.7%	8.9%

History of scheme deficits	**2010 €'000**	**2009 €'000**	**2008 €'000**	**2007 €'000**	**2006 €'000**
Fair value of scheme assets	-	273,633	291,856	365,644	330,651
Present value of scheme liabilities	(960,906)	(770,987)	(817,109)	(851,159)	(808,020)
Deficit in schemes	(960,906)	(497,354)	(525,253)	(485,515)	(477,369)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

30 Retirement benefits *(continued)*	2010 €'000	2009 €'000
b) Defined benefit pension schemes *(continued)*		
iv) Pension receivable – due from the State		
Pension receivable at beginning of year	497,354	525,253
Movement included in other finance income – Note 5	42,324	28,416
Movement included in staff costs – Note 6	5,189	8,830
Movement included in the statement of total recognised gains and losses	140,822	(65,145)
Transfer from Master Pension scheme assets (see Note 30 (b) (iii))	279,333	-
Employer contributions post 31 December 2009	13,316	-
Member contributions post 31 December 2009	2,002	-
Benefits paid from plan post 31 December 2009	(19,136)	-
Expenses paid post 31 December 2009	(298)	-
Pension receivable at end of year	960,906	497,354

The value of Master Pension scheme assets transferred to the National Pension Reserve Fund is recoverable due to the State guarantee (see Note 30 (b) (i)).

31 Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2010 which require adjustment to the Consolidated Financial Statements or the inclusion of a note thereto.

32 Approval of the Consolidated Financial Statements

The Board of the College approved the Consolidated Financial Statements on 28 March 2012.

THE UNIVERSITY OF DUBLIN

Trinity College

EXTRACT FROM FUNDING STATEMENTS

YEAR ENDED 30 SEPTEMBER 2010

Statement of Accounting Policies

Funding Statements
The Funding Statements reflect the teaching, research and related service activities of the University of Dublin, Trinity College ("Trinity College"). The Financial Statements of the Pension Funds of Trinity College, Trinity College's Trust Funds and of financially independent ancillary activities are prepared annually and audited separately.

Accounting Convention
The Funding Statements are prepared under the historical cost convention, modified to include the revaluation of fixed assets. They are presented in accordance with the existing Harmonisation of Accounts agreement as adopted for all Irish Universities.

The Harmonisation of Accounts agreement is not in agreement with generally accepted accounting principles (GAAP). Financial Statements for the year ended 30 September 2010 have been prepared on a consolidated basis and in accordance with accounting standards generally accepted in Ireland and the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2007), issued by the HE/FE SORP Board in the UK, with the exception of endowment funds which are not controlled by the College. Accounting standards generally accepted in Ireland for the preparation of financial statements giving a true and fair view are those promulgated by Chartered Accountants Ireland and issued by the Accounting Standards Board.

State Grants for Recurrent Expenditure
State Grants for recurrent expenditure are included in the Funding Statements on an accruals basis. Recurrent grants are matched with the expenditure which they are intended to fund. Supplementary State Grants for recurrent expenditure are included in the Funding Statements in the period in which they are received.

State Grants for Capital Expenditure
State Grants for capital expenditure are included in the Funding Statements in the period in which the cash is received.

Fee Income
Fee Income is accounted for on an accruals basis and reported at EU fee levels. Non EU Medical and Dental fee income is included up to the EU level with any excess (up to the most recent related Unit Cost) being reported under miscellaneous income. The Unit Cost is the average unit cost per student in each subject grouping across the University Sector, as communicated by the HEA.

Any further excess over the most recent related Unit Cost is included in the Schools' accounts.

Approved Allocations
The income and expenditure account is prepared on an accruals basis with the following exceptions:

i) non pay expenditure of Academic Faculties and certain service departments;

ii) recurrent equipment and minor works.

In these cases, expenditure is included on the basis of approved allocations and internal balances are carried forward in the balance sheet under current assets or liabilities, as appropriate.

Fixed Assets and Depreciation

(a) Land and buildings
The College's buildings are valued on an existing use basis. Land has been valued at €126,974 per acre and buildings have been valued at a standard cost of €2,413 per square metre. Land and buildings were revalued by the Board of the College in 1998.

Freehold land is not depreciated. Freehold buildings are depreciated on a straight line basis over their expected useful economic life to the College of 50 years.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above.

Finance costs which are directly attributable to the acquisition of land and the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the financial year end. They are not depreciated until they are brought into use.

The College has considered the application of FRS 5: "Reporting the Substance of Transactions" with regard to certain assets used by the College

Statement of Accounting Policies (cont'd..)

(a) Land and buildings - continued

where the legal form of the transaction would indicate that all or part of the assets are not owned by the College. The financial substance of the transaction has been reflected in the Funding Statements and as such the full value of these assets is included in fixed assets.

(b) Equipment

Equipment costing less than €10,000 is not capitalised. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life on a straight line basis as follows:

Lease of assets	20 years or primary lease period, if shorter
Computer equipment	3 years
Furniture	10 years
Equipment	5 years

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy.

Leased Assets

Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. These assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

Investment Properties

In accordance with SSAP 19, investment properties are stated at open market value. Investment properties are revalued annually by either independent professional third party valuers or the College and are not depreciated or amortised. All movements in value are reflected in the general reserve.

Research Grants and Projects

Contract research expenditure is shown net of the contribution to indirect costs which is included in other income. Income from contract research grants is included in the income and expenditure account to the extent that the related expenditure has been incurred and to the extent that such income is recoverable. Fixed assets financed from contract research grants are capitalised in the balance sheet.

Cash and Liquid Resources

For the purposes of the cash flow statement, liquid resources include deposit accounts with notice periods exceeding one day and current asset investments held as readily disposable stores of value. Cash is cash in hand and deposits repayable on demand.

Foreign Currency

Costs denominated in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into euro at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the income and expenditure account.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the College on books and consumable stocks financed from recurrent grants is charged to the income and expenditure account.

Taxation

No provision has been made for taxation as the College holds tax exempt status.

Retirement Benefits

A Master Pension Scheme applies to all staff appointed prior to 1 January 2005 and is operated on a pay as you go basis.

An unfunded Model Pension Scheme applies to all new staff appointed from 1 January 2005 and is operated on a pay as you go basis.

Pension costs are accounted for by the College on the basis of charging the relevant cost of providing pensions over the period during which the College benefits from the employee's services, up to the maximum contribution approved by the HEA.

General Reserve

The General Reserve represents the value of funding applied for capital purposes together with the balance on ancillary service activities. All changes in fixed asset values and related grants are reflected in the general reserve.

Ancillary Services

Ancillary Services are services provided on campus, on a cost recovery basis. Any surplus on these services is used to fund future development work. The net outturn on such activities is transferred to the general reserve account.

Income and Expenditure Account
Year ended 30 September 2010

	Notes	2010 €'000	*2009 €'000*
Income			
State Grants	1	73,931	*105,392*
Student Fees	2	98,672	*88,636*
Other Income	3	22,166	*20,897*
		194,769	*214,925*
Research Grants and Projects	4	81,977	*89,715*
Total		276,746	*304,640*
Expenditure			
Academic Faculties	5	109,481	*109,141*
Academic and Other Services	6	21,301	*22,958*
Premises	7	26,061	*27,955*
Amount Allocated for Capital Purposes	8	1,000	*13,507*
Central Administration and Services	9	14,737	*15,350*
General Educational Expenditure	10	9,186	*9,127*
Student Services	11	5,311	*5,626*
Miscellaneous Expenditure	12	10,075	*11,063*
Academic and Related Services	13	197,152	*214,727*
Research Grants and Projects	13	79,415	*80,165*
Total	13	276,567	*294,892*
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		179	*9,748*
Surplus on Ancillary Services	14	1,342	*2,934*
Depreciation of Fixed Assets	15	(28,877)	*(31,005)*
General Reserve Transfer	16	27,535	*28,071*
Net Surplus for year	24	179	*9,748*

The Statement of Accounting Policies (Pages 39 to 40) and Notes to the Extract from Funding Statements (Pages 43 to 50) form part of this Extract from Funding Statements.

PROVOST **TREASURER**

Balance Sheet
At 30 September 2010

	Notes	2010 €'000	*2009 €'000*
Fixed Assets			
Tangible Assets	17	793,643	*747,470*
Investment Properties	18	16,478	*-*
		810,121	*747,470*
Current Assets			
Bank and cash balances		160,620	*163,739*
Debtors and prepayments	19	47,443	*39,450*
Stocks		372	*328*
		208,435	*203,517*
Current Liabilities			
Creditors and accrued expenditure	20	(205,450)	*(195,409)*
Bank balances		(4,365)	*(99)*
		(209,815)	*(195,508)*
Net Current (Liabilities)/Assets		(1,380)	*8,009*
Long Term Liabilities			
Creditors due after one year	22	(121,663)	*(78,904)*
		687,078	*676,575*
Represented By:			
General reserve	23	686,930	*676,606*
Revenue reserve	24	148	*(31)*
		687,078	*676,575*

The Statement of Accounting Policies (Pages 39 to 40) and Notes to the Extract from Funding Statements (Pages 43 to 50) form part of this Extract from Funding Statements.

PROVOST **TREASURER**

Notes to the Extract from Funding Statements

		2010 €'000	*2009 €'000*
1.	**State Grants**		
	Recurrent grant	65,691	*95,780*
	Nursing	5,447	*5,839*
	Targeted funding for special initiatives	682	*1,028*
	Strategic innovation fund	1,926	*2,545*
	Minor works	185	*200*
		73,931	*105,392*
2.	**Student Fees**		
	Academic	97,840	*87,946*
	Miscellaneous fee income	832	*690*
		98,672	*88,636*

A total of €40,656,996 (2009: €38,571,524) included in academic fee income was paid directly by the Higher Education Authority.

		2010 €'000	*2009 €'000*
3.	**Other Income**		
	Interest receivable (net)	4,542	*4,760*
	Funded posts and donations	1,446	*922*
	Research grants and projects contribution	8,165	*6,511*
	Non EU fees	4,521	*4,929*
	Miscellaneous income	3,492	*3,775*
		22,166	*20,897*
4.	**Research Grants and Projects**		
	Research grants	81,977	*89,715*

Notes to the Extract from Funding Statements (cont'd..)

	Staff Costs* €'000	Non Pay €'000	2010 Total €'000	*2009 Total €'000*
5. Academic Faculties*				
Academic	76,579	-	76,579	*78,577*
Technical	9,503	-	9,503	*10,454*
Administrative support	9,397	-	9,397	*9,807*
Faculty and School grants	-	13,583	13,583	*9,961*
Miscellaneous	-	419	419	*342*
	95,479	14,002	109,481	*109,141*
6. Academic and Other Services *				
Library	7,744	2,472	10,216	*10,917*
Information systems services	5,176	2,675	7,851	*8,758*
Bio resources unit	695	297	992	*997*
Centre for microscopy and analysis	233	97	330	*320*
Innovation services	700	1,212	1,912	*1,966*
	14,548	6,753	21,301	*22,958*
7. Premises *				
Premises maintenance	3,132	3,443	6,575	*7,701*
General services	9,757	3,435	13,192	*12,712*
Minor works	-	180	180	*200*
Rent and rates	-	154	154	*455*
Insurance	-	989	989	*966*
Energy	44	4,927	4,971	*5,921*
	12,933	13,128	26,061	*27,955*
8. Amount Allocated for Capital Purposes				
Capital projects	-	1,000	1,000	*13,507*

Notes to the Extract from Funding Statements (cont'd..)

	Staff Costs* €'000	Non Pay €'000	2010 Total €'000	*2009 Total €'000*
9. Central Administration and Services *				
Administration	10,226	-	10,226	*11,113*
Expenses	-	3,093	3,093	*2,684*
Professional charges	-	855	855	*830*
Miscellaneous	-	563	563	*723*
	10,226	4,511	14,737	*15,350*
10. General Educational Expenditure *				
Examination expenses	74	845	919	*941*
Scholarships, prizes and fellowships	-	5,931	5,931	*5,686*
Miscellaneous expenses	-	2,336	2,336	*2,500*
	74	9,112	9,186	*9,127*
11. Student Services *				
Capitation grants	-	1,171	1,171	*1,171*
Student services	894	556	1,450	*1,676*
Careers advisory service	671	56	727	*803*
Sports and recreation	293	-	293	*380*
Health and counselling	1,488	182	1,670	*1,596*
	3,346	1,965	5,311	*5,626*
12. Miscellaneous Expenditure *				
Pension supplementation	8,317	-	8,317	*8,646*
Miscellaneous expenses	232	1,526	1,758	*2,417*
	8,549	1,526	10,075	*11,063*
13. Total Expenditure *				
Academic and related services	145,155	51,997	197,152	*214,727*
Research grants and projects	46,245	33,170	79,415	*80,165*
	191,400	85,167	276,567	*294,892*

* Total expenditure in 2009 was stated net of the reversal of Fixed Term Workers legislation provisions of €18.7m. Total expenditure in 2010 was stated net of the reversal of prior year accruals for unfunded pensions amounting to €3.8m.

Notes to the Extract from Funding Statements (cont'd..)

14. Surplus on Ancillary Services	Income €'000	Expenditure/ Allocation €'000	Surplus/ (Deficit) 2010 €'000	*Surplus/ (Deficit) 2009 €'000*
Catering	4,208	4,075	133	*249*
Residences / Conferences	9,831	8,495	1,336	*2,310*
Library shop	2,407	2,407	-	-
Enterprise centre	1,526	1,526	-	*103*
Copying service	38	48	(10)	*5*
Day nursery	571	619	(48)	*41*
Diagnostics	360	460	(100)	*148*
College company proceeds and royalties account	32	-	32	*79*
Other	-	1	(1)	*(1)*
	18,973	17,631	1,342	*2,934*

15. Depreciation of Fixed Assets	2010 €'000	*2009 €'000*
Land and buildings	16,473	*17,759*
Equipment	12,404	*13,246*
	28,877	*31,005*

16. General Reserve Transfer (See Note 23)	*2010 €'000*	*2009 €'000*
Amortisation in line with depreciation (Note 15)	28,877	*31,005*
Surplus on ancillary services from Income and Expenditure account to General Reserve (Note 14)	(1,342)	*(2,934)*
	27,535	*28,071*

Notes to the Extract from Funding Statements (cont'd..)

17. Fixed Assets	Land and Buildings €'000	Equipment €'000	Total €'000
Cost/Valuation at 1 October 2009			
Valuation	427,158	5,452	432,610
Cost	420,844	151,732	572,576
Total	848,002	157,184	1,005,186
Additions at Cost	81,938	5,777	87,715
Reclassification to investment properties (Note 18)	(16,588)	-	(16,588)
Disposals	-	(5,271)	(5,271)
Cost/Valuation at 30 September 2010			
Valuation	427,158	5,452	432,610
Cost	486,194	152,238	638,432
Total	913,352	157,690	1,071,042
Depreciation			
At 1 October 2009	134,524	123,192	257,716
Less Accumulated Depreciation on:			
Disposals	-	(5,213)	(5,213)
Reclassification to investment properties (Note 18)	(3,981)	-	(3,981)
Depreciation for Year	16,473	12,404	28,877
At 30 September 2010	147,016	130,383	277,399
Net Book Value at 1 October 2009	713,478	33,992	747,470
Net Book Value at 30 September 2010	766,336	27,307	793,643

Land has been valued on an existing use basis at a valuation of €126,974 per acre carried out in 1998. Buildings have been valued on an existing use basis at a standard cost of €2,413 per square metre carried out in 1998.

The College owns a considerable number of works of art including paintings, silver, sculptures and priceless manuscripts. These works of art are not included in the Funding Statements because even though they are insured for substantial amounts, it is considered that no meaningful value can be attributed to them.

In applying FRS 5 *'Reporting the Substance of Transactions'*, the College has included in land and buildings property for which the related liabilities of €58,041,433 (2008/09: €57,792,987) are included in creditors due after one year. The net book value of this property was €61,920,000 at 30 September 2010 (2008/09: €63,360,000).

In addition, included in land and buildings are other assets with a net book value of €79,474,181 (2008/09: €107,531,344) in order to report the substance of the arrangements in place rather than the legal form.

Notes to the Extract from Funding Statements (cont'd..)

18. Investment Properties	2010 €'000	*2009 €'000*
At beginning of year	-	-
Additions in year	6,528	-
Reclassification from tangible fixed assets at net book value	12,607	-
Impairments in year	(2,657)	-
At end of year	16,478	-

Lincoln House was purchased in 2010 and therefore is valued at the purchase price of €6.53m. Oisin House was reclassified as an investment property in 2010 following a review of the intended future use of this property and the negotiation of a new lease agreement. Oisin House was valued at €9.95m as at 30 September 2010 on an open market basis. This resulted in a revaluation deficit of €2.66m relative to the carrying value of the property, which has been transferred to the general reserve.

19. Debtors and Prepayments	2010 €'000	*2009 €'000*
Contract research grants and projects recoverable	16,036	*17,193*
Staff house loans	108	*127*
Internal balances	7,382	*7,014*
Trade debtors	7,969	*4,856*
Other debtors and prepayments	15,948	*10,036*
Amount due from subsidiary undertaking	-	*224*
	47,443	*39,450*

20. Creditors and Accrued Expenditure	2010 €'000	*2009 €'000*
Contract research grants and projects unexpended	30,758	*35,172*
Trade creditors	10,530	*11,502*
State grants for recurrent expenditure received in advance	18,172	*12,428*
Academic fees received in advance	36,627	*36,556*
PAYE/PRSI	4,534	*5,988*
Internal balances	43,868	*38,913*
Other creditors and accruals	60,961	*54,850*
	205,450	*195,409*

The College over the last number of years has been discussing the possible introduction of a College Incentivised Voluntary Early Retirement Initiative (VERI). €12.59m has been identified as uncommitted funding which is available to the College towards the cost of this proposed initiative. This funding has been identified by way of deferring state grants of €7.33m and amalgamating this with €5.26m held in other creditors and accruals. The amount of €5.26m was previously retained in the Balance Sheet in respect of liabilities for non-core staff (unfunded positions) associated with the Model Pension Scheme, and is no longer needed for that purpose. The terms of a VERI scheme have not yet been defined and such a scheme would require the approval of the HEA.

Notes to the Extract from Funding Statements (cont'd..)

21. Pension Control Account	2010 Funded Scheme €'000	2010 Model Scheme €'000
Opening Balance	-	6,682
Income		
Employer Contributions	7,364	1,761
Employee Contributions	2,002	1,200
Pension Transfers In	80	245
Supplementation Income	5,920	-
Income in respect of the purchase of added years	-	-
Other	184	-
Total Income	15,550	3,206
Expenditure		
Pensions in payment (including supplementation)	17,571	-
Lump sum payments on retirement	1,563	-
Death in service payments	-	-
Pension transfers out (cash payments)	-	-
Refunds of contributions	2	-
Administration and other costs	299	-
Total Expenditure	19,435	-
(Deficit)/Surplus in year	(3,885)	3,206
Closing Balance-Grant receivable from /(payable to) the HEA*	3,885	(9,888)

*Grant receivable from the HEA relating to the Funded Scheme amounting to €3.9m is included in other debtors and prepayments (see note 19). Grant payable to the HEA relating to the Model Scheme amounting to €9.9m is included in other creditors and accruals (see note 20).

22. Creditors and Accrued Expenditure	2010 €'000	*2009 €'000*
Obligations under finance lease	58,041	*57,793*
Bank loan	60,000	*20,000*
Other creditors and accruals	3,622	*1,111*
	121,663	*78,904*

The finance lease obligation relates to the financing arrangement for Trinity Hall which has the substance of a finance lease. The obligations under finance lease are all included in creditors due after one year. The College has a €75 million loan facility with the European Investment Bank of which €60 million was drawn down at 30 September 2010. The loan is repayable in equal semi-annual instalments with the first instalment being due in 2019. The College is required to comply with certain covenants with regard to this loan facility.

Notes to the Extract from Funding Statements (cont'd..)

23. General Reserve	Total to 30 September 2009 €'000	Movement in year €'000	Total to 30 September 2010 €'000
Valuation – fixed assets	432,532	2,396	434,928
Revaluation – investment properties	-	(2,657)	(2,657)
State capital grants - HEA	168,407	17,412	185,819
Recurrent funding transfer	56,259	1,000	57,259
Capital donations	176,782	8,046	184,828
Other (includes transfer of surplus on ancillary services - Note 16)	152,056	13,062	165,118
	986,036	39,259	1,025,295
Disposals	(51,714)	(5,271)	(56,985)
Amortisation			
Amortisation at 1 October 2009	(257,716)		
Accumulated amortisation on disposals		5,213	
Amortisation in line with depreciation		(28,877)	
Amortisation at 30 September 2010			(281,380)
	676,606	10,324	686,930

24. Revenue Reserve	2010 €'000	*2009 €'000*
Opening balance	(31)	*(9,779)*
Surplus for year	179	*9,748*
Closing balance	148	*(31)*

25. Approval of Funding Statements

The Board of Trinity College approved the Funding Statements on 26 January 2011.

RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS TO HEA FUNDING STATEMENTS

	Consolidated financial statements €'000	Unincorporated ancillary activites (1) €'000	GAAP adjustment €'000		HEA funding statement €'000
Income					
State grants	80,819	-	(6,888)	(2)	73,931
Academic fees	107,663	-	(8,991)	(3)	98,672
Research grants and contracts	88,262	-	(6,285)	(4)	81,977
Amortisation of deferred capital grants	15,062	-	(15,062)	(5)	-
Other operating income	49,580	(20,880)	(11,338)	(6)	17,362
Interest income	4,359	-	445	(7)	4,804
Total income	345,745	(20,880)	(48,119)		276,746
Expenditure					
Staff costs	229,745	(6,106)	(32,239)	(8)	191,400
Other operating expenses	73,026	(13,432)	25,573	(9)	85,167
Interest payable	3,412	-	(3,412)	(10)	-
Depreciation	28,877	-	(28,877)	(11)	-
Total expenditure	335,060	(19,538)	(38,955)		276,567
Surplus for the year before taxation	10,685	(1,342)	(9,164)		179

1. Ancillary activities
Ancillary activities as detailed in Note 14 of the Funding Statements are not eligible for state funding and under the Harmonisation Agreement, surpluses and losses on such activities are transferred directly to reserves. Under Generally Accepted Accounting Principles (GAAP), ancillary activities are included in the Income and Expenditure Account rather than reserves. Both income and expenditure in the Consolidated GAAP accounts include €1.9m relating to rents for the co-ownership of Trinity Hall which are netted against each other in Note 14 of the Funding Statements.

2. Deferred Grant
In the Funding Statements supplementary grant income is included in the Income and Expenditure Account in the year in which it is received. Under GAAP supplementary grant income received after the year end is recorded in the Income and Expenditure Account in the year to which the grant applies. In addition, during 2010 €7.3m of state grant income in the Funding Statements was deferred to the Balance Sheet to fund a VERI (Voluntary Early Retirement Initiative). This deferral was not reflected in the Consolidated GAAP accounts.

RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS TO HEA FUNDING STATEMENTS

3. Reclassification of student fee income
In the Funding Statements, Non EU Medical and Dental fee income is included up to the EU level with any excess (up to the most recent related Unit Cost) being reported under "other income". The Unit Cost is the average unit cost per student in each subject grouping across the University Sector, as communicated by the HEA. Any further excess over the most recent related Unit Cost is included in the Schools' accounts in the Balance Sheet. Under GAAP, the entire Non-EU fee is reported as fee income under Academic fees.

4. Research grants
In the Funding Statements, research grants are included in the Income and Expenditure Account to the extent of expenditure (including capital expenditure) incurred in the year. Under GAAP, capital expenditure on research projects is capitalised in the Balance Sheet.

In the Funding Statements, certain research overhead income is not recognised in the Income and Expenditure Account. Under GAAP both the income and expenditure is recognised.

5. Amortisation of Deferred Capital Grants
In the Funding Statements, amortisation is matched with the depreciation charge, regardless of whether or not the asset is fully grant funded. This results in a neutral effect on the Income and Expenditure Account. Under GAAP, amortisation is calculated to write off the capital grant over the life of the asset. Where the asset is not fully grant funded the depreciation charge will be greater than the amortisation credit.

6. Other operating income
In the Funding Statements certain activities are not recognised in the Income and Expenditure Account. These include income from self-financing courses and activities, non-academic service areas and other ancillary activities. Under GAAP, this income has been included in the Income and Expenditure account.

7. Interest income
In the Funding Statements interest income is included in "other income" and shown net of charges of €0.3m and includes notional interest of €0.5m. Under GAAP interest income is shown separately on the Income and Expenditure Account, there is no netting of charges and notional interest income is eliminated from the accounts.

8. Staff costs
In the Funding Statements only core funded pay costs are recognised in the Income and Expenditure Account. Under GAAP all staff costs including self-financing activities, non-academic service areas and other ancillary activities are recognised in the Income and Expenditure Account.

9. Other operating expenses
In the Funding Statements, capital projects funded from recurrent income are charged to the Income and Expenditure Account. Under GAAP this expenditure is excluded from the Income and Expenditure Account and is included within additions to fixed assets.

As explained in Note 6 above, in the Funding Statements certain activities are not recognised in the Income and Expenditure Account. These include income and expenditure from self-financing courses and activities, non-academic service areas and other ancillary activities. Under GAAP both the income and expenditure must be recognised.

In the Funding Statements all research expenditure, including capital equipment, is recognised as research income and expenditure. Under GAAP capital expenditure cannot be treated in this way.

10. Interest payable
The interest element of lease payments on Trinity Hall is included directly in the General Reserve in the Balance Sheet in the Funding Statements. Under GAAP interest payable is recognised in the Income and Expenditure Account.

11. Depreciation
In the Funding Statements, depreciation is included directly in the General Reserve in the Balance Sheet. Under GAAP depreciation is recognised in the Income and Expenditure Account.