The Financial Statements that follow were presented to the Board of the College at its meeting of 25 February 2015.

Explanatory Foreword
Financial Statements for the Year-ended 30 September 2012

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 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 2012 were approved by Board on 23 January 2013 and the Consolidated Financial Statements for 2012 were approved by Board on 25 February 2015.

On first reading, the GAAP consolidated results for the College may appear significantly different 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 2012 please refer to the reconciliation as set out in the Financial Statements on pages 57 to 58. The Chief Financial Officer's Report on pages 3 to 4 also refers to specific adjustments that have resulted in a deficit on the Consolidated Financial Statements during the year.

The 2012 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 2012 and they have qualified the accounts on this basis. This qualification is a technical qualification and arises due to a lack of sufficient evidence from the State 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 and Pension Supplementation 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.

Coláiste na Tríonóide, Baile Átha Cliath
Trinity College Dublin
Ollscoil Átha Cliath | The University of Dublin

TRINITY COLLEGE DUBLIN, THE UNIVERSITY OF DUBLIN
FINANCIAL STATEMENTS

(incorporating Consolidated Financial Statements and Extract from Funding Statements)

Year ended 30 September 2012

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

Chief Financial Officer'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 25 February 2015. The Consolidated Financial Statements are 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 Consolidated 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 effect from 1 October 2011 the College voluntarily adopted the SORP in full which results in the inclusion of Trinity Endowment Fund, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association within the consolidated financial statements from that date and a restatement of comparatives. The criteria for recognition of Trinity Endowment Fund in the SORP are different from those included in Irish GAAP. Under the SORP the Trinity Endowment Fund is accounted for within the College's individual financial statements. Also, under full adoption of the SORP, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association meet specific SORP criteria for consolidation which are different from Irish GAAP. 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 2012. The HEA Funding Statements, approved by Board on 23 January 2013, 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 primarily report the core teaching/research and research grants and contracts activity in the Income and Expenditure Account.

The Consolidated Financial Statements of the Group include the College and its subsidiary undertakings Ghala Limited, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association. 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 Pension Funds and Capitated Bodies have not been included in the Consolidated Financial Statements as the College considers it does not directly control them. Intra-Group income and expenditure are eliminated fully on consolidation.

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 (consistent with other Irish universities) 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 2012 and they have qualified the audit opinion 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 and Pension Supplementation 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

The income and expenditure position is summarised below:

	2011/12	Restated 2010/11
Consolidated Income	€323.4m	€326.3m
Consolidated Expenditure	€344.6m	€335.3m
Consolidated deficit	(€21.1m)	(€9.0m)
Funding Statements surplus	€0.1m	€0.1m

The main sources of movement between the Consolidated Financial Statements deficit and the Funding Statements surplus are due to a number of differences in accounting treatments between the two formats (e.g. endowment funds, subsidiary companies, ancillary activities, student fees, amortisation and depreciation of capital items, research income, interest income) and explanatory notes are set out in the reconciliation on pages 57 to 58.

The key movements between the 2011/12 Consolidated Financial Statements deficit of €21.1m and the 2010/11 Consolidated Financial Statements deficit of €9.0m are set out below.

Consolidated income for 2011/12 amounted to €323.4m (2010/11: €326.3m) which represents decreases in state grant of €8.1m and research income of €2.5m. This is offset by increases in other operating income of €4.7m, academic fee income of €2.0m, interest income of €0.7m and amortisation of deferred capital grants of €0.2m. The financial performance for the year reflects the impact of the 7% sectoral reduction in notified State grant. The percentage of total income that relates to non- exchequer sources amounts to 48% (2010/11: 43%).

Chief Financial Officer's Report (cont'd..)

Consolidated expenditure for the year amounted to €344.6m (2010/11: €335.3m). The movement of €9.3m primarily relates to increases in staff costs of €1.4m, other operating expenses of €1.6m, interest payable of €0.7m and losses on revaluation of investment properties of €6.4m, which mainly relates to the Biosciences commercial property, as a result of market movements outside the College's control. This is offset by a reduction in the depreciation charge of €0.8m.

During the year the College reassessed the depreciation rates for buildings and has revised the estimated useful economic life of historic buildings to 80 years (from 50 years previously). The impact of the change in the estimation technique for historic building depreciation in the year was to reduce the depreciation charge in the current year on land and buildings by €1.2m and to reduce the corresponding amortisation of capital grants income by €0.5m.

The level of research activity for 2011/12 recorded in the Consolidated Financial Statements (measured on the basis of expenditure activity during the year and not income received) amounted to €76.0m (2010/11: €78.5m). 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.

Balance Sheet

As reported in the Consolidated Financial Statements, the net assets of the Group amount to €937.9m at 30 September 2012 (2010/11 €945.8m). Capital additions during the year amounted to €22.4m (2010/11: €53m) and mainly related to land and building additions of €10.7m which included Trinity Biomedical Sciences Institute (€3.2m), ISS Data Centre (€1.8m), Welcome Cancer Research Facility in St. James's hospital (€3.5m) and the Nuclear Magnetic Resonance Facility (€1.2m). Other additions of equipment of €11.8m includes costs of IT Transformation Projects of €6.1m (Genesis Student Information System €3.6m, Financial Information System €1.5m, Human Resources €0.7m, Information Systems Services €0.3m).

The Group has cash balances of €202.8m at 30 September 2012 (2011: €215.7m) and a €75 million loan facility with the European Investment Bank, all of which was drawn down at 30 September 2012. The College complied with all of its bank covenants at the year end.

Conclusion

Since 2007, the College has seen its total exchequer funding reduced from 65% of total income to 52%. Excluding undergraduate fee income paid under the State's "Free Fees Initiative", the total income received from the State represents only 38% of College's total income in 2012 as opposed to 53% in 2007.

It is clear from this steadily declining level of public funding, coupled with further reductions highlighted in the annual HEA grant allocation letter, the College's focus must continue on the three main areas of non-exchequer income generation – international student intake, commercialisation and philanthropy – along with strategic re-profiling/reductions in pay and non-pay expenditure where possible to facilitate College's pursuit of its strategies and goals on a financially sustainable basis.

The College has shown itself to be resilient throughout the period of economic crisis since 2008 and has a strong Balance Sheet with net assets in excess of €900 million, having made significant capital investment in recent years. The College is running a planned deficit as a result of its upfront investment in approved revenue generation and cost reduction strategies and provision for asset renewal. The College currently expects to report planned deficits for the next 4-5 years and make planned use of reserves as necessary. The College has a clear plan to return to surplus in 2018/19 with strategies in place and being developed to achieve this target.

In the years ahead, there is no doubt that the future financial environment will continue to provide significant challenges to the College's ability to plan strategically as a result of –

- Global economic uncertainty
- Limited visibility on the levels of future government funding
- Reliance on exchequer funding for core and research funding
- Uncertainty around the re-introduction of tuition fees
- A lack of a dynamic State funding model
- No agreed framework for renewal and resilience provisioning
- Barriers to recovering the full economic cost of key activities
- Increased competition in student and staff recruitment
- External factors influencing student and staff retention

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

IAN MATHEWS
CHIEF FINANCIAL OFFICER

Statement of Responsibilities

Trinity College Dublin, the University of Dublin ("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 Trinity College Dublin, the University of Dublin

DR PATRICK PRENDERGAST	IAN MATHEWS
PROVOST	CHIEF FINANCIAL OFFICER

Statement of Governance and Internal Control

On behalf of the Board of Trinity College Dublin, the University of Dublin, we acknowledge that the Board 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.

The 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:

- 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;

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

- 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;

- 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;

- Control Exception Reports are compiled by the Financial Services Division and considered by the Finance Committee on a biannual basis. Actions are identified to address the matters identified;

- 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;

- 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;

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

(ii) The following processes are used to identify organisational 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;

- 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. In addition, College Directors on these bodies now provide six-monthly reports to Board under the following headings:
    - Name
    - Participating institutions
    - Objectives
    - Major ongoing activities
    - Future plans

Statement of Governance and Internal Control (cont'd..)

- Deviation (if any) from original objectives
- Nature and significance of risks to entity and significance to College;

(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 budget allocation system and has developed a 5 year financial planning model. It carries out an annual budgeting process (Annual Budgetary Cycle) and the resulting budgets are approved by the Finance Committee and then Board. Budgets are reviewed against actual during the year as part of the Annual Estimates process which is also approved by the Finance Committee and Board. Monthly reports are issued to budget-holders and 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 the Board through Finance Committee for all financial matters of his/her Faculty. The Financial Services Division 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 Financial Services Division. This Division 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:
  - Audit Committee
  - Finance Committee
  - Human Resources Committee
  - Estates Policy Committee
  - Student Life 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.

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

During the financial year, in cases where failings in internal control were identified by Internal Audit, improvements were adopted and implemented. However, no material 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.

In accordance with paragraph 2.11 our Code of Governance which conforms fully with the HEA-issued code, I would like to advise as follows:

i) Statutory Obligations: The Board of the College recognises that it is responsible for ensuring compliance with all statutory obligations applicable to the College as laid out in the Universities Act and other relevant legislation.

ii) Code of Governance and Codes of Conduct: The Board of the College, at its meeting of 19 June 2013 adopted a Trinity College Dublin Code of Governance in respect of the Governance of the College, and a code of conduct for Board members and staff of the College.

Statement of Governance and Internal Control (cont'd..)

iii) Financially Significant Developments: See Chief Financial Officer's Report on pages 3 to 4 for details on financially significant developments. The College continues to be extremely diligent and proactive in the manner in which it manages its finances and due to actions taken by the Board along with the continued flexibility and goodwill shown by students and staff. In relation to the Funding Statements the College had no accumulated recurrent deficit at 30 September 2012 and forecasted and achieved an approximate break-even budget in 2013 as per the signed Funding Statements for the year ended 30 September 2013. As previously advised, the College continues to experience an erosion of its core funding from the State and is financially constrained in the absence of base funding levels and multi-year funding, both of which are key in providing a platform for effective strategic financial planning. In the context of the current financial environment, the Board is committed to a financial strategy of operating within available resources; promoting non-exchequer and exchequer income generation, prioritising cost management, procurement and efficiency initiatives and investing for the future where appropriate. Financial risks are continually assessed in accordance with the College's overall risk policy.

iv) Government Policy on Pay: The College affirms that, to the best of its knowledge, it is compliant with Public Pay Policy and the relevant frameworks of the Universities Act 1997.

v) Financial Reporting, Internal Audit, Procurement and Asset Disposals: In regard to financial reporting and related matters, the following is confirmed:

a. All appropriate procedures for the production of the Annual Financial Statements are in place.
b. An Audit Committee with an independent, external Chairman and Deputy Chairman has been in place since December 1998 and reports annually to the Board. The work of the Committee is supported by an independent internal audit function.
c. Procurement procedures are in place, and are communicated to College staff and monitored by the College's Procurement and Contracts Officer.
d. Asset disposal is governed by established College procedures. To the best of my knowledge and belief the College is fully compliant with these.

vi) Guidelines for the Appraisal and Management of Capital Projects: The College has put in place procedures to facilitate compliance with the guidelines for the appraisal and management of Capital Projects issued by the Department of Finance in 2005.

vii) Travel Policy: The College is compliant with the Government travel policy as enshrined in its own Board approved policy. Any exceptions to this policy are reported to the Finance Committee on a regular basis and appropriate action taken.

viii) Value for Money: The College has followed the guidelines on achieving value for money in Public Expenditure as set out in the address by the Minister for Finance of 20 October 2005.

ix) Compliance with Tax Laws: The College is fully compliant with taxation laws and is fully committed to ensuring that all tax liabilities are paid on the relevant due dates.

x) Child Protection: The Board approved a Child Protection Policy at its meeting on 29 February 2012.

xi) Governing Authority Fees and Expenses: No fees are paid to members of the Governing Authority. I can confirm that €123.40 was paid to board member Professor Des O'Neill in 2011-2012 as reimbursement for travel to meetings of the Board and associated committees. Provost's salary: The Provost was paid the following salary in the period: 1 October 2011 – 30 September 2012- €201,492*

**The Provost has waived that portion of his salary in excess of €200,000 in favour of the student body in TCD.*

xii) Subsidiary Companies: I can confirm that a Code of Governance is in place in respect of trading subsidiaries and that annual statements are provided to the board for consideration.

On behalf of Trinity College Dublin, the University of Dublin

________________	________________
DR PATRICK PRENDERGAST	IAN MATHEWS
PROVOST	CHIEF FINANCIAL OFFICER

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

We have audited the financial statements of the College for the year ended 30 September 2012 as set out on pages 11 to 40. 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 33 to the financial statements, an asset representing a receivable from the State, equivalent to the value of the College's 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 reserve) on the basis that the Board consider the College's net 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 consolidated income and expenditure 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 the Model and Pension Supplementation defined benefit pension schemes operated by the College.

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

In the absence of the State's formal acceptance of the obligation to fund deficits in the College's Model and Pension Supplementation defined benefit pension schemes, it is not appropriate to recognise the pension receivable pertaining to the deficits on those schemes on the Consolidated and College balance sheets at 30 September 2012 and 30 September 2011.

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 Model and Pension Supplementation defined benefit pension schemes remains contingent in nature until the State formally accepts the obligation.

Accordingly, the pension receivable asset, net assets and revenue reserve in the Consolidated and College balance sheets at 30 September 2012 should be reduced by €388,068,000 and the result after taxation in the Consolidated Income and Expenditure Account for the year ended 30 September 2012 should be restated to a deficit of €48,265,000.

Also, in relation to the prior year, the pension receivable asset, net assets and revenue reserve in the Consolidated and College balance sheets at 30 September 2011 should be reduced by €292,617,000 and the result after taxation in the Consolidated Income and Expenditure Account for the year ended 30 September 2011 should be restated to a deficit of €38,141,000.

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 40 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 2012 and of the Group's deficit 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 Chief Financial Officer's report is consistent with the financial statements.

On 23 January 2013 we reported that the Funding Statements, from which an extract is set out on pages 41 to 56, had been properly prepared in accordance with the most recent Harmonisation of Accounts agreement.

Sean O'Keefe **2015**
For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

Statement of Accounting Policies

The significant accounting policies adopted by Trinity College Dublin, the University of Dublin (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 effect from 1 October 2011 the College voluntarily adopted the SORP in full which results in the inclusion of Trinity Endowment Fund, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association within the consolidated financial statements from that date and a restatement of comparatives. The criteria for recognition of Trinity Endowment Fund in the SORP are different from those included in Irish GAAP. Under the SORP the Trinity Endowment Fund is accounted for within the College's individual financial statements. Also, under full adoption of the SORP, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association meet specific SORP criteria for consolidation which are different from Irish GAAP.

The impact of full adoption of the SORP on the comparative figures is disclosed in Note 35.

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

Basis of consolidation
The consolidated financial statements of the Group include the College and its subsidiary undertakings (as defined by the SORP) Ghala Limited, Trinity Foundation, TCD Education Endowment Fund and TCD Trust, and TCD Association. The Trinity Endowment Fund is accounted for within the College's individual financial statements in accordance with the SORP. Other undertakings in which the College has an interest, as indicated in Note 32, have not been consolidated on the basis that they are not controlled by the College or on the grounds of immateriality. Intra-Group income and expenditure are eliminated fully on consolidation.

In accordance with FRS 2 ("Accounting for Subsidiary Undertakings"), the financial statements of the Pension 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 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.

Income from endowments is credited to the Income and Expenditure account on a receivable basis. Any unspent income is retained as accumulated income within the endowment fund reserve.

Income received through Trinity Foundation for specific projects is recognised to the extent of the project expenditure incurred, with income received in excess of this level being treated as deferred income in the balance sheet.

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. Land is not depreciated. Historic buildings are depreciated over their expected useful economic life to the College of 80 years, other buildings are depreciated over 50 years, except where held under finance leases, where they are depreciated over the lease term.

Statement of Accounting Policies (cont'd..)

(a) Land and buildings - continued

During the year the College reassessed the depreciation rates for buildings and has revised the estimated useful economic life of historic buildings to 80 years (from 50 years previously) except where held under finance leases.

Accordingly, the net book value of historic buildings held at 1 October 2011 (except where held under finance lease) is now being spread over the unexpired portion of the revised 80 year total estimated useful economic life. The impact of the change in the estimation technique for building depreciation in the year was to reduce the total depreciation charge by €1.2m. The approach to amortisation of deferred capital grants was also correspondingly revised resulting in a reduction in amortisation income by €0.5m.

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.

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
Computer software	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.

Heritage assets

The College holds and maintains certain heritage assets, such as paintings, silver, sculptures and priceless manuscripts. The College conserves these assets for research and teaching and for interaction between the College and the public.

Heritage assets acquired pre 1 October 2006 are not capitalised in the financial statements because it is considered that no meaningful value can be attributed to them owing to the lack of information on the original

Statement of Accounting Policies (cont'd..)

Heritage assets - continued
purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred.

In relation to Heritage asset additions acquired subsequent to 1 October 2006, the College capitalises these at either their cost (in the case of acquisitions made by the College) or their fair value (in the case of donations).

Donated heritage assets are capitalised with reference to their insurance value, as this approximates their fair value. Heritage assets valued at less than €150,000 are not capitalised in the financial statements.

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. Movements in value are reflected in the revaluation reserve, except where a revaluation loss exceeds the amount of any previous revaluation gains for a property, in which case the excess of the loss over the previous gains is taken to the income and expenditure account.

Endowments
Investments are stated at the following valuations:
Quoted investments are stated at market value based on prices ruling at the balance sheet date. Unit trusts are stated at the average of the latest bid and offer prices quoted by the investment managers prior to the year end date. Investments which are held in managed funds and unit linked funds are stated at bid prices at the balance sheet date. The market values of foreign investments are converted to euro using the rates of exchange ruling at the year-end.

Changes to the market value of endowment investments are reported in the statement of total recognised gains and losses as increases or decreases to Endowment Assets and Funds.

Other Investments
Other investments are stated at market value.

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

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

Retirement benefits
The College has certain defined benefit arrangements as detailed in Note 33.

The College and Trinity Foundation operate defined contribution schemes. The assets of the scheme are held separately in independently administered funds. The amount charged to the income and expenditure account represents the contribution payable to the schemes 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 (if any) 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 (if any) 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 33, 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 INCOME AND EXPENDITURE ACCOUNT
Year Ended 30 September 2012

	Notes	2012 €'000	2011 €'000
Income			
State grants	1	58,650	66,739
Academic fees	2	113,833	111,865
Research grants and contracts	3	75,950	78,486
Amortisation of deferred capital grants	20	14,465	14,301
Other operating income	4	49,478	44,808
Interest income		4,449	3,725
Other finance income/(expense)	5	-	-
Endowment income	6	6,613	6,401
Total Income		323,438	326,325
Expenditure			
Staff costs	7	220,946	219,585
Other operating expenses	8	84,850	83,219
Interest payable	9	4,794	4,081
Depreciation	11	26,474	27,325
Loss on revaluation of investment properties	13	7,515	1,127
Total Expenditure		344,579	335,337
Deficit for the year before taxation		(21,141)	(9,012)
Taxation	10	-	-
Deficit for the year after taxation		(21,141)	(9,012)
Less: Surplus for the year transferred to accumulated income in endowment funds	21	(246)	(1,079)
Deficit for the year retained within revenue reserve	23	(21,387)	(10,091)

The income and expenditure account is in respect of continuing activities. The financial statements on pages 11 to 40 were approved by the Board of the College on 25 February 2015 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS
Year Ended 30 September 2012

	2012 €'000	2011 €'000
Deficit for the year after taxation	(21,141)	(9,012)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	4,420	5,569
Historical cost deficit for the year before taxation	(16,721)	(3,443)
Historical cost deficit for the year after taxation	(16,721)	(3,443)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2012

	Notes	2012 €'000	2011 €'000
Deficit for the year after taxation		(21,141)	(9,012)
Additional revaluation loss on investment properties not reflected in income and expenditure account	13	(965)	(1,118)
New endowments	21	2,646	1,444
Net appreciation/(depreciation) of endowment asset investments	21	11,934	(9,975)
Actuarial (loss)/gain in respect of pension schemes	33	(194,974)	118,185
Movement on pension receivable	33	194,974	(118,185)
Total recognised losses for the year		(7,526)	(18,661)
Prior year adjustment	35	143,516	
Total recognised gains and losses since last annual report		135,990	

CONSOLIDATED AND COLLEGE BALANCE SHEETS
Year Ended 30 September 2012

		Consolidated		College	
	Notes	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Fixed assets					
Tangible assets	11	771,202	775,449	771,161	775,399
Investments	12	715	1,315	-	-
Investment properties	13	43,930	54,245	43,930	54,245
		815,847	831,009	815,091	829,644
Endowment assets	14	139,668	124,842	139,668	124,842
Current assets					
Debtors	15	49,464	60,613	49,918	61,274
Stock	16	469	425	464	420
Cash at bank and in hand	31	30,992	14,697	24,043	9,705
Short term deposits	31	171,803	201,020	159,575	189,153
		252,728	276,755	234,000	260,552
Creditors: amounts falling due within one year	17	(136,461)	(149,004)	(132,132)	(148,432)
Net current assets		116,267	127,751	101,868	112,120
Total assets less current liabilities		1,071,782	1,083,602	1,056,627	1,066,606
Creditors: amounts falling due after more than one year	18	(133,922)	(137,833)	(133,869)	(137,727)
Net assets excluding pension (liability)/asset		937,860	945,769	922,758	928,879
Pension liability	33	(1,139,996)	(895,407)	(1,139,996)	(895,407)
Pension receivable	33	1,139,996	895,407	1,139,996	895,407
Net Assets		937,860	945,769	922,758	928,879

CONSOLIDATED AND COLLEGE BALANCE SHEETS (continued)
Year Ended 30 September 2012

	Notes	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Represented By:					
Deferred capital grants	20	429,114	429,497	429,114	429,497
Endowment funds: Permanent	21	131,518	118,228	131,518	118,228
Expendable	21	8,150	6,614	8,150	6,614
		139,668	124,842	139,668	124,842
Revaluation reserve	22	332,647	333,612	332,647	333,612
Revenue reserve	23	36,431	57,818	21,329	40,928
	23	369,078	391,430	353,976	374,540
		937,860	945,769	922,758	928,879

The financial statements on pages 11 to 40 were approved by the Board of the College on 25 February 2015 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

CONSOLIDATED CASHFLOW STATEMENT
Year Ended 30 September 2012

	Notes	2012 €'000	2011 €'000
Net cash (outflow)/inflow from operating activities	26	(21,073)	29,461
Returns on investments and servicing of finance	27	6,635	7,562
Capital expenditure and financial investment	28	1,579	(9,292)
Net cash (outflow)/inflow before management of liquid resources and financing		(12,859)	27,731
Management of liquid resources	29	29,217	(51,719)
Financing	30	-	15,000
Increase/(decrease) in cash in the year	31	16,358	(8,988)

Reconciliation of net cash flow to movement in net funds

	Notes	2012 €'000	2011 €'000
Increase/(decrease) in cash in the year	31	16,358	(8,988)
(Decrease)/increase in liquid resources	31	(29,217)	51,719
Increase in bank loans	31	-	(15,000)
Movement in net funds resulting from cash flows		(12,859)	27,731
Increase in finance lease obligations	31	(367)	(461)
Movement in net funds in year		(13,226)	27,270
Net funds at beginning of year	31	81,845	54,575
Net funds at end of year	31	68,619	81,845

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 State grants	2012 €'000	2011 €'000
State grants allocated for recurrent purposes	58,650	66,739

The above grant income was received from the following sources:	2012 €'000	2011 €'000
HEA	54,723	62,447
Department of Health and Children	3,927	4,292
	58,650	66,739

Reconciliation of State grant received to income recognised	2012 €'000	2011 €'000
State grant received in respect of current year	59,304	71,020
State grant deferred from prior accounting year (Note 17)	8,353	4,072
State grant deferred to subsequent accounting years (Note 17)	(9,007)	(8,353)
	58,650	66,739

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 received will be deferred to subsequent accounting periods in order to match the funding to the related expenditure.

2 Academic fees	2012 €'000	2011 €'000
Academic fee income	112,424	110,044
Miscellaneous fee income	1,409	1,821
Total fees paid by or on behalf of individual students	113,833	111,865

A total of €43,836,406 (2011: €46,695,357) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,554,802 (2011: €4,978,128).

The academic fee income is analysed as follows:	2012 €'000	2011 €'000
Full time EU	83,601	81,113
Full time non EU	19,824	21,353
Part time EU	7,422	7,016
Part time non EU	1,555	539
Short courses	22	23
	112,424	110,044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

3 Research grants and contracts

	2012 €'000	2011 €'000
State and semi-state	50,777	55,010
European Union	10,851	7,960
Industry	1,874	2,487
Other	5,756	5,615
SFI Overheads	6,692	7,414
	75,950	78,486

4 Other operating income

	2012 €'000	2011 €'000
Academic Schools and Faculty Offices	7,804	6,482
Service areas	2,461	3,086
Catering	2,722	2,937
Residences	10,351	9,540
Other ancillary services	829	839
Rental income	5,296	4,577
Funded post income	475	594
Library income	6,796	6,402
Concession income	826	826
Non academic other activities	5,398	4,674
Science Gallery	1,665	1,532
HEA pension income	1,850	1,850
Other income	3,005	1,469
	49,478	44,808

5 Other finance income/(expense)

	Notes	2012 €'000	2011 €'000
Interest on pension liabilities	33	(47,856)	(47,092)
Movement on pension receivable to offset finance expense	33	47,856	47,092
		-	-

6 Endowment income

	Notes	2012 €'000	2011 €'000
Income from permanent endowments	21	6,300	6,137
Income from expendable endowments	21	313	264
		6,613	6,401

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7 Staff costs

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

	Notes	2012 Number	2011 Number
Teaching and research		1,252	1,243
Technical		969	947
Support services		908	875
Other		709	766
		3,838	3,831

		2012 €'000	2011 €'000
Salaries and wages		185,749	185,212
Social welfare costs		13,207	13,237
Other pension costs**		21,990	21,136
		220,946	219,585

** Other pension costs in respect of:	Notes	2012 €'000	2011 €'000
Defined benefit	33	28,392	32,651
Defined contribution	33	128	130
Movement on pension receivable to offset FRS 17 incremental costs	33	(6,530)	(11,645)
		21,990	21,136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8 Other operating expenses	2012 €'000	2011 €'000
Telephone and related charges	680	747
Conference fees	754	492
Consumables	16,245	15,484
Computer and other equipment	8,066	7,457
Heat, light, water and power	8,162	6,538
Books and periodicals	2,916	2,552
Repairs and general maintenance	10,887	11,718
Insurance	1,143	1,117
Audit and professional	4,021	3,614
Rent and rates	2,424	2,704
Print and stationery	4,409	4,364
Travel and subsistence	5,210	4,956
Hospitality and entertainment	811	795
Recruitment	352	241
Capitation	1,142	1,149
Academic fees	5,648	5,981
Scholars and fellows costs	1,525	1,018
Student awards	1,426	1,486
Examination costs	553	538
Bank charges	310	371
Trinity Foundation direct expenditure	1,492	385
Endowment funds direct expenditure	1,847	1,666
Other expenses	4,827	7,846
	84,850	83,219

Other operating expenses include:		
Auditors' remuneration (including VAT)	165	138

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

Free fees (fee waivers and scholars fees) of €1.9m (2011: €1.4m) are shown in fee income and the related deemed expenditure shown in other expenses. This is consistent within the University sector.

9 Interest payable	2012 €'000	2011 €'000
On finance leases	3,469	3,443
On bank loan	1,325	638
	4,794	4,081

10 Taxation

There is no corporation tax charge for the College and its subsidiary undertakings in the current year as they hold tax-exempt status.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11 Tangible fixed assets	Land and Buildings €'000	Computer Equipment €'000	Equipment €'000	Total €'000
CONSOLIDATED				
Cost or valuation				
At 1 October 2011	921,719	17,218	143,667	1,082,604
Additions	10,660	17	11,752	22,429
Disposals	-	(458)	(1,201)	(1,659)
At 30 September 2012	932,379	16,777	154,218	1,103,374
Depreciation				
At 1 October 2011	167,563	15,211	124,381	307,155
Depreciation for year	16,237	810	9,427	26,474
Disposals	-	(458)	(999)	(1,457)
At 30 September 2012	183,800	15,563	132,809	332,172
Net book value				
At 1 October 2011	754,156	2,007	19,286	775,449
At 30 September 2012	748,579	1,214	21,409	771,202
COLLEGE				
Cost or valuation				
At 1 October 2011	921,719	16,968	143,541	1,082,228
Additions	10,660	-	11,752	22,412
Disposals	-	(463)	(1,201)	(1,664)
At 30 September 2012	932,379	16,505	154,092	1,102,976
Depreciation				
At 1 October 2011	167,563	14,980	124,286	306,829
Depreciation for year	16,237	796	9,410	26,443
Disposals	-	(458)	(999)	(1,457)
At 30 September 2012	183,800	15,318	132,697	331,815
Net book value				
At 1 October 2011	754,156	1,988	19,255	775,399
At 30 September 2012	748,579	1,187	21,395	771,161

During the year the College reassessed the depreciation rates for buildings and has revised the estimated useful economic life of historic buildings to 80 years (from 50 years previously). The impact of the change in the estimation technique for building depreciation in the year was to reduce the total depreciation charge by €1.2m.

11 Tangible fixed assets *(continued)*

Land and Buildings include assets valued by the Board of the College in 1998 and the historical cost of assets revalued amounts 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 the course of construction in 2011/12 of €4,175,414 (2010/11: €742,683).

In applying FRS 5 *'Reporting the Substance of Transactions'*, the College has included in Land and Buildings property for which the related liabilities of €58,868,991 (2010/11: €58,501,978) are included in creditors (see Note 18). The net book value of this property was €59,040,000 at 30 September 2012 (2010/11: €60,480,000).

In addition, included in Land and Buildings are other assets with a net book value of €67,329,665 (2010/11: €77,999,184) in order to report the substance of the arrangements in place rather than the legal form.

Heritage Assets
The College holds and maintains certain heritage assets, such as paintings, silver, sculptures and priceless manuscripts. The College conserves these assets for research and teaching and for interaction between the College and the public.

Heritage assets acquired pre 1 October 2006 are not capitalised in the financial statements because it is considered that no meaningful value can be attributed to them owing to the lack of information on the original purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred. Key heritage assets held by the College fall into the categories detailed below.

Library:
Trinity College Library has over 5 million printed volumes with extensive collections of journals, manuscripts, maps and music reflecting over 400 years of academic development. The Library displays a rare collection of ancient books and manuscripts, including the Book of Kells which has been on display in the Old Library at Trinity College from the mid 19th century. The Library has an online presence at www.tcd.ie/Library. This includes links to preservation and conservation, catalogue information and exhibitions and events.

Museums:
Departmental collections contain over 200,000 specimens of rocks, minerals, fossils, meteorites and models, as well as photographic materials, and archives, together with examples of extinct and endangered species and insect collections and specimens many of which are of considerable national and international significance.
The artefacts in the *Weingreen Museum* are central to undergraduate teaching about the history and cultures of the ancient Near East, as well as being employed by those teaching archaeological method in modules for Ancient History and Archaeology. The *Anatomy Museum* has many fine historic dissections which the students can use to increase their understanding of the 3-dimensional nature of the body.

Art Collection:
The College possesses a significant art collection acquired over a period of 300 years including a distinguished collection of historic portraits and sculptures by Irish and international artists and these are on public display throughout the College.

Silver:
The Silver Collection at Trinity College dates back to the seventeenth century and includes ceremonial, official, ecclesiastical and domestic plate, along with Sheffield and electroplate items, a selection of snuff boxes and ashtrays, and a gold cigarette case. The College Mace and a selection of the College Plate are used for ceremonial and decorative purposes at Commencements and special College dinners. The collection is currently used for educational and research purposes and is being considered for public display in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11 Tangible fixed assets *(continued)*

Heritage assets additions/disposals:
Heritage assets of €0.35m were donated to Trinity College between 1 October 2007 and 30 September 2012 and are summarised below. These have not been capitalised in the financial statements as each individual item is valued at less than the €0.15m threshold.

	2007/08	2008/09	2009/10	2010/11	2011/12
Value of acquisitions by donation	€0.04m	€0.04m	€0.04m	€0.15m	€0.08m

There were no disposals of heritage assets between 1 October 2007 and 30 September 2012.

12 Investments within Fixed Assets

	Consolidated 2012 €'000	2011 €'000
At beginning of year	1,315	1,443
Encashment of investments	(733)	-
Increase/(decrease) in market value of investments	133	(128)
At end of year	715	1,315
Represented by:		
Bonds	-	734
Equities	715	581
Total investments within fixed assets	715	1,315
Investments at cost – at end of year	734	1,467

These investments are owned by TCD Education Endowment Fund and TCD Trust, which meets the definition of a subsidiary undertaking under the SORP.

13 Investment Properties

	Consolidated and College 2012 €'000	2011 €'000
At beginning of year	54,245	17,891
Adjustment in year	(1,835)	-
Reclassification from tangible fixed assets at net book value	-	38,599
Revaluation gains in year	-	57
Revaluation losses in year	(8,480)	(2,302)
At end of year	43,930	54,245

Knight Frank Limited valued all investment properties at 30 September 2012 at market value in accordance with the Royal Institution of Chartered Surveyors valuation standards. The valuations of Lincoln House, Oisin House and 3&4 South Leinster Street/18-19 Lincoln Place at 30 September 2012 resulted in revaluation deficits of €0.5m, €0.9m and €0.1m in 2012 respectively. Trinity Biomedical Sciences Institute (commercial element) was valued at €29.65m as at 30 September 2012 resulting in a revaluation deficit of €7.0m in 2012.

€0.97m of the revaluation loss in the year on investment properties has been taken to the revaluation reserve in the Balance Sheet (2011: €1.12m) and €7.51m has been recognised as a loss in the income and expenditure account (2011: €1.13m).

An adjustment of €1.8m arose in 2012 due to the final actual costs of developed property being lower than accrued costs at the previous year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

14 Endowment Assets	Notes	Consolidated and College 2012 €'000	2011 €'000
At beginning of year		124,842	132,294
New endowments	21	2,646	1,444
Net increase/(decrease) in market value of investments	21	11,934	(9,975)
Surplus transferred from income and expenditure account	21	246	1,079
At end of year		139,668	124,842
Represented by:			
Bonds		58,322	51,886
Equities		58,947	53,009
Zero Coupon Bonds		1,812	1,814
Diversified alternatives		3,955	3,842
Property		7,023	7,195
Cash deposits		8,700	5,200
Working capital		909	1,896
Total endowment assets		139,668	124,842

15 Debtors	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Trade debtors	3,593	4,860	3,667	4,962
Research grants and contracts receivable	13,056	12,775	13,056	12,775
State capital grants receivable	22,186	35,505	22,186	35,505
Non State capital funding receivable	2,712	743	2,712	743
Prepayments and other debtors	7,917	6,730	8,296	7,288
Amounts due from subsidiary undertakings	-	-	1	1
	49,464	60,613	49,918	61,274

16 Stocks	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Raw materials and consumables	134	109	134	109
Finished goods for resale	335	316	330	311
	469	425	464	420

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

17 Creditors: Amounts falling due within one year	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Trade creditors	6,993	6,163	6,550	5,866
Research grants and contracts in advance	33,751	35,968	33,751	35,968
Academic fees received in advance	38,036	40,844	38,036	40,844
State recurrent grants received in advance	9,007	8,353	9,007	8,353
Capital funding received in advance	5,398	6,723	5,398	6,723
Accruals and deferred income	25,682	30,203	21,796	29,928
Bank loans and overdrafts (Note 19)	307	370	307	370
PAYE/PRSI	5,888	5,841	5,888	5,841
Other creditors	11,399	14,539	11,399	14,539
	136,461	149,004	132,132	148,432

Accruals include deferred income of €2.3m (2011: €3.1m) in relation to concession agreements

18 Creditors: Amounts falling due after more than one year	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Obligations under finance leases (Note 19)	58,869	58,502	58,869	58,502
Bank loan (Note 19)	75,000	75,000	75,000	75,000
Other creditors and retentions	53	4,331	-	4,225
	133,922	137,833	133,869	137,727

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, all of which was drawn down at 30 September 2012. The loan is a variable rate loan linked to 3 month Euribor and 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.

19 Borrowings	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
(a) Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
Amounts due within one year	307	370	307	370
Due after more than five years	75,000	75,000	75,000	75,000
Total	75,307	75,370	75,307	75,370

The College has no undrawn bank loan facilities available to it at 30 September 2012.

(b) Finance leases

The net finance lease obligations committed to are:

	Consolidated 2012 €'000	Consolidated 2011 €'000	College 2012 €'000	College 2011 €'000
Due after more than five years	58,869	58,502	58,869	58,502

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

20 Deferred capital grants Consolidated and College	State €'000	Other Grants and Benefactors €'000	Total €'000
At 1 October 2011	278,584	150,913	429,497
Amount receivable	8,690	5,392	14,082
Released to income and expenditure	(11,106)	(3,359)	(14,465)
At 30 September 2012	276,168	152,946	429,114

The approach to amortisation of deferred capital grants was revised during the year in line with the change in depreciation rates for buildings (see Note 11). This resulted in a reduction in amortisation income of €0.5m.

21 Endowment Funds
Consolidated and College

The Trinity Endowment Fund (formerly known as Trust Funds (Benefactions)) is a collection of individual funds, each of which represents a benefaction to the College. They are permanent and expendable endowment funds that provide financial support to specific College activities. Permanent endowment funds are those where the capital is required to be permanently maintained. The individual funds are invested through units in a common investment scheme which has been approved by the Commissioners of Charitable Donations and Bequests for Ireland under Section 46 of the Charities Act 1961. The Trustees of the Trust Funds are the Provost, Fellows & Scholars of Trinity College with, in most cases, persons nominated under the specified trusts who are responsible for the pursuance of the specified objectives of individual funds.

	Restricted Permanent €'000	Restricted Expendable €'000	2012 Total €'000	2011 Total €'000
Capital	111,993	6,184	118,177	126,708
Accumulated income	6,235	430	6,665	5,586
At beginning of year	118,228	6,614	124,842	132,294
New endowments	2,016	630	2,646	1,444
Net appreciation/(depreciation) of endowment investments	11,207	727	11,934	(9,975)
Investment income for the year	6,300	313	6,613	6,401
Expenditure for the year	(6,233)	(134)	(6,367)	(5,322)
At end of year	131,518	8,150	139,668	124,842
Represented by:				
Capital	125,216	7,541	132,757	118,177
Accumulated income	6,302	609	6,911	6,665
	131,518	8,150	139,668	124,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

21 Endowment Funds
Consolidated and College *(continued)*

Set out below are details of material component funds of the Trinity Endowment Fund that are over 1% of the value of total endowment funds.

		Accumulated Income					
	Capital Value at 30 Sept 2012 €'000	Opening Balance €'000	Income €'000	Expenditure €'000	Income transfer to capital €'000	Closing Balance €'000	Date Received
Chetwood-Aiken	1,351	18	55	-	57	16	1969
Research (Arts, Economics, & Social Studies)	1,373	127	59	71	-	115	1979
Hitachi	1,463	146	58	-	175	29	1991
Brown Animal	1,708	-	71	71	-	-	1973
O'Sullivan Manuscripts	1,828	340	73	37	152	224	2002
Early Irish Studies	2,071	-	86	86	-	-	1996
Loyola	2,089	-	19	-	-	19	2012
Smurfit	2,134	-	89	89	-	-	1989
Provost's Academic Development Fund	2,776	353	116	103	-	366	1992
Nunn	2,868	476	120	-	-	596	1994
Coca Cola	2,904	334	119	208	122	123	1993
Reid Entrance Exhibitions	3,363	35	139	58	78	38	1888
Childhood Research	3,640	-	152	-	-	152	2005
Iona Technologies	6,640	126	277	250	-	153	1997
Faculty Funds	7,541	117	313	134	79	217	2009
Endowment Capital Development Fund	39,094	1,326	1,629	2,616	-	339	1995
	82,843	3,398	3,375	3,723	663	2,387	

Chetwood-Aiken
This restricted permanent endowment was established in 1969 under the will of the late Mrs Chetwood-Aiken for the support of cancer research.

Research (Arts, Economic & Social Studies)
This restricted permanent endowment was established in 1979 to finance research projects from members of staff of the Faculties of Arts and Humanities, and Social and Human Sciences.

Hitachi
This restricted permanent endowment was established in 1991 for the endowment of a Lectureship bearing the Hitachi name to be applied in the area of computational science.

Brown Animal
This restricted permanent endowment was established in 1973 to support the maintenance at the College of a Lecturer under the Thomas Brown Lectureship.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

21 Endowment Funds *(continued)*

O'Sullivan Manuscripts
This restricted permanent endowment was established in 2002 under the will of the late William O'Sullivan. The income is to be used solely for the purchase of manuscripts for the College Library.

Early Irish Studies
This restricted permanent endowment was established in 1996 to fund a Chair in Early Irish Studies.

Loyola
This restricted permanent endowment was established in 2012 to provide academic support as approved by the Provost.

Smurfit
This restricted permanent endowment was established in 1989 to support a Chair in Genetics.

Provost's Academic Development Fund
This restricted permanent endowment was established in 1992 to provide academic support as approved by the Provost.

Nunn
This restricted permanent endowment was established in 1994 under the will of the late Angela Lilian Nunn, for the purposes of Medical Research.

Coca Cola
This restricted permanent endowment was established in 1993 to fund a Chair in Drama & Theatre Studies.

Reid Entrance Exhibitions
This restricted permanent endowment was established in 1888 under the will of the late Richard Touhill Reid, to fund additional sizarships. The awards, which do not exceed five in number, are open only to students of limited means and who are natives of County Kerry. They are granted to qualified candidates on the basis of their public examination results and are tenable for two years.

Childhood Research
This restricted permanent endowment was established in 2005 to support the provision of core funding and the appointment of a Professor of Childhood Studies at the Children's Research Centre.

Iona Technologies
This restricted permanent endowment was established in 1997 to provide an annual allocation to the Research Committee to support research activity.

Faculty Funds
This restricted expendable endowment was established in 2009, for the purpose of supporting the provision of core teaching and unfunded research.

Endowment Capital Development Fund
This restricted permanent endowment was established to provide a regular annual income stream which would be available to the Board to facilitate major capital developments in College.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

22 Revaluation reserve Consolidated and College	2012 €'000	2011 €'000
At 1 October 2011	333,612	334,730
Loss on revaluation of investment properties (Note 13)	(965)	(1,118)
At 30 September 2012	332,647	333,612

23 Reconciliation of movement in reserves	Revenue reserve €'000	Revaluation reserve €'000	Total €'000
CONSOLIDATED			
At 1 October 2011	57,818	333,612	391,430
Deficit for the financial year	(21,387)	-	(21,387)
Loss on revaluation of investment properties (Note 13)	-	(965)	(965)
At 30 September 2012	36,431	332,647	369,078
COLLEGE			
At 1 October 2011	40,928	333,612	374,540
Deficit for the financial year	(19,599)	-	(19,599)
Loss on revaluation of investment properties (Note 13)	-	(965)	(965)
At 30 September 2012	21,329	332,647	353,976

24 Contingent liabilities

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

25 Commitments	Consolidated		College	
	2012 €'000	2011 €'000	2012 €'000	2011 €'000
Capital Commitments				
Contracted for but not provided	4,950	10,292	4,950	10,292
Authorised but not contracted out	9,086	2,638	9,086	2,638
	14,036	12,930	14,036	12,930

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 2012 was €471,200.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

26 Reconciliation of consolidated deficit to net cash (outflow)/inflow from operating activities	2012 €'000	2011 €'000
Deficit for the year	(21,141)	(9,012)
Depreciation	26,474	27,325
Surplus transferred to endowment funds	(246)	(1,079)
(Increase)/Decrease in market value of fixed asset investments	(133)	128
Amortisation of deferred capital grants	(14,465)	(14,301)
Increase in stocks	(44)	(38)
(Increase)/decrease in debtors	(201)	1,098
(Decrease)/increase in creditors	(12,564)	30,258
Interest payable	4,794	4,081
Interest income	(4,449)	(3,725)
Endowment income	(6,613)	(6,401)
Loss on revaluation of investment properties	7,515	1,127
Net cash (outflow)/inflow from operating activities	(21,073)	29,461

27 Returns on investments and servicing of finance	2012 €'000	2011 €'000
Interest received	4,449	3,734
Interest paid	(4,427)	(2,573)
Endowment income received	6,613	6,401
Net cash inflow from returns on investments and servicing of finance	6,635	7,562

28 Capital expenditure and financial investment	2012 €'000	2011 €'000
Purchase of tangible fixed assets	(23,261)	(60,064)
Capital grants received	24,107	50,772
Encashment of investments (Note 12)	733	-
Net cash inflow/(outflow) from capital expenditure and financial investment	1,579	(9,292)

29 Management of liquid resources	2012 €'000	2011 €'000
Movement in short term deposits	29,217	(51,719)

30 Financing	2012 €'000	2011 €'000
Bank loan received	-	15,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -continued

31 Analysis of changes in net funds	At 1 October 2011 €'000	Cashflows €'000	Other changes €'000	At 30 September 2012 €'000
Consolidated				
Cash	14,697	16,295	-	30,992
Bank overdraft	(370)	63	-	(307)
	14,327	16,358	-	30,685
Liquid resources	201,020	(29,217)	-	171,803
Obligations under finance leases	(58,502)	-	(367)	(58,869)
Bank loan	(75,000)	-	-	(75,000)
Total	81,845	(12,859)	(367)	68,619

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

32 Related parties

Subsidiary undertakings

Ghala Limited
The principal activity is the construction and refurbishment of College properties. The College owns 100% of the share capital of this company.

The following three entities are also considered to be subsidiary undertakings of the College in accordance with the SORP definition of control. Their activities are exclusively for the benefit of the College.

Trinity Foundation
Charity Trust established with the objective of raising funds to support the development of Trinity College Dublin.

Trinity College Dublin Education Endowment Fund and Trinity College Dublin Trust
The Trinity College Dublin Trust was established in 1955 to continue and amplify the work of the Trinity College Dublin Educational Endowment Fund. The aim of this Trust is to augment endowments of the College, and to make grants to the College for the promotion of research or education in its widest sense.

Trinity College Dublin Association
The Association exists to foster contacts between its members and Trinity College Dublin and to support the College inter alia by promoting the purposes of the Trinity College Dublin Trust.

Transactions with subsidiaries of the College have been eliminated on consolidation.

Transactions with other related parties

The Haughton Institute is a related limited company. 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 share capital of the Haughton Institute. During the period, Trinity College made payments of €127,673 (2010/11: €143,598) to the Haughton Institute and received €284,447 (2010/11: €160,277) for services provided to the Haughton Institute. All transactions were conducted on an arm's length basis. At 30 September 2012, there was an amount of €36,207 (2010/11 €107,504) due from Trinity College to the Haughton Institute. The net reserves of the Haughton Institute per their audited Financial Statements at 31 December 2011 were €505,591 (2010: €553,769) and the deficit for the year amounted to €48,177 (2010: €9,387).

32 Related parties *(continued)*

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 the molecular basis 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 made payments for services of €352,162 (2010/11: €358,259) to MMI and received €3,521 (2010/11: €500). At 30 September 2012 there was an amount of €Nil (2010/11: €24,956) due to MMI. All transactions were conducted on an arm’s length basis. The net reserves of MMI per their Financial Statements at 30 September 2012 were €Nil (2011: €Nil) and the surplus for the year amounted to €Nil (2011: €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. During the period Trinity College received €65,435 (2010/11:€756,999). At 30 September 2012 there was an amount of €65,853 (2010/11: €112,334) due from NRDC Limited. The net assets per their Financial Statements as at 31 December 2011 were €720,934 (2010: €710,603) and the surplus for the year amounted to €10,331 (2010: €31,914).

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 2012 there was an amount of €25,873 (2010/11: €59,931) due from NIBRT Limited. The net reserves (per their financial statements as adjusted to align with Trinity College accounting policies) at 31 December 2011 were €Nil (2010: €Nil) and the surplus for the year amounted to €Nil (2010: €Nil).

Trinity College Dublin Academy of Dramatic Art Limited (also known as ‘The Lir’) does not have a share capital and is limited by guarantee. The Lir is a related party as there are two College representatives on its Board out of a total of seven Board members. Its principal activities are to establish and operate an Academy for the provision of educational services, training and research in relation to dramatic art. The College has leased property (1,549 square meters) to The Lir for 10 years from 2010 at a nominal rent of €10 per annum. At 30 September 2012 there was an amount of €130,730 (2010/11: €225,000) due from The Lir. The net liabilities of The Lir per their Financial Statements at 30 September 2012 were €166,468 (2011: €101,419) and the deficit for the year amounted to €65,049 (2011: €101,419).

Science Gallery International (also known as ‘SGI’) was incorporated on 12 April 2012, does not have a share capital and is limited by guarantee. SGI is a related party as there are two College representatives out of a total of seven Board Members. The main object for which the Company is established is to advance education by igniting creativity and discovery where science and art collide, through developing an international network of science activities including touring exhibitions, educational workshops, training programmes and events. At 30 September 2012 there was an amount of €54,050 due from SGI. The net assets of SGI per management accounts at 30 September 2012 were €160,304 and the profit for the 6 month period then ended was €164,268.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33 Retirement benefits

a) Defined contribution pension scheme

The College operates a defined contribution pension scheme. From 2011/12 there are no longer any members contributing to the DC Plan as this pension plan 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 pension charge for the period represents contributions payable by the College to the scheme and amounted to €Nil (2011: €0.03 million).

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

Trinity Foundation operates a defined contribution scheme within the meaning of the Pensions Act 1990. It is called the Trinity Foundation Retirement Solution Plan. The scheme commenced on 1 February 1999. The pension charge for the period represents contributions payable by Trinity Foundation to the scheme and amounted to €0.1 million (2011: €0.1 million).

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. In 2009, legislation was enacted (see further details below) which provided 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 Skills. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

i) Background (continued)

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.

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.

The College has offset the 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 pension liability.

ii) Summary of position at year end

		2012	2011
Consolidated and College		**€'000**	**€'000**
Pension liability – FRS 17	Section (iii) below	(1,139,996)	(895,407)
Pension receivable	Section (iv) below	1,139,996	895,407
		-	-

Analysis of pension liability – FRS 17	2012 €'000	2011 €'000
Master Pension Scheme	(751,928)	(602,790)
Model Scheme and Pension Supplementation	(388,068)	(292,617)
Present value of unfunded obligations	(1,139,996)	(895,407)

33 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17

The valuation of the defined benefit obligations of the College for the purposes of FRS 17 disclosures has been performed by an independent professionally qualified actuary as at the balance sheet date.

The assumptions used by the actuaries to value the liabilities as at 30 September 2012 and 30 September 2011 were as follows:

Financial assumptions	**30 September 2012**	**30 September 2011**
Valuation method	Projected Unit	Projected Unit
Discount rate	4.0%	5.25%
Inflation rate	2.0%	2.0%
Salary increases	3.5%	3.5%
Pension supplementation	2.5%	2.5%

The discount rate of 4.0% is based on AA Corporate Rated Bonds for the duration of the liabilities of the schemes.

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 2012**	**30 September 2011**
Member aged 65 (current life expectancy)	23.2	23.0
Member aged 40 (life expectancy at age 65)	26.3	26.2

Change in benefit obligations	**2012 €'000**	**2011 €'000**
Benefit obligations at beginning of year	895,407	960,906
Service cost	28,392	32,651
Interest cost	47,856	47,092
Plan members' contributions	2,606	2,633
Actuarial loss/(gain)	194,974	(118,185)
Benefits paid	(28,736)	(29,167)
Expenses paid	(503)	(523)
Benefit obligations at end of year	1,139,996	895,407

There are no plan assets for these unfunded pension arrangements.

The estimated employer contributions for the 2013 financial year are €22.5m. Employer contributions for the 2012 financial year were €21.9m (see Section (iv)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

	Notes	2012 €'000	2011 €'000
Expense recognised in the income and expenditure account before movement on pension receivable			
Analysis of amount charged to other finance costs			
Interest on pension liabilities		47,856	47,092
	5	47,856	47,092
Analysis of amount charged to staff costs			
Current service cost		28,392	32,651
	7	28,392	32,651
Total pension expense recognised in income and expenditure account before movement on pension receivable		76,248	79,743

Cumulative amount of actuarial gains/(losses) immediately recognised before movement on pension receivable	2012 €'000	2011 €'000
At beginning of year	129,918	11,733
Amount recognised in the consolidated statement of total recognised gains/(losses)		
Experience gains on liabilities	37,166	43,704
Changes in assumptions	(232,140)	74,481
Actuarial (loss)/gain recognised in STRGL before movement on pension receivable	(194,974)	118,185
At end of year	(65,056)	129,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

33 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

History of experience gains and losses	**2012 €'000**	**2011 €'000**	**2010 €'000**	**2009 €'000**	**2008 €'000**
Difference between expected and actual return on scheme assets	n/a	n/a	3,724	(37,380)	(99,341)
Percentage of scheme assets (fair value)	n/a	n/a	n/a	(13.7%)	(34.0%)
Experience gains and losses on scheme liabilities	37,166	43,704	48,260	11,876	(1,885)
Percentage of scheme liabilities (present value)	3.3%	4.9%	5.0%	1.5%	(0.2%)
Total actuarial gains and losses	(194,974)	118,185	(140,822)	65,145	(7,442)
Percentage of scheme liabilities (present value)	(17.1%)	13.2%	(14.7%)	8.4%	(0.9%)

History of scheme deficits	**2012 €'000**	**2011 €'000**	**2010 €'000**	**2009 €'000**	**2008 €'000**
Fair value of scheme assets	-	-	-	273,633	291,856
Present value of scheme liabilities	(1,139,996)	(895,407)	(960,906)	(770,987)	(817,109)
Deficit in schemes	(1,139,996)	(895,407)	(960,906)	(497,354)	(525,253)

iv) Pension receivable – due from the State

	2012 €'000	**2011 €'000**
Pension receivable at beginning of year	895,407	960,906
Movement included in other finance income – Note 5	47,856	47,092
Movement included in staff costs – Note 7	6,530	11,645
Movement included in the statement of total recognised gains and losses	194,974	(118,185)
Employer contributions	21,862	21,006
Member contributions	2,606	2,633
Benefits paid from plan	(28,736)	(29,167)
Expenses paid	(503)	(523)
Pension receivable at end of year	1,139,996	895,407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - *continued*

34 Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2012 which require adjustment to the Consolidated Financial Statements or the inclusion of a note thereto.

35 Prior year adjustment – restatement of comparatives under full adoption of SORP

With effect from 1 October 2011 the College adopted the SORP in full which results in the inclusion of Trinity Endowment Fund, Trinity Foundation, Trinity College Dublin Education Endowment Fund and Trinity College Dublin Trust and Trinity College Dublin Association within the consolidated financial statements from that date. The prior year comparatives have been restated to reflect this change. The impact of the change in accounting policy was to reduce the deficit for the year ended 30 September 2011 by €1.6m and increase net assets by €142.7m at 30 September 2011, as shown below.

Consolidated	2011 €'000	2011 Previously reported €'000	Impact of SORP €'000
Income			
Other operating income	44,808	46,079	(1,271)
Interest income	3,725	3,373	352
Endowment income	6,401	-	6,401
All other income categories	271,391	271,391	-
Expenditure			
Staff costs	(219,585)	(217,519)	(2,066)
Other operating expenses	(83,219)	(81,460)	(1,759)
Depreciation	(27,325)	(27,299)	(26)
All other expense categories	(5,208)	(5,208)	-
Deficit for the year	(9,012)	(10,643)	1,631
Assets			
Fixed assets	831,009	829,646	1,363
Endowment assets	124,842	-	124,842
Current assets	276,755	273,534	3,221
Liabilities			
Creditors: amounts falling due within one year	(149,004)	(162,421)	13,417
Creditors: amounts falling due after one year	(137,833)	(137,727)	(106)
Net Assets	945,769	803,032	142,737
Represented By:			
Deferred capital grants	429,497	430,276	(779)
Endowment funds	124,842	-	124,842
Revaluation reserve	333,612	333,612	-
Revenue reserve	57,818	39,144	18,674
	516,272	372,756	143,516
	945,769	803,032	142,737

36 Approval of the Consolidated Financial Statements

The Board of the College approved the Consolidated Financial Statements on 25 February 2015.

Coláiste na Tríonóide, Baile Átha Cliath
Trinity College Dublin
Ollscoil Átha Cliath | The University of Dublin

TRINITY COLLEGE DUBLIN, THE UNIVERSITY OF DUBLIN

EXTRACT FROM FUNDING STATEMENTS

YEAR ENDED 30 SEPTEMBER 2012

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 2012 will also be 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. 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.

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.

Statement of Accounting Policies (cont'd..)

(a) Land and buildings - continued

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 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, net of depreciation, 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 perio, if shorter
Computer equipment	3 years
Furniture	10 years
Equipment	5 years
Computer Software	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.

Heritage assets

The College holds and maintains certain heritage assets, such as paintings, silver, sculptures and priceless manuscripts. The College conserves these assets for research and teaching and for interaction between the College and the public. Heritage assets are not capitalised in the funding statements because it is considered that no meaningful value can be attributed to them owing to the lack of information on the original purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred.

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. 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. Contract research contribution to the College's indirect costs is included in other income. 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.

Statement of Accounting Policies (cont'd..)

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 (see note 27).

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.

The Funding Statements include a net pension asset/(liability) being the difference between amounts funded for pensions by the Higher Education Authority and amounts paid for pensions by the College (see note 21).

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.

Rental Income

Rental income from investment properties is reflected in the income and expenditure account in the funding statements where it has been identified to fund core recurrent activities. Rental income that is identified to fund current and future capital projects is not included in the income and expenditure account and is instead reflected in the general reserve.

Interest

Interest earned/payable on core related activities is reflected in the income and expenditure account. Other interest used to fund current and future capital projects is reflected in the general reserve.

Income and Expenditure Account

Year ended 30 September 2012

	Notes	2012 €'000	*Restated 2011 €'000*
Income			
State Grants	1	64,696	*71,243*
Student Fees	2	114,052	*104,296*
Other Income*	3	28,427	*23,849*
		207,175	*199,388*
Research Grants and Projects*	4	65,170	*67,342*
Total		272,345	*266,730*
Expenditure			
Academic Faculties*	5	120,725	*113,154*
Academic and Other Services	6	18,949	*20,688*
Premises	7	27,369	*25,367*
Amount Allocated for Capital Purposes	8	500	*735*
Central Administration and Services	9	14,565	*14,888*
General Educational Expenditure	10	9,844	*9,141*
Student Services	11	5,167	*5,352*
Miscellaneous Expenditure	12	9,923	*9,959*
Academic and Related Services	13	207,042	*199,284*
Research Grants and Projects*	13	65,170	*67,342*
Total	13	272,212	*266,626*
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		133	*104*
Surplus on Ancillary Services	14	2,653	*320*
Depreciation of Fixed Assets	15	(27,662)	*(27,269)*
General Reserve Transfer	16	25,009	*26,949*
Net surplus for year	24	133	*104*

* See note 25 for details in relation to reclassification.

The Statement of Accounting Policies (Pages 42 to 44) and Notes to the Funding Statements (Pages 47 to 56) form part of these Funding Statements.

PROVOST

CHIEF FINANCIAL OFFICER

Balance Sheet

At 30 September 2012

	Notes	2012 €'000	*Restated 2011 €'000*
Fixed Assets			
Tangible assets	17	774,105	*776,978*
Investment properties	18	43,930	*54,245*
		818,035	*831,223*
Current Assets			
Bank and cash balances		183,618	*198,858*
Debtors and prepayments*	19	40,914	*38,196*
Stocks		457	*406*
		224,989	*237,460*
Current Liabilities			
Creditors and accrued expenditure*	20	(212,308)	*(225,923)*
Bank balances		(307)	*(370)*
		(212,615)	*(226,293)*
Net Current Assets		12,374	*11,167*
Long Term Liabilities			
Creditors due after one year	22	(133,869)	*(137,727)*
		696,540	*704,663*
Represented By:			
General reserve	23	696,155	*704,411*
Revenue reserve	24	385	*252*
		696,540	*704,663*

* See note 25 for details in relation to reclassification.

The Statement of Accounting Policies (Pages 42 to 44) and Notes to the Funding Statements (Pages 47 to 56) form part of these Funding Statements.

PROVOST

CHIEF FINANCIAL OFFICER

Notes to the Extract from Funding Statements

1. State Grants	2012 €'000	*2011 €'000*
Recurrent grant*	59,996	*64,659*
Nursing	3,927	*4,292*
Targeted funding for special initiatives	531	*322*
Strategic innovation fund	82	*1,800*
Minor works	160	*170*
	64,696	*71,243*

* 2012 recurrent grant income includes €7.33m released from State grants received in advance (see note 20)

2. Student Fees	2012 €'000	*Restated 2011 €'000*
Academic	112,855	*102,723*
Miscellaneous fee income	1,197	*1,573*
	114,052	*104,296*

A total of €43,836,406 (2011: €46,695,357) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,554,802 (2011: €4,978,128).

* See note 25 for details in relation to reclassification.

3. Other Income^	2012 €'000	*Restated 2011 €'000*
Interest receivable (net)	3,084	*3,715*
Funded posts and donations	3,079	*2,290*
Research grants and projects contribution	14,969	*14,570*
Non EU fees^	-	-
Miscellaneous income*	7,295	*3,274*
	28,427	*23,849*

* Miscellaneous income includes circa €2m released from other creditors and accruals as an increased contribution from ancillary and self financing areas in College (see note 20).

^See note 25 for details in relation to reclassification.

4. Research Grants and Projects^	2012 €'000	*Restated 2011 €'000*
Exchequer	45,293	*50,103*
Non-Exchequer	19,877	*17,239*
Research grants	65,170	*67,342*

^ See note 25 for details in relation to prior year reclassification.

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

5. Academic Faculties*	Staff Costs €'000	Non Pay €'000	2012 Total €'000	*Restated 2011 €'000*
Academic	74,681	-	74,681	*75,629*
Technical	9,079	-	9,079	*9,354*
Administrative support	9,054	-	9,054	*9,231*
Faculty and School grants*	-	27,505	27,505	*18,466*
Miscellaneous	-	406	406	*474*
	92,814	27,911	120,725	*113,154*

* See note 25 for details in relation to prior year reclassification.

6. Academic and Other Services	Staff Costs €'000	Non Pay €'000	2012 Total	*2011 Total*
Library	7,468	1,411	8,879	*9,659*
Information systems services	4,721	2,549	7,270	*7,955*
Bio resources unit	597	227	824	*916*
Centre for microscopy and analysis	240	64	304	*332*
Innovation services	689	983	1,672	*1,826*
	13,715	5,234	18,949	*20,688*

7. Premises				
Premises maintenance	3,070	4,470	7,540	*6,887*
General services	9,137	2,411	11,548	*11,885*
Minor works	-	158	158	*167*
Rent and rates	-	141	141	*124*
Insurance	-	994	994	*950*
Energy	43	6,945	6,988	*5,354*
	12,250	15,119	27,369	*25,367*

8. Amount Allocated for Capital Purposes				
Capital projects	-	500	500	*735*

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

9. Central Administration and Services	Staff Costs €'000	Non Pay €'000	2012 Total €'000	*2011 Total €'000*
Administration	10,106	-	10,106	*9,984*
Expenses	-	3,245	3,245	*2,757*
Professional charges	-	771	771	*1,511*
Miscellaneous	-	443	443	*636*
	10,106	4,459	14,565	*14,888*

10. General Educational Expenditure				
Examination expenses	56	898	954	*908*
Scholarships, prizes and fellowships	-	6,551	6,551	*5,918*
Miscellaneous expenses	-	2,339	2,339	*2,315*
	56	9,788	9,844	*9,141*

11. Student Services				
Capitation grants	-	1,171	1,171	*1,171*
Student services	812	741	1,553	*1,638*
Careers advisory service	613	81	694	*730*
Sports and recreation	254	-	254	*253*
Health and counselling	1,413	82	1,495	*1,560*
	3,092	2,075	5,167	*5,352*

12. Miscellaneous Expenditure				
Pension supplementation	7,325	-	7,325	*7,654*
Miscellaneous expenses	264	2,334	2,598	*2,305*
	7,589	2,334	9,923	*9,959*

13. Total Expenditure*	Staff Costs €'000	Non Pay €'000	2012 Total €'000	*Restated 2011 Total*
Academic and related services	139,622	67,420	207,042	*199,284*
Research grants and projects	43,828	21,342	65,170	*67,342*
	183,450	88,762	272,212	*266,626*

* See note 25 for details in relation to prior year reclassification.

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

14. Surplus on Ancillary Services

	Income €'000	Expenditure/ Allocation €'000	Surplus/ (Deficit) 2012 €'000	*Surplus/ (Deficit) 2011 €'000*
Catering	3,852	3,836	16	*197*
Residences/Conferences	11,376	8,801	2,575	*58*
Library shop	2,633	2,633	-	-
Enterprise Centre	1,307	1,307	-	*80*
Copying service	15	21	(6)	*(16)*
Day nursery	475	537	(62)	*(35)*
Diagnostics	476	437	39	*(53)*
College company proceeds and royalties account	95	-	95	*90*
Other	-	4	(4)	*(1)*
	20,229	17,576	2,653	*320*

15. Depreciation of Fixed Assets

	2012 €'000	*2011 €'000*
Land and buildings	17,456	*16,702*
Equipment	10,206	*10,567*
	27,662	*27,269*

16. General Reserve Transfer (See Note 23)

	2012 €'000	*2011 €'000*
Amortisation in line with depreciation (Note 15)	27,662	*27,269*
Surplus on ancillary services from Income and Expenditure account to General Reserve (Note 14)	(2,653)	*(320)*
	25,009	*26,949*

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

17. Fixed Assets	Land and Buildings €'000	Equipment €'000	Total €'000
Cost/Valuation at 1 October 2011			
Valuation	425,299	5,452	430,751
Cost	492,730	156,035	648,765
Total	918,029	161,487	1,079,516
Additions at cost	12,185	12,806	24,991
Disposals	-	(1,659)	(1,659)
Cost/Valuation at 30 September 2012			
Valuation	425,299	5,452	430,751
Cost	504,915	167,182	672,097
Total	930,214	172,634	1,102,848
Depreciation			
At 1 October 2011	163,272	139,266	302,538
Less Accumulated Depreciation on disposals	-	(1,457)	(1,457)
Depreciation for Year	17,456	10,206	27,662
At 30 September 2012	180,728	148,015	328,743
Net Book Value at 1 October 2011	754,757	22,221	776,978
Net Book Value at 30 September 2012	749,486	24,619	774,105

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 €58,868,991 (2010/11: €58,501,978) are included in creditors due after one year. The net book value of this property was €59,040,000 at 30 September 2012 (2010/11: €60,480,000).

In addition, included in land and buildings are other assets with a net book value of €66,876,768 (2010/11: €77,999,184) in order to report the substance of the arrangements in place rather than the legal form.

Land and Buildings include assets in the course of construction of €nil (2010/11: €742,683).

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

18. Investment Properties	2012 €'000	*2011 €'000*
At beginning of year	54,245	*17,891*
Reclassification from tangible fixed assets at net book value	-	*39,252*
Impairments in year	(10,315)	*(2,898)*
At end of year	43,930	*54,245*

Knight Frank Limited valued all investment properties at 30 September 2012 at market value in accordance with the Royal Institution of Chartered Surveyors valuation standards. The valuations of Lincoln House, Oisin House and 3&4 South Leinster St./18/19 Lincoln Place were updated at 30 September 2012 resulting in revaluation deficits of €0.5m, €0.9m and €0.1m in 2012 respectively. Trinity Biomedical Sciences Institute (commercial element) was valued at €29.65m as at 30 September 2012 resulting in a revaluation deficit of €8.85m.

19. Debtors and Prepayments	2012 €'000	*Restated 2011 €'000*
Contract research grants and projects recoverable	13,056	*12,775*
Staff house loans	58	*82*
Internal balances	8,416	*8,647*
Trade debtors	3,648	*4,685*
Other debtors and prepayments*	15,735	*12,006*
Amount due from subsidiary undertaking	1	*1*
	40,914	*38,196*

* See note 21 for details in relation to prior year reclassification.

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

20. Creditors and Accrued Expenditure	2012 €'000	*Restated 2011 €'000*
Contract research grants and projects unexpended	35,244	*37,819*
Trade creditors	6,485	*5,801*
State grants for recurrent expenditure received in advance	14,407	*19,799*
Academic fees received in advance	38,036	*40,844*
PAYE/PRSI	5,888	*5,841*
Internal balances	49,990	*49,023*
Other creditors and accruals*	62,258	*66,796*
	212,308	*225,923*

The College over the last number of years has been pursuing the possible introduction of a College Incentivised Voluntary Early Retirement Initiative (VERI). In 2010 €12.59m was identified as uncommitted funding which was available to the College towards the cost of this proposed initiative. This funding was identified by way of deferring state grants of €7.33m and amalgamating this with €5.26m held in other creditors and accruals. Due to the continued significant decline in state grant funding in 2012 and with the requirement of the College to achieve a balanced budget by the Higher Education Authority (HEA) €7.33m has now been released to the 2012 income and expenditure account against the state grant and €2.06m released from other creditors and accruals against other income in 2012 as increased contributions from subsidiary/self financing areas in College. This has resulted in €3.2m remaining in other creditors and accruals at 30 September 2012 to fund any future VERI. The terms of a VERI scheme have not yet been defined and such a scheme would require the approval of the Departments of Education and Skills and Public Expenditure and Reform. The Departments have identified certain requirements that they would consider as a prerequisite for approval of any potential scheme and communications between the College and the Departments in this regard are ongoing.

* See note 21 for details in relation to prior year reclassification.

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

21. Pension Control Account	**2012 Funded Scheme €'000**	**2012 Model Scheme €'000**
Opening Balance-Grant receivable from/(payable to) the HEA	12,981	(13,558)
Income		
Employer Contributions	(9,965)	(3,324)
Employer Contributions - 20%*	(166)	(2,058)
Employee Contributions	(2,596)	(3,113)
Pension transfers in	(307)	(18)
Supplementation income	(7,057)	-
Other	(617)	-
Total Income	(20,708)	(8,513)
Expenditure		
Pensions in payment (including supplementation)	25,319	52
Lump sum payments on retirement	2,854	11
Death in service payments	806	34
Refunds of contributions	2	200
Administration & other costs	1,158	1
Total Expenditure	30,139	298
Deficit/(Surplus) in year	9,431	(8,215)
Closing Balance-Grant receivable from/(payable to) the HEA**	22,412	(21,773)

* Employment Control Framework for the Higher Education Sector 2011-2014, issued 10 March 2011, states that all new externally funded posts created post 10 March 2011 must provide for employer pension contributions at a rate of 20% to cover the deferred cost to the exchequer associated with the future pension entitlements of the post holder.

** For Funding Statement harmonisation purposes effective from 2011/12 grant receivable/payable to the HEA relating to the funded and model pension schemes are offset against each other. The net grant receivable from the HEA amounting to €0.6m is included in other debtors and prepayments (see note 19). This comprises grant receivable from the HEA for the Funded Scheme of €22.4m offset by grant payable to the HEA for the Model Scheme of €21.8m. For consistency of presentation of comparatives, a prior year reclassification of €13m has been made between debtors and creditors (see notes 19, 20 and 25) as at 30 September 2011 in order to offset the opening receivable of €13m against the opening payable of €13.6m.

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

22. Creditors Due after more than one year	2012 €'000	*2011 €'000*
Obligations under finance lease	58,869	*58,502*
Bank Loan	75,000	*75,000*
Other Creditors and accruals	-	*4,225*
	133,869	*137,727*

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. The loan is a variable rate loan linked to 3 month Euribor and is repayable in equal semi-annual instalments with the first instalment being due in 2019. The College is required to comply with certain covenants included in this loan facility.

23. General Reserve	Total to 30 September 2011 €'000	Movement in year €'000	Total to 30 September 2012 €'000
Valuation – fixed assets*	434,347	955	435,302
Revaluation- investment properties	(5,555)	(10,315)	(15,870)
State capital grants - HEA	229,718	16,966	246,684
Recurrent funding transfer	57,994	595	58,589
Capital donations^	182,689	2,694	185,383
Other (includes transfer of surplus on ancillary services - Note 16)	170,882	8,713	179,595
	1,070,075	19,608	1,089,683
Disposals	(58,699)	(1,659)	(60,358)
Amortisation			
Amortisation at 1 October 2011	(306,965)		
Accumulated amortisation on disposals		1,457	
Amortisation in line with depreciation		(27,662)	
Amortisation at 30 September 2012			(333,170)
	704,411	(8,256)	696,155

* Valuation–fixed assets reserves includes interest paid on the €75m loan facility with the European Investment Bank (see note 22 and accounting policies page 5).

^ A donation of equipment valued at €0.5m was received during the year which is not reflected in the College's capital donations. The equipment will be utilised by the Trinity College Dublin Academy of Dramatic Art Limited (The Lir) for its useful life and therefore is deemed as donated to The Lir by the original donor and reflected in their financial statements as fixed assets (see note 26 related party disclosures).

24. Revenue Reserve	2012 €'000	*2011 €'000*
Opening balance	252	*148*
Surplus for year	133	*104*
Closing balance	385	*252*

Notes to the Funding Statements (cont'd.)

25. Research Grants and Projects Prior Year Restatement

For Funding Statement harmonisation purposes effective from 2011/12 contract research income reported should include direct contract research income only to align to the presentation adopted elsewhere in the Irish university sector. In prior years academic indirect research income was also included within this caption. As a result 2010/11 comparatives have been restated by €7.8m to reflect a reclassification in both research grants and projects income and expenditure (see note 4 and 13). Academic research contribution to the College's indirect costs is now included under other income and the indirect costs are included in academic faculties' expenditure resulting in a prior year reclassification of €7.8m (see note 3; 5 and 13).

26. Non EU fees

In prior years fee income was reported at EU fee levels. Non EU Medical and Dental fee income were 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 was 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 was netted against fee income and included in the Schools' accounts which are accounted for under internal balances. For Funding Statement harmonisation purposes, fee income is to remain gross which results in all Non EU fees being classified as fee income. As a result 2011/12 and 2010/11 has been restated on the same basis.

27. Approval of Funding Statements

The Board of Trinity College approved the Funding Statements on 23 January 2013.

RECONCILIATION OF CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT TO HEA FUNDING STATEMENTS

	Consolidated financial statements	Unincorporated ancillary activites (1)	GAAP adjustment		HEA funding statements
	€'000	€'000	€'000		€'000
Income					
State grants	58,650	-	6,046	(2)	64,696
Academic fees	113,833	-	219	(3)	114,052
Research grants and contracts	75,950	-	(10,780)	(4)	65,170
Amortisation of deferred capital grants	14,465	-	(14,465)	(5)	-
Other operating income	49,478	(20,229)	(3,906)	(6)	25,343
Interest income	4,449	-	(1,365)	(7)	3,084
Endowment income	6,613	-	(6,613)	(8)	-
Total income	323,438	(20,229)	(30,864)		272,345
Expenditure					
Staff costs	220,946	(6,520)	(30,976)	(9)	183,450
Other operating expenses	84,850	(11,056)	14,968	(10)	88,762
Interest payable	4,794	-	(4,794)	(11)	-
Depreciation	26,474	-	(26,474)	(12)	-
Loss on revaluation of investment properties	7,515	-	(7,515)	(13)	-
Total expenditure	344,579	(17,576)	(54,791)		272,212
(Deficit)/Surplus for the year before taxation	(21,141)	(2,653)	23,927		133

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.

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 is recorded in the Income and Expenditure Account in the year to which the grant applies.

3. Reclassification of student fee income
In the Funding Statements, Application fee income is included in the General Reserve in the Balance Sheet. Under GAAP, Application fee income is reported under Academic fees. In the Funding Statements Block grant income is included in fee income. Under GAAP, Block grant income is reported under Other income.

RECONCILIATION OF CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT TO HEA FUNDING STATEMENTS

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 with related income included in deferred capital grants and amortised over the useful life of the project.

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 in the general reserve, 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 and includes notional interest. 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. Endowment income
The results of the Trinity Endowment Fund are not included in the Funding Statements although they have always been independently audited and approved by the Board as Trustees. Under GAAP, endowment income has been included in the Income and Expenditure account.

9. Staff costs
In the Funding Statements only core funded pay costs are recognised in the Income and Expenditure Account with the balance of staff costs recognised in the general reserve. 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.

10. 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.

11. Interest payable
The interest element of bank loans and lease payments on Trinity Hall are 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.

12. 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.

13. Revaluation of investment properties
In the Funding Statements revaluation of investment properties is included directly in the General Reserve in the Balance Sheet. Under GAAP the loss is recognised in the Income and Expenditure Account.