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 2013

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 2013 were approved by Board on 22 January 2014 and the Consolidated Financial Statements for 2013 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 2013 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 2013 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, Single 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 2013 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 2013

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:

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

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, which has been voluntarily adopted by the College. 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 2013. The HEA Funding Statements, approved by Board on 22 January 2014, 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 as the College considers it does not directly control them.

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, Single Public Service 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 2013 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:

	2012/13	**2011/12**
Consolidated Income	€318.4m	€323.4m
Consolidated Expenditure	€340.9m	€344.6m
Consolidated deficit	(€22.5m)	(€21.1m)
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 2012/13 Consolidated Financial Statements deficit of €22.5m and the 2011/12 Consolidated Financial Statements deficit of €21.1m are set out below.

Consolidated income for 2012/13 amounted to €318.4m (2011/12: €323.4m) which represents a decrease of 1.6% on the prior year. The movement of €5.0m primarily relates to decreases in state grant of €4.2m, interest income of €1.6m and research income of €1.3m. This is offset, in part, by increases in academic fee income of €2.3m. The financial performance for the year reflects the impact of the 6% calendar year reduction in state recurrent funding in 2013 over 2012 as notified by the Higher Education Authority (HEA).

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

The percentage of total income that relates to non exchequer sources amounts to 50% (2011/12: 48%).

Other operating income in 2012/13 amounted to €50.5m (2011/12: €49.5m).

Consolidated expenditure for the year amounted to €340.9m (2011/12: €344.6m). The movement of €3.7m primarily relates to a decrease of €4.8m in the loss on revaluation of investment properties as a result of market movements outside the College's control. Other movements include increase in staff costs of €0.8m and an increase in depreciation of €0.8m.

The level of research activity for 2012/13 recorded in the Consolidated Financial Statements (measured on the basis of expenditure activity during the year and not income received) amounted to €74.7m (2011/12: €76.0m). 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 €916.1m at 30 September 2013, a decrease of €21.7m over 2011/12. Capital additions during the year amounted to €21.9m (2011/12: €22.4m) and mainly related to The Welcome Cancer Research Facility, Physiology Building Works – Loyola, Biotechnology Building including the Academic Registry and Equipment additions of which €9.3m relates to costs of IT Transformation Projects (Genesis Student Information System €5.3m, Financial Information System €3.4m, Human Resources €0.3m, Information Systems Services €0.3m).

The Group has cash balances of €185.6m at 30 September 2013 (2012: €202.8m) and a €75 million loan facility with the European Investment Bank, all of which was drawn down at 30 September 2013. 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 50%. Excluding undergraduate fee income paid under the State's "Free Fees Initiative", the total income received from the State represents only 36% of College's total income in 2013 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 must recognise the ongoing financial challenges it faces and continue to ensure that we are best placed to minimise reliance on shrinking public funds. The College continues to focus on key areas of non-exchequer income generation – international student intake, commercialisation, research diversification, industry engagement and philanthropy - to diversify and grow College's income streams and in doing so, improve our financial sustainability. The College has invested heavily in IT transformation and capital projects including the new College-wide Financial Information System which is currently being rolled out.

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 3-4 years and make use of planned 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 its target of 2%-3% surplus by this time.

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

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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:

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

- Name
- Participating institutions
- Objectives
- Major ongoing activities
- Future plans
- 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 of our Code of Governance which conforms fully with the HEA-issued code, I would like to advise as follows:

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

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.

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 due to actions taken by the Board along with the continued flexibility and goodwill shown by students and staff. In relation to the HEA Funding Statements the College had no accumulated recurrent deficit at 30 September 2013 and is forecasting a break-even budget in 2014. As previously advised to the HEA, 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 Policy at its meeting on 29 February 2012.

xi) **Governing Authority Fees and Expenses:** No fees are paid to members of the Governing Authority. €82.60 was paid to Board member Professor Des O'Neill in 2012-2013 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 2012 – 30 September 2013 - €197,792.

xii) **Subsidiary Companies:** We 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

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DR PATRICK PRENDERGAST PROVOST	IAN MATHEWS 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 2013 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 32 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 2013 and 30 September 2012.

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 2013 should be reduced by €407,488,000 and the result after taxation in the Consolidated Income and Expenditure Account for the year ended 30 September 2013 should be restated to a deficit of €55,191,000.

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 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.

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 2013 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 22 January 2014 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, which has been voluntarily adopted by the College.

Accounting convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings 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 and 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 31, 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.

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.

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.

Statement of Accounting Policies (cont'd..)

(a) Land and buildings - continued

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 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.

Statement of Accounting Policies (cont'd..)

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 32.

Trinity Foundation operates a defined contribution scheme. The amount charged to the income and expenditure account represents the contribution payable to the scheme in respect of the accounting period.

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

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

The expected return on the pension scheme's assets (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, and the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 relates specifically to the Single Public Service Pension Scheme, as further detailed in Note 32, 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 2013

	Notes	2013 €'000	2012 €'000
Income			
State grants	1	54,469	58,650
Academic fees	2	116,138	113,833
Research grants and contracts	3	74,670	75,950
Amortisation of deferred capital grants	20	13,245	14,465
Other operating income	4	50,535	49,478
Interest income		2,811	4,449
Other finance income/(expense)	5	-	-
Endowment income	6	6,529	6,613
Total Income		318,397	323,438
Expenditure			
Staff costs	7	221,756	220,946
Other operating expenses	8	84,991	84,850
Interest payable	9	4,171	4,794
Depreciation	11	27,307	26,474
Loss on revaluation of investment properties	13	2,681	7,515
Total Expenditure		340,906	344,579
Deficit for the year before taxation		(22,509)	(21,141)
Taxation	10	-	-
Deficit for the year after taxation		(22,509)	(21,141)
Less: Surplus for the year transferred to accumulated income in endowment funds	21	(1,865)	(246)
Deficit for the year retained within revenue reserve	23	(24,374)	(21,387)

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 2013

	2013 €'000	2012 €'000
Deficit for the year after taxation	(22,509)	(21,141)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	4,445	4,420
Historical cost deficit for the year before taxation	(18,064)	(16,721)
Historical cost deficit for the year after taxation	(18,064)	(16,721)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2013

	Notes	2013 €'000	2012 €'000
Deficit for the year after taxation		(22,509)	(21,141)
Additional revaluation gain/(loss) on investment properties not reflected in income and expenditure account	13	1,268	(965)
New endowments	21	9	2,646
Net appreciation of endowment asset investments	21	4,966	11,934
Actuarial gain/(loss) in respect of pension schemes	32	16,213	(194,974)
Movement on pension receivable	32	(16,213)	194,974
Total recognised losses for the year		(16,266)	(7,526)

CONSOLIDATED AND COLLEGE BALANCE SHEETS
Year Ended 30 September 2013

	Notes	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
Fixed assets					
Tangible assets	11	765,807	771,202	765,727	771,161
Investments	12	-	715	-	-
Investment properties	13	42,517	43,930	42,517	43,930
		808,324	815,847	808,244	815,091
Endowment assets	14	146,508	139,668	146,508	139,668
Current assets					
Debtors	15	53,837	49,464	54,877	49,918
Stock	16	468	469	468	464
Cash at bank and in hand	30	44,736	30,992	35,903	24,043
Short term deposits	30	140,835	171,803	128,230	159,575
		239,876	252,728	219,478	234,000
Creditors: amounts falling due within one year	17	(144,443)	(136,461)	(137,274)	(132,132)
Net current assets		95,433	116,267	82,204	101,868
Total assets less current liabilities		1,050,265	1,071,782	1,036,956	1,056,627
Creditors: amounts falling due after more than one year	18	(134,132)	(133,922)	(134,132)	(133,869)
Net assets excluding pension (liability)/asset		916,133	937,860	902,824	922,758
Pension liability	32	(1,179,497)	(1,139,996)	(1,179,497)	(1,139,996)
Pension receivable	32	1,179,497	1,139,996	1,179,497	1,139,996
Net Assets		916,133	937,860	902,824	922,758

CONSOLIDATED AND COLLEGE BALANCE SHEETS (continued)
Year Ended 30 September 2013

	Notes	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
Represented by:					
Deferred capital grants	20	423,653	429,114	423,653	429,114
Endowment funds: Permanent	21	138,649	131,518	138,649	131,518
Expendable	21	7,859	8,150	7,859	8,150
		146,508	139,668	146,508	139,668
Revaluation reserve	22	333,915	332,647	333,915	332,647
Revenue reserve	23	12,057	36,431	(1,252)	21,329
	23	345,972	369,078	332,663	353,976
		916,133	937,860	902,824	922,758

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 2013

	Notes	2013 €'000	2012 €'000
Net cash outflow from operating activities	26	(16,285)	(21,073)
Returns on investments and servicing of finance	27	5,432	6,635
Capital expenditure and financial investment	28	(6,278)	1,579
Net cash outflow before management of liquid resources and financing		(17,131)	(12,859)
Management of liquid resources	29	30,968	29,217
Increase in cash in the year	30	13,837	16,358

Reconciliation of net cash flow to movement in net funds

	Notes	2013 €'000	2012 €'000
Increase in cash in the year	30	13,837	16,358
Decrease in liquid resources	30	(30,968)	(29,217)
Movement in net funds resulting from cash flows		(17,131)	(12,859)
Increase in finance lease obligations	30	(263)	(367)
Movement in net funds in year		(17,394)	(13,226)
Net funds at beginning of year	30	68,619	81,845
Net funds at end of year	30	51,225	68,619

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 State grants	2013 €'000	2012 €'000
State grants allocated for recurrent purposes	54,469	58,650

The above grant income was received from the following sources:	2013 €'000	2012 €'000
HEA	50,910	54,723
Department of Health and Children	3,559	3,927
	54,469	58,650

Reconciliation of State grant received to income recognised	2013 €'000	2012 €'000
State grant received in respect of current year	47,916	59,304
State grant deferred from prior accounting year (Note 17)	9,007	8,353
State grant deferred to subsequent accounting years (Note 17)	(2,454)	(9,007)
	54,469	58,650

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	2013 €'000	2012 €'000
Academic fee income	114,718	112,424
Miscellaneous fee income	1,420	1,409
Total fees paid by or on behalf of individual students	116,138	113,833

A total of €42,751,145 (2012: €43,836,406) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,234,432 (2012: €4,554,802).

The academic fee income is analysed as follows:	2013 €'000	2012 €'000
Full time EU	83,909	83,601
Full time non EU	22,684	19,824
Part time EU	7,833	7,422
Part time non EU	270	1,555
Short courses	22	22
	114,718	112,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Research grants and contracts	2013 €'000	2012 €'000
State and semi-state	49,410	50,777
European Union	11,937	10,851
Industry	1,556	1,874
Other	5,217	5,756
SFI Overheads	6,550	6,692
	74,670	75,950

4 Other operating income	2013 €'000	2012 €'000
Academic Schools and Faculty Offices	9,193	7,804
Service areas	2,813	2,461
Catering	2,937	2,722
Residences	10,446	10,351
Other ancillary services	899	829
Rental income	5,028	5,296
Funded post income	616	475
Library income	6,964	6,796
Concession income	826	826
Non academic other activities	4,579	5,398
Science Gallery	1,605	1,665
HEA pension income	1,390	1,850
Other income	3,239	3,005
	50,535	49,478

5 Other finance income/(expense)	Notes	2013 €'000	2012 €'000
Interest on pension liabilities	32	(46,597)	(47,856)
Movement on pension receivable to offset finance expense	32	46,597	47,856
		-	-

6 Endowment income	Notes	2013 €'000	2012 €'000
Income from permanent endowments	21	6,232	6,300
Income from expendable endowments	21	297	313
		6,529	6,613

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	2013 Number	2012 Number
Teaching and research		1,270	1,252
Technical		963	969
Support services		959	908
Other		776	709
		3,968	3,838

		2013 €'000	2012 €'000
Salaries and wages		186,939	185,749
Social welfare costs		13,687	13,207
Other pension costs**		21,130	21,990
		221,756	220,946

** Other pension costs in respect of:		2013 €'000	2012 €'000
Defined benefit	32	38,626	28,392
Defined contribution	32	142	128
Movement on pension receivable to offset FRS 17 incremental costs	32	(17,638)	(6,530)
		21,130	21,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8 Other operating expenses	2013 €'000	2012 €'000
Telephone and related charges	660	680
Conference fees	691	754
Consumables	15,745	16,245
Computer and other equipment	6,587	8,066
Heat, light, water and power	8,519	8,162
Books and periodicals	2,523	2,916
Repairs and general maintenance	12,200	10,887
Insurance	1,178	1,143
Audit and professional	4,041	4,021
Rent and rates	2,469	2,424
Print and stationery	3,615	4,409
Travel and subsistence	5,673	5,210
Hospitality and entertainment	931	811
Recruitment	390	352
Capitation	1,138	1,142
Academic fees	5,278	5,648
Scholars and fellows costs	1,743	1,525
Student awards	1,578	1,426
Examination costs	617	553
Bank charges	479	310
Trinity Foundation direct expenditure	1,188	1,492
Endowment funds direct expenditure	1,704	1,847
Other expenses	6,044	4,827
	84,991	84,850

Other operating expenses include:

Auditors' remuneration (including VAT)	169	165

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 (2012: €1.9m) are shown in fee income and the related deemed expenditure shown in other expenses. This is consistent within the University sector.

9 Interest payable	2013 €'000	2012 €'000
On finance leases	3,489	3,469
On bank loan	682	1,325
	4,171	4,794

10 Taxation	2011	2010

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 2012	932,379	16,777	154,218	1,103,374
Additions	7,073	1,561	13,285	21,919
Disposals	-	(1,548)	(1,898)	(3,446)
At 30 September 2013	939,452	16,790	165,605	1,121,847
Depreciation				
At 1 October 2012	183,800	15,563	132,809	332,172
Depreciation for year	16,456	1,032	9,819	27,307
Disposals	-	(1,548)	(1,891)	(3,439)
At 30 September 2013	200,256	15,047	140,737	356,040
Net book value				
At 1 October 2012	748,579	1,214	21,409	771,202
At 30 September 2013	739,196	1,743	24,868	765,807
COLLEGE				
Cost or valuation				
At 1 October 2012	932,379	16,505	154,092	1,102,976
Additions	7,073	1,499	13,264	21,836
Disposals	-	(1,548)	(1,898)	(3,446)
At 30 September 2013	939,452	16,456	165,458	1,121,366
Depreciation				
At 1 October 2012	183,800	15,318	132,697	331,815
Depreciation for year	16,456	1,004	9,803	27,263
Disposals	-	(1,548)	(1,891)	(3,439)
At 30 September 2013	200,256	14,774	140,609	355,639
Net book value				
At 1 October 2012	748,579	1,187	21,395	771,161
At 30 September 2013	739,196	1,682	24,849	765,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

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 2012/13 of €181,931 (2011/12: €4,175,414).

In applying FRS 5 *'Reporting the Substance of Transactions'*, the College has included in Land and Buildings property for which the related liabilities of €59,132,047 (2011/12: €58,868,991) are included in creditors (see Note 18). The net book value of this property was €57,600,000 at 30 September 2013 (2011/12: €59,040,000).

In addition, included in Land and Buildings are other assets with a net book value of €59,935,176 (2011/12: €67,329,665) 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 €0.38m were donated to Trinity College between 1 October 2008 and 30 September 2013 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.

	2008/09	2009/10	2010/11	2011/12	2012/13
Value of acquisitions by donation	€0.04m	€0.04m	€0.15m	€0.08m	€0.07m

There were no disposals of heritage assets between 1 October 2008 and 30 September 2013.

12 Investments within Fixed Assets

	Consolidated 2013 €'000	Consolidated 2012 €'000
At beginning of year	715	1,315
Encashment of investments	(734)	(733)
Increase in market value of investments	19	133
At end of year	-	715
Represented by:		
Equities	-	715
Total investments within fixed assets	-	715
Investments at cost	-	734

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 2013 €'000	Consolidated and College 2012 €'000
At beginning of year	43,930	54,245
Adjustment in year	-	(1,835)
Revaluation gains in year	1,371	-
Revaluation losses in year	(2,784)	(8,480)
At end of year	42,517	43,930

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2013 at open market value in accordance with the Royal Institution of Chartered Surveyors valuation standards. The valuations of Lincoln House and 3&4 South Leinster Street/18-19 Lincoln Place were updated at 30 September 2013 resulting in revaluation deficits of €0.9m and €0.1m in 2013. Trinity Biomedical Sciences Institute (commercial element) was valued at €27.9m as at 30 September 2013 resulting in a revaluation deficit in 2013 of €1.8m. The valuation of Oisin House at 30 September 2013 resulted in a revaluation surplus of €1.4m in 2013.

A net gain on revaluation of investment properties of €1.27m has been taken to the revaluation reserve in the Balance Sheet (2012: €0.97m deficit) and a net deficit on revaluation of €2.68m has been recognised as a loss in the income and expenditure account (2012: €7.51m deficit).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

14 Endowment Assets	Notes	Consolidated and College 2013 €'000	2012 €'000
As beginning of year		139,668	124,842
New endowments	21	9	2,646
Net increase in market value of investments	21	4,966	11,934
Surplus transferred from income and expenditure account	21	1,865	246
At end of year		146,508	139,668
Represented by:			
Bonds		61,780	58,322
Equities		57,718	58,947
Zero Coupon Bonds		2,049	1,812
Diversified alternatives		10,394	3,955
Property		7,239	7,023
Cash deposits		7,150	8,700
Working capital		178	909
Total endowment assets		146,508	139,668

15 Debtors	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
Trade debtors	4,553	3,593	4,682	3,667
Research grants and contracts receivable	16,615	13,056	16,615	13,056
State capital grants receivable	15,728	22,186	15,728	22,186
Non State capital funding receivable	625	2,712	625	2,712
Prepayments and other debtors	16,316	7,917	17,226	8,296
Amounts due from subsidiary undertakings	-	-	1	1
	53,837	49,464	54,877	49,918

16 Stocks	Consolidated 2013 €'000	Consolidated Restated 2012 €'000	College 2013 €'000	College Restated 2012 €'000
Raw materials and consumables	136	134	136	134
Finished goods for resale	332	335	332	330
	468	469	468	464

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 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
Trade creditors	994	6,993	528	6,550
Research grants and contracts in advance	51,871	33,751	51,871	33,751
Academic fees received in advance	38,055	38,036	38,055	38,036
State recurrent grants received in advance	2,454	9,007	2,454	9,007
Capital funding received in advance	3,970	5,398	3,970	5,398
Accruals and deferred income	29,967	25,682	23,265	21,796
Bank loans and overdrafts (Note 19)	214	307	214	307
PAYE/PRSI	4,738	5,888	4,738	5,888
Other creditors	12,180	11,399	12,179	11,399
	144,443	136,461	137,274	132,132

Accruals include deferred income of €1.4m (2012: €2.3m) in relation to concession agreements.

18 Creditors: Amounts falling due after more than one year	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
Obligations under finance leases (Note 19)	59,132	58,869	59,132	58,869
Bank loan (Note 19)	75,000	75,000	75,000	75,000
Other creditors and retentions	-	53	-	-
	134,132	133,922	134,132	133,869

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. 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.

19 Borrowings	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
(a) Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
Amounts due within one year	214	307	214	307
Due after more than five years	75,000	75,000	75,000	75,000
Total	75,214	75,307	75,214	75,307

The College has no undrawn bank loan facilities available to it at 30 September 2013.

(b) Finance leases	Consolidated 2013 €'000	Consolidated 2012 €'000	College 2013 €'000	College 2012 €'000
The net finance lease obligations committed to are:				
Due between two and five years	669	-	669	-
Due after more than five years	58,463	58,869	58,463	58,869
Total	59,132	58,869	59,132	58,869

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
Buildings & Equipment			
At 1 October 2012	276,168	152,946	429,114
Amount receivable	5,212	2,572	7,784
Released to income and expenditure	(8,235)	(5,010)	(13,245)
At 30 September 2013	273,145	150,508	423,653

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	2013 Total €'000	2012 Total €'000
Capital	125,216	7,541	132,757	118,177
Accumulated income	6,302	609	6,911	6,665
At beginning of year	131,518	8,150	139,668	124,842
New endowments	9	-	9	2,646
Net appreciation/(depreciation) of endowment investments	5,521	(555)	4,966	11,934
Investment income for the year	6,232	297	6,529	6,613
Expenditure for the year	(4,631)	(33)	(4,664)	(6,367)
At end of year	138,649	7,859	146,508	139,668
Represented by:				
Capital	130,746	6,986	137,732	132,757
Accumulated income	7,903	873	8,776	6,911
	138,649	7,859	146,508	139,668

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.

	Capital Value at 30 Sept 2013 €'000	Opening Balance €'000 (Accumulated Income)	Income €'000 (Accumulated Income)	Expenditure €'000 (Accumulated Income)	Income transfer to capital €'000 (Accumulated Income)	Closing Balance €'000 (Accumulated Income)	Date Received
Research (Arts, Economics, & Social Studies)	1,436	115	55	45	-	125	1979
Chetwood-Aiken	1,471	16	55	-	59	12	1969
Hitachi	1,603	29	60	13	74	2	1991
Brown Animal	1,787	-	68	68	-	-	1973
O'Sullivan Manuscripts	1,912	224	73	26	-	271	2002
Early Irish Studies	2,166	-	83	83	-	-	1996
Loyola	2,184	19	184	-	-	203	2012
Smurfit	2,232	-	85	85	-	-	1989
Provost's Academic Development Fund	2,903	366	111	-	-	477	1992
Nunn	2,999	596	115	-	-	711	1994
Coca Cola	3,086	123	117	179	49	12	1993
Reid Entrance Exhibitions	3,574	38	136	79	57	38	1888
Childhood Research	3,806	152	146	-	-	298	2005
Iona Technologies	6,944	153	266	250	-	169	1997
Faculty Funds	6,986	217	297	33	74	407	2009
Endowment Capital Development Fund	40,883	339	1,566	1,592	-	313	1995
	85,972	2,387	3,417	2,453	313	3,038	

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.

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.

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	2013 €'000	2012 €'000
At 1 October	332,647	333,612
Gain/(Loss) on revaluation of investment properties (Note 13)	1,268	(965)
At 30 September	333,915	332,647

23 Reconciliation of movement in reserves	Revenue reserve €'000	Revaluation reserve €'000	Total €'000
CONSOLIDATED			
At 1 October 2012	36,431	332,647	369,078
Deficit for the financial year	(24,374)	-	(24,374)
Gain on revaluation of investment properties (Note 13)	-	1,268	1,268
At 30 September 2013	12,057	333,915	345,972
COLLEGE			
At 1 October 2012	21,329	332,647	353,976
Deficit for the financial year	(22,581)	-	(22,581)
Gain on revaluation of investment properties (Note 13)	-	1,268	1,268
At 30 September 2013	(1,252)	333,915	332,663

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

25 Commitments	Consolidated		College	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Capital Commitments				
Contracted for but not provided	3,669	4,950	3,669	4,950
Authorised but not contracted out	6,526	9,086	6,526	9,086
	10,195	14,036	10,195	14,036

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 2013 was €471,200.

26 Reconciliation of consolidated (deficit)/surplus to net cash outflow from operating activities	2013 €'000	2012 €'000
Deficit for the year	(22,509)	(21,141)
Depreciation	27,307	26,474
Surplus transferred to endowment funds	(1,865)	(246)
Increase in market value of fixed asset investments	(19)	(133)
Amortisation of deferred capital grants	(13,245)	(14,465)
Decrease/(increase) in stocks	1	(44)
Increase in debtors	(12,918)	(201)
Increase/(Decrease) in creditors	9,451	(12,564)
Interest payable	4,171	4,794
Interest received	(2,811)	(4,449)
Endowment income	(6,529)	(6,613)
Loss on revaluation of investment properties	2,681	7,515
Net cash outflow from operating activities	(16,285)	(21,073)

27 Returns on investments and servicing of finance	2013 €'000	2012 €'000
Interest received	2,811	4,449
Interest paid	(3,908)	(4,427)
Endowment income received	6,529	6,613
Net cash inflow from returns on investments and servicing of finance	5,432	6,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

28 Capital expenditure and financial investment	2013 €'000	2012 €'000
Purchase of tangible fixed assets	(21,912)	(23,261)
Capital grants received	14,901	24,107
Encashment of investments	733	733
Net cash (outflow)/inflow from capital expenditure and financial investment	(6,278)	1,579

29 Management of liquid resources	2013 €'000	2012 €'000
Movement in short term deposits	30,968	29,217

30 Analysis of changes in net funds	At 1 October 2012 €'000	Cashflows €'000	Other changes €'000	At 30 September 2013 €'000
Cash	30,992	13,744	-	44,736
Bank overdraft	(307)	93	-	(214)
	30,685	13,837	-	44,522
Liquid resources	171,803	(30,968)	-	140,835
Obligations under finance leases	(58,869)	-	(263)	(59,132)
Bank loan	(75,000)	-	-	(75,000)
Total	68,619	(17,131)	(263)	51,225

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

31 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

31 Related parties *(continued)*

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 €60,054 (2011/12: €127,673) to the Haughton Institute and received €148,388 (2011/12: €284,447) for services provided to the Haughton Institute. All transactions were conducted on an arm's length basis. At 30 September 2013, there was an amount of €78,301 (2011/12 €36,207) due from Trinity College to the Haughton Institute. The net assets of the Haughton Institute per their audited Financial Statements at 31 December 2012 were €423,269 (2011: €505,591) and the deficit for the year amounted to €82,321 (2011: €48,177).

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 bases of diseases and graduate education, training, research and consultancy work in the biosciences. Trinity College is a member of MMI. During the period Trinity College made payments of €335,714 (2011/12: €352,162) to MMI and received €Nil (2011/12: €3,521). At 30 September 2013 there was an amount of €Nil (2011/12: €Nil) due to MMI. All transactions were conducted on an arm's length basis. The net assets 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 €79,683 (2011/12:€65,435). At 30 September 2013 there was an amount of €Nil (2011/12: €65,853) due from NRDC Limited. The net assets per their Financial Statements as at 31 December 2012 were €729,390 (2011: €720,934) and the surplus for the year amounted to €8,456 (2011: €10,331).

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 2013 there was an amount of €Nil (2011/12: €25,873) due from NIBRT Limited. The net reserves (per their financial statements as adjusted to align with Trinity College accounting policies) at 31 December 2012 were €Nil (2011: €Nil) and the surplus for the year amounted to €Nil (2011: €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 2013 there was an amount of €400,504 (2011/12: €130,730) due from The Lir. The net liabilities of The Lir per their Financial Statements at 30 September 2013 were €265,329 (2012: €166,468) and the deficit for the year amounted to €98,861 (2012: €65,049).

Science Gallery International (also known as 'SGI') 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 7 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 2013 there was an amount of €105,264 (2012: €54,050) due from SGI and an amount of €61,500 due to SGI. The net assets of SGI per management accounts at 30 September 2013 were €162,722 (2012: €160,304) and the profit for the year amounted to €63,355 (2012: €164,268).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits

a) Defined contribution pension scheme

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 (2012: €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
- Single Public Service Pension Scheme

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.

Single Public Service Pension Scheme

The Single Public Service Scheme applies to all new staff who are joining the public sector as new entrants on or after 1 January 2013. It is a defined benefit scheme and the College has accounted for its estimated share of the defined benefit obligations of this scheme in accordance with FRS17. All employee pension contributions for the Single scheme are paid to a state pension account. This scheme operates on a pay-as-you-go basis from the College's core funding.

Fundamental changes to pension arrangements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

i) Background (continued)

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

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

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

The College is of the opinion that discussions held between the sector, the HEA and the government in advance of the enabling legislation being introduced represented assurances that the State would guarantee all pension liabilities of the College i.e. those liabilities associated with the Master Pension Scheme and other defined benefit pension arrangements that the College has in place.

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's liabilities under the Single Public Service Pension Scheme are guaranteed by the State under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

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

		2013	2012
Consolidated and College		**€'000**	**€'000**
Pension liability – FRS 17	Section (iii) below	(1,179,497)	(1,139,996)
Pension receivable	Section (iv) below	1,179,497	1,139,996
		-	-

Analysis of pension liability – FRS 17	2013	2012
	€'000	**€'000**
Master Pension Scheme	(771,786)	(751,928)
Model Scheme and Pension Supplementation	(407,488)	(388,068)
Single Public Service Pension Scheme	(223)	-
Present value of unfunded obligations	(1,179,497)	(1,139,996)

32 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 2013 and 30 September 2012 were as follows:

Financial assumptions	**30 September 2013**	**30 September 2012**
Valuation method	Projected Unit	Projected Unit
Discount rate	3.75%	4.0%
Inflation rate	2.0%	2.0%
Salary increases	3.5%	3.5%
Pension supplementation	2.5%	2.5%

The discount rate of 3.75% is based on the Mercer Yield Curve index for high quality corporate bonds which is appropriate 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 2013**	**30 September 2012**
Member aged 65 (current life expectancy)	23.3	23.2
Member aged 40 (life expectancy at age 65)	26.4	26.3

Change in benefit obligations	**2013 €'000**	**2012 €'000**
Benefit obligations at beginning of year	1,139,996	895,407
Service cost	38,626	28,392
Interest cost	46,597	47,856
Plan members' contributions	2,475	2,606
Actuarial (gain)/loss	(16,213)	194,974
Benefits paid	(31,641)	(28,736)
Expenses paid	(343)	(503)
Benefit obligations at end of year	1,179,497	1,139,996

There are no plan assets for these unfunded pension arrangements.

The estimated employer contributions for the 2014 financial year are €22.2m. Employer contributions for the 2013 financial year were €21.0m (see Section (iv))

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

	Notes	2013 €'000	2012 €'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		46,597	47,856
	5	46,597	47,856
Analysis of amount charged to staff costs			
Current service cost		38,626	28,392
	7	38,626	28,392
Total pension expense recognised in income and expenditure account before movement on pension receivable		85,223	76,248

Cumulative amount of actuarial (losses) / gains immediately recognised before movement on pension receivable	2013 €'000	2012 €'000
At beginning of year	(65,056)	129,918
Amount recognised in the consolidated statement of total recognised gains/(losses)		
Experience gains on liabilities	71,890	37,166
Changes in assumptions	(55,677)	(232,140)
Actuarial gain/(loss) recognised in STRGL before movement on pension receivable	16,213	(194,974)
At end of year	(48,843)	(65,056)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits *(continued)*

b) Defined benefit pension schemes *(continued)*

iii) Net pension liability – FRS 17 (continued)

History of experience gains and losses	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Difference between expected and actual return on scheme assets	n/a	n/a	n/a	3,724	(37,380)
Percentage of scheme assets (fair value)	n/a	n/a	n/a	n/a	(13.7%)
Experience gains and losses on scheme liabilities	71,890	37,166	43,704	48,260	11,876
Percentage of scheme liabilities (present value)	6.1%	3.3%	4.9%	5.0%	1.5%
Total actuarial gains and losses	16,213	(194,974)	118,185	(140,822)	65,145
Percentage of scheme liabilities (present value)	1.4%	(17.1%)	13.2%	(14.7%)	8.4%

History of scheme deficits	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Fair value of scheme assets	-	-	-	-	273,633
Present value of scheme liabilities	(1,179,497)	(1,139,996)	(895,407)	(960,906)	(770,987)
Deficit in schemes	(1,179,497)	(1,139,996)	(895,407)	(960,906)	(497,354)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits *(continued)*	2013 €'000	2012 €'000
b) Defined benefit pension schemes *(continued)*		
iv) Pension receivable – due from the State		
Pension receivable at beginning of year	1,139,996	895,407
Movement included in other finance income – Note 5	46,597	47,856
Movement included in staff costs – Note 7	17,638	6,530
Movement included in the statement of total recognised gains and losses	(16,213)	194,974
Employer contributions	20,988	21,862
Member contributions	2,475	2,606
Benefits paid from plan	(31,641)	(28,736)
Expenses paid	(343)	(503)
Pension receivable at end of year	1,179,497	1,139,996

33 Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2013 which require adjustment to the Consolidated Financial Statements or the inclusion of a note thereto.

34 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 2013

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 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.

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 2013

	Notes	2013 €'000	*Restated 2012 €'000*
Income			
State Grants	1	55,176	*64,696*
Student Fees	2	116,198	*114,052*
Other Income*	3	31,544	*28,427*
		202,918	*207,175*
Research Grants and Projects*	4	65,002	*65,170*
Total		267,920	*272,345*
Expenditure			
Academic Faculties*	5	118,060	*120,725*
Academic and Other Services	6	18,334	*18,949*
Premises	7	27,020	*27,369*
Amount Allocated for Capital Purposes	8	500	*500*
Central Administration and Services	9	13,525	*14,565*
General Educational Expenditure	10	10,213	*9,844*
Student Services	11	5,381	*5,167*
Miscellaneous Expenditure	12	9,780	*9,923*
Academic and Related Services	13	202,813	*207,042*
Research Grants and Projects*	13	65,002	*65,170*
Total	13	267,815	*272,212*
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		105	*133*
Surplus on Ancillary Services	14	(6,982)	*2,653*
Depreciation of Fixed Assets	15	(30,478)	*(27,662)*
General Reserve Transfer	16	37,460	*25,009*
Net surplus for year	24	105	*133*

* 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 2013

	Notes	2013 €'000	*Restated 2012 €'000*
Fixed Assets			
Tangible assets	17	765,342	*774,105*
Investment properties	18	42,517	*43,930*
		807,859	*818,035*
Current Assets			
Bank and cash balances		164,133	*183,618*
Debtors and prepayments*	19	54,137	*40,914*
Stocks		436	*457*
		218,706	*224,989*
Current Liabilities			
Creditors and accrued expenditure*	20	(214,316)	*(212,308)*
Bank balances		(214)	*(307)*
		(214,530)	*(212,615)*
Net Current Assets		4,176	*12,374*
Long Term Liabilities			
Creditors due after one year	22	(134,132)	*(133,869)*
		677,903	*696,540*
Represented By:			
General reserve	23	677,413	*696,155*
Revenue reserve	24	490	*385*
		677,903	*696,540*

* 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	2013 €'000	*2012 €'000*
Recurrent grant	50,907	*59,996*
Nursing	3,559	*3,927*
Targeted funding for special initiatives	556	*531*
Strategic innovation fund	-	*82*
Minor works	154	*160*
	55,176	*64,696*

2. Student Fees	2013 €'000	*Restated 2012 €'000*
Academic	115,131	*112,855*
Miscellaneous fee income	1,067	*1,197*
	116,198	*114,052*

A total of €42,751,145 (2012: €43,836,406) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,234,432 (2012: €4,554,802).

* See note 25 for details in relation to reclassification.

3. Other Income	2013 €'000	*Restated 2012 €'000*
Interest receivable (net)	1,517	*3,084*
Funded posts and donations	3,735	*3,079*
Research grants and projects contribution	14,079	*14,969*
Non EU fees**	-	-
Miscellaneous income***	12,213	*7,295*
	31,544	*28,427*

*** Miscellaneous income includes circa €3.2m released from other creditors and accruals (see note 20) and €2.2m as an increased contribution from ancillary areas in College (see note 14).

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

4. Research Grants and Projects	2013 €'000	*Restated 2012 €'000*
Exchequer	43,707	*45,293*
Non-Exchequer	21,295	*19,877*
Research grants	65,002	*65,170*

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

5. Academic Faculties*	Staff Costs €'000	Non Pay €'000	2013 Total €'000	*Restated 2012 €'000*
Academic	74,760	-	74,760	*74,681*
Technical	8,735	-	8,735	*9,079*
Administrative support	9,470	-	9,470	*9,054*
Faculty and School grants*	-	24,651	24,651	*27,505*
Miscellaneous	-	444	444	*406*
	92,965	25,095	118,060	*120,725*

6. Academic and Other Services	Staff Costs €'000	Non Pay €'000	2013 Total	*2012 Total*
Library	7,294	1,566	8,860	*8,879*
Information systems services	4,589	2,118	6,707	*7,270*
Bio resources unit	630	202	832	*824*
Centre for microscopy and analysis	242	64	306	*304*
Innovation services	643	986	1,629	*1,672*
	13,398	4,936	18,334	*18,949*

7. Premises				
Premises maintenance	2,956	3,905	6,861	*7,540*
General services	9,181	2,525	11,706	*11,548*
Minor works	-	-	-	*158*
Rent and rates	-	167	167	*141*
Insurance	-	992	992	*994*
Energy	34	7,260	7,294	*6,988*
	12,171	14,849	27,020	*27,369*

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

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

9. Central Administration and Services	Staff Costs €'000	Non Pay €'000	2013 Total €'000	*2012 Total €'000*
Administration	9,915	-	9,915	*10,106*
Expenses	-	2,647	2,647	*3,245*
Professional charges	-	512	512	*771*
Miscellaneous	-	451	451	*443*
	9,915	3,610	13,525	*14,565*

10. General Educational Expenditure				
Examination expenses	37	988	1,025	*954*
Scholarships, prizes and fellowships	-	7,224	7,224	*6,551*
Miscellaneous expenses	-	1,964	1,964	*2,339*
	37	10,176	10,213	*9,844*

11. Student Services				
Capitation grants	-	1,171	1,171	*1,171*
Student services	692	708	1,400	*1,553*
Careers advisory service	611	64	675	*694*
Sports and recreation	262	-	262	*254*
Health and counselling	1,595	278	1,873	*1,495*
	3,160	2,221	5,381	*5,167*

12. Miscellaneous Expenditure				
Pension supplementation	6,993	-	6,993	*7,325*
Miscellaneous expenses	117	2,670	2,787	*2,598*
	7,110	2,670	9,780	*9,923*

13. Total Expenditure*	Staff Costs €'000	Non Pay €'000	2013 Total €'000	*Restated 2012 Total*
Academic and related services	138,756	64,057	202,813	*207,042*
Research grants and projects	44,290	20,712	65,002	*65,170*
	183,046	84,769	267,815	*272,212*

* 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) 2013 €'000	*Surplus/ (Deficit) 2012 €'000*
Catering	3,933	4,730	(797)	*16*
Residences/Conferences	11,036	15,715	(4,679)	*2,575*
Library shop	2,646	2,646	-	-
Enterprise Centre	1,178	2,804	(1,626)	-
Copying service	8	-	8	*(6)*
Day nursery	526	441	85	*(62)*
Diagnostics	486	500	(14)	*39*
College company proceeds and royalties account	47	-	47	*95*
Other	-	6	(6)	*(4)*
	19,860	26,842	(6,982)	*2,653*

Ancillary Services contributed an additional €9.3m in 2012/13 to College under expenditure above. €7.1m was transferred to a Central Strategic Fund included under other creditors and accruals (see note 20) to fund future initiatives yet to be determined. €2.2m was transferred to other income (see note 3) as an additional contribution to fund College expenditure in the current year.

15. Depreciation of Fixed Assets

	2013 €'000	*2012 €'000*
Land and buildings	19,671	*17,456*
Equipment	10,807	*10,206*
	30,478	*27,662*

16. General Reserve Transfer (See Note 23)

	2013 €'000	*2012 €'000*
Amortisation in line with depreciation (Note 15)	30,478	*27,662*
Surplus on ancillary services from Income and Expenditure account to General Reserve (Note 14)	6,982	*(2,653)*
	37,460	*25,009*

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

17.	Fixed Assets	Land and Buildings €'000	Equipment €'000	Total €'000
	Cost/Valuation at 1 October 2012			
	Valuation	425,299	5,452	430,751
	Cost	504,915	167,182	672,097
	Total	930,214	172,634	1,102,848
	Additions at cost	7,073	14,649	21,722
	Disposals	-	(3,446)	(3,446)
	Cost/Valuation at 30 September 2013			
	Valuation	425,299	5,452	430,751
	Cost	511,988	178,385	690,373
	Total	937,287	183,837	1,121,124
	Depreciation			
	At 1 October 2012	180,728	148,015	328,743
	Less Accumulated Depreciation on disposals	-	(3,439)	(3,439)
	Depreciation for Year	19,671	10,807	30,478
	At 30 September 2013	200,399	155,383	355,782
	Net Book Value at 1 October 2012	749,486	24,619	774,105
	Net Book Value at 30 September 2013	736,888	28,454	765,342

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 €59,132,047 (2011/12: €58,868,991) are included in creditors due after one year. The net book value of this property was €57,600,000 at 30 September 2013 (2011/12: €59,040,000).

In addition, included in land and buildings are other assets with a net book value of €59,935,176 (2011/12: €67,264,311) 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 €160,098 (2011/12: €Nil).

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

18. Investment Properties	2013 €'000	*2012* *€'000*
At beginning of year	43,930	*54,245*
Revaluation	1,371	-
Impairments in year	(2,784)	*(10,315)*
At end of year	42,517	*43,930*

GVA Donal O Buachalla, Chartered surveyors, independently valued all investment properties at 30 September 2013 at open market value in accordance with the Royal Institution of Chartered Surveyors valuation standards. The valuations of Lincoln House and 3&4 South Leinster St./18/19 Lincoln Place were updated at 30 September 2013 resulting in revaluation deficits of €0.9m and €0.1m in 2013 respectively. Trinity Biomedical Sciences Institute (commercial element) was valued at €27.9m as at 30 September 2013 resulting in a revaluation deficit in 2013 of €1.75m. The valuation of Oisin House at 30 September 2013 resulted in a revaluation surplus of €1.4m in 2013.

19. Debtors and Prepayments	2013 €'000	*Restated* *2012* *€'000*
Contract research grants and projects recoverable	16,615	*13,056*
Staff house loans	46	*58*
Internal balances	7,226	*8,416*
Trade debtors	4,692	*3,648*
Other debtors and prepayments	25,557	*15,735*
Amount due from subsidiary undertaking	1	*1*
	54,137	*40,914*

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

20. Creditors and Accrued Expenditure	2013 €'000	*Restated 2012 €'000*
Contract research grants and projects unexpended	53,294	*35,244*
Trade creditors	446	*6,485*
State grants for recurrent expenditure received in advance	7,147	*14,407*
Academic fees received in advance	38,055	*38,036*
PAYE/PRSI	4,738	*5,888*
Internal balances	47,024	*49,990*
Other creditors and accruals	63,612	*62,258*
	214,316	*212,308*

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. The remaining €3.2m was released from other creditors and accruals against other income in 2013 in order to achieve a balanced budget which means another funding source would need to be identified 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 Departemetns 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.

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

21. Pension Control Account	2013 Funded Scheme €'000	2013 Model Scheme €'000
Opening Balance-Grant receivable from/(payable to) the HEA	22,412	(21,773)
Income		
Employer Contributions	(9,572)	(2,116)
Employer Contributions - 20%*	(155)	(969)
Employee Contributions	(2,492)	(3,319)
Pension transfers in	(277)	(93)
Supplementation income	(6,829)	-
Other	(49)	-
Total Income	(19,374)	(6,497)
Expenditure		
Pensions in payment (including supplementation)	25,794	53
Lump sum payments on retirement	3,617	14
Death in service payments	2,148	20
Refunds of contributions	14	195
Administration & other costs	748	415
Total Expenditure	32,321	697
Deficit/(Surplus) in year	12,947	(5,800)
Closing Balance-Grant receivable from/(payable to) the HEA**	35,359	(27,573)

* 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 €7.8m is included in other debtors and prepayments (see note 19). This comprises grant receivable from the HEA for the Funded Scheme of €35.4m offset by grant payable to the HEA for the Model Scheme of €27.6m.

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

22.	Creditors Due after more than one year	2013 €'000	*2012* *€'000*
	Obligations under finance lease	59,132	*58,869*
	Bank Loan	75,000	*75,000*
		134,132	*133,869*

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 2012 €'000	Movement in year €'000	Total to 30 September 2013 €'000
	Valuation – fixed assets*	435,302	1,321	436,623
	Revaluation- investment properties	(15,870)	(1,413)	(17,283)
	State capital grants - HEA	246,684	7,848	254,532
	Recurrent funding transfer	58,589	1,746	60,335
	Capital donations	185,383	4,276	189,659
	Other (includes transfer of surplus on ancillary services - Note 16)	179,595	(2,035)	177,560
		1,089,683	11,743	1,101,426
	Disposals	(60,358)	(3,446)	(63,804)
	Amortisation			
	Amortisation at 1 October 2012	(333,170)		
	Accumulated amortisation on disposals		3,439	
	Amortisation in line with depreciation		(30,478)	
	Amortisation at 30 September 2013			(360,209)
		696,155	(18,742)	677,413

* Valuation–fixed assets reserves includes interest paid on the €75m loan facility with the European Investment Bank (see note 22 and accounting policies page 40)

24.	Revenue Reserve	2013 €'000	*2012* *€'000*
	Opening balance	385	*252*
	Surplus for year	105	*133*
	Closing balance	490	*385*

Notes to the Funding Statements (cont'd.)

25. 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, effective from 2012/13, fee income is to remain gross which results in all Non EU fees being classified as fee income. As a result 2011/12 has been restated on the same basis. Fee income, other income and academic faculty expenditure for 2011/12 have been restated by an increase of €11.3m, a decrease of €4.8m and an increase of €6.5m respectively (see note 2, 3 and 5).

26. Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2013 which require adjustment to the Funding Statements or the inclusion of a note thereto.

27. Approval of Funding Statements

The Board of Trinity College approved the Funding Statements on 22 January 2014.

RECONCILIATION OF CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT TO HEA FUNDING STATEMENTS

	Consolidated financial statements €'000	Unincorporated ancillary activites (1) €'000	GAAP adjustment €'000		HEA funding statements €'000
Income					
State grants	54,469	-	707	(2)	55,176
Academic fees	116,138	-	60	(3)	116,198
Research grants and contracts	74,670	-	(9,668)	(4)	65,002
Amortisation of deferred capital grants	13,245	-	(13,245)	(5)	-
Other operating income	50,535	(19,860)	(648)	(6)	30,027
Interest income	2,811	-	(1,294)	(7)	1,517
Endowment income	6,529		(6,529)	(8)	-
Total income	318,397	(19,860)	(30,617)		267,920
Expenditure					
Staff costs	221,756	(6,403)	(32,307)	(9)	183,046
Other operating expenses	84,991	(20,439)	20,217	(10)	84,769
Interest payable	4,171	-	(4,171)	(11)	-
Depreciation	27,307	-	(27,307)	(12)	-
Loss on revaluation of investment properties	2,681	-	(2,681)	(13)	-
Total expenditure	340,906	(26,842)	(46,249)		267,815
(Deficit)/Surplus for the year before taxation	(22,509)	6,982	15,632		105

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 where it relates to properties where no revaluation surplus is held in reserves.