The Financial Statements that follow were presented to the Board of the College at its meeting of 24 June 2015.

Explanatory Foreword
Financial Statements for the Year-ended 30 September 2014

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 Consolidated Financial Statements and Funding Statements for the year ended 30 September 2014 were approved by Board on 24 June 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 2014 please refer to the reconciliation as set out in the Financial Statements on pages 61 to 62. The Chief Financial Officer's Report on pages 3 to 4 also refers to specific differences that have resulted in a higher deficit on the Consolidated Financial Statements for the year.

The 2014 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 Public Service 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 2014 and they have qualified the audit opinion 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.

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

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 Funding Statements)

Year ended 30 September 2014

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 Dublin, the University of Dublin ("the College") together with the Higher Education Authority (HEA) Funding Statements and a reconciliation between both, that were approved by Board on 24 June 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 2014. The HEA Funding Statements, approved by Board on 24 June 2015, 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 2014 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 – Consolidated Financial Statements

The income and expenditure position is summarised below:

	2013/14	2012/13
Consolidated Income	€326.1m	€318.4m
Consolidated Expenditure	€347.9m	€340.9m
Consolidated deficit	(€21.8m)	(€22.5m)

The key movements between the 2013/14 Consolidated Financial Statements deficit of €21.8m and the 2012/13 Consolidated Financial Statements deficit of €22.5m are set out below.

Consolidated income for 2013/14 amounted to €326.1m (2012/13: €318.4m) which represents an increase of 2.4% on the prior year. The movement of €7.7m primarily relates to increases in academic fee income of €6.0m, research income of €3.3m and a gain on the revaluation of investment properties of €7.9m. This is offset, in part, by decreases in state grant of €7.2m and interest income of €1.9m. The financial performance for the year reflects the impact of the 7% calendar year reduction in state recurrent funding in 2014 over 2013 as notified by the Higher Education Authority (HEA). Other operating income in 2013/14 amounted to €51.2m (2012/13: €50.5m). See notes 1 to 6, 13 and 20 of the Consolidated Financial Statements for further breakdown of income.

Consolidated expenditure for the year amounted to €347.9m (2012/13: €340.9m). The movement of €7.0m primarily relates to an increase in staff costs of €4.0m of which pension costs contribute €2.5m. Within other operating expenses professional fees have increased by €3.3m reflecting additional expenditure on IT transformation projects and other College wide strategic initiatives. See notes 7 to 11 and 13 of the Consolidated Financial Statements for further breakdown of expenses. The level of research activity for 2013/14 recorded in the Consolidated Financial Statements (measured on the basis of expenditure activity during the year and not income received) amounted to €78.0m (2012/13: €74.7m). 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.

The Consolidated Financial Statements for 2013/14 have reported a planned deficit of €21.8 million including a net depreciation charge of €17 million and investment in approved income generating strategies.

The Trinity Endowment Fund continues to be a significant source of income to the College of €7m for 2013/14 (2012/13: €6.5m) as the level of State funding deteriorates further. It enables the College to maintain the quality and integrity of academic programmes and underpins the College's investment in IT Transformation Strategy initiatives.

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

Income and Expenditure Account – Funding Statements

	2013/14	2012/13
Funding Statements (deficit)/surplus	(€2.0m)	€0.1m

The main sources of movement between the Consolidated Financial Statements deficit and the Funding Statements deficit 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 61 to 62.

Balance Sheet

As reported in the Consolidated Financial Statements, the net assets of the Group amount to €909.3m at 30 September 2014, a decrease of €6.8m over 2012/13. Capital additions during the year amounted to €18.8m (2012/13: €21.9m). Land & Building additions account for €6.3m mainly relating to Business School €2.5m, New Square Residences €2.5m and Santry Outdoor Sports Facilities €0.6m. Equipment additions account for €12.5m of which €2.8m relates to IT transformation costs. A reclassification of part of the Trinity Biosciences Institute building from commercial to academic use took place in the year resulting in a reclassification of assets of €5.7m from investment property to fixed assets. The value transferred was determined using professional third party valuations.

The Group has cash balances of €169.7m at 30 September 2014 (2013: €185.6m) and a €75 million loan facility with the European Investment Bank, all of which was drawn down at 30 September 2014. The College complied with all of its bank covenants at the year end.

Conclusion

Trinity College has faced, and indeed continues to face, a number of challenges particularly in recent years given the straitened economic circumstances in Ireland and the continuing decline in State funding for higher education as highlighted in the annual HEA grant allocation letter. The financing of higher education on a sustainable basis is yet to be addressed comprehensively although the Department of Education and Skills is due to report on long-term sustainable funding for Irish universities by the end of 2015. Since 2008 the core recurrent grant to Universities has decreased by over 50%, the impact of which has been partially offset by increased student contribution charges and reduced pay rates as a consequence of the Haddington Road and Croke Park agreements.

The College continues to focus on key areas of non-Exchequer income generation; student contribution charge, additional international student intake, commercialisation, research diversification, industry engagement and philanthropy to address the divergence between escalating enrolments and the decline in Government funding in the sector and the College has targeted an Exchequer/non-Exchequer income ratio of 40:60 by 2018/2019. The percentage of total income that related to non-exchequer sources in 2013/14 amounted to 50% (2012/13: 50%).

The College's cost base is being actively addressed through management of its pay expenditure and savings realised through procurement. The College balance sheet remains strong with net assets in excess of €900 million, having also made significant capital investment in recent years.

Currently the College is planning to deliver balanced operational budgets. With provision for asset renewal and investment in approved income generation and cost reduction strategies, the College will report planned deficits for the next 3-4 years. However, the College has a clear plan to return to surplus in 2018/2019 with strategies in place and being developed to achieve its target of 2%-3% surplus by this time.

It is recognised that producing consistent surpluses is crucial to support the College's strategic objectives and to secure its financial sustainability. The College is committed to focusing on the key areas of income generation and cost management as outlined above to realise its ambitions as set out in the Strategic Plan 2014-2019.

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 the Higher Education Authority, 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 and Consolidated Financial Statements comply with the Universities Act 1997 and are prepared in accordance with accounting standards generally accepted in Ireland.

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

On behalf of Trinity College Dublin, the University of Dublin

____________________	____________________
DR PATRICK PRENDERGAST	IAN MATHEWS
PROVOST	CHIEF FINANCIAL OFFICER

Statement of Governance and Internal Control

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

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

The system of internal control is based on an ongoing 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 ongoing 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, Heads of Schools, Heads of Divisions and Heads of 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 resource allocation and budgeting system and has developed a 5 year financial planning model. It carries out an annual budgeting process and the resulting Annual Estimates are approved by the Finance Committee and then Board. Budgets are reviewed against actual during the year. Monthly reports are issued to budget-holders and 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

  Faculty/Division Finance Partners provide direct advice and support to the Academic/Support 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 by way of the minutes of issues to which its attention should be drawn. With the exception of the Finance Committee and the Audit Committee, the Chairs of these Committees are all elected members of Board.

- 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 year ended 30 September 2014, 99% of College's total expenditure fully complied with national and EU procurement guidelines. The College is currently working towards full compliance with all relevant guidelines.

Following a decision to review risk policy and risk management during the year ended 30 September 2014, the new risk management system continues to be a work in progress. Board has considered the risks associated with the Strategic Plan 2014-2019 and a revised Phase 1 version of the College Risk Register has been prepared for presentation to Board.

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 compliance with all statutory obligations applicable to the College as laid out in the Universities Act, 1997 and the Trinity College Dublin (Charters and Letters Patent Amendment) Act, 2000 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 an accumulated recurrent deficit at 30 September 2014 of €1.5m and is forecasting a break-even budget in 2015. 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 it is compliant with Public Pay Policy and the relevant frameworks under 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 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 our knowledge and belief the College is fully compliant with these.

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

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

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

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

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

xi) **Governing Authority Fees and Expenses:** No fees are paid to members of the Governing Authority (Board). €35.20 was paid to Board member Professor Des O'Neill in 2013-2014 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 2013 – 30 September 2014 - €186,693.

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

DR PATRICK PRENDERGAST	IAN MATHEWS
PROVOST	CHIEF FINANCIAL OFFICER

Independent Auditor's Report to the Board of Trinity College Dublin, the University of Dublin, on the Consolidated Financial Statements

We have audited the consolidated financial statements of the College for the year ended 30 September 2014 as set out on pages 11 to 40 which comprise the statement of accounting policies, the consolidated income and expenditure account, the consolidated statement of historical cost surpluses and deficits, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cashflow statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Board, as a body, in accordance with College Statute. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to it 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, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Board and auditor

As explained more fully in the Statement of Responsibilities on page 5, 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 Financial Reporting Council and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on financial statements

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 pension liabilities to have 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, and the enactment of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012, caused the State to assume responsibility for any shortfall in funding arising in the Master Pension scheme operated by the College and in the Single Public Service Pension Scheme, 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 , in our view, appropriate to recognise the pension receivable pertaining to the deficits on those schemes on the Consolidated and College balance sheets at 30 September 2014 and 30 September 2013.

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, (i) the pension receivable asset, net assets and revenue reserve in the Consolidated and College balance sheets at 30 September 2014 should be reduced by €476,576,000, (ii) the result after taxation in the Consolidated Income and Expenditure Account for the year ended 30 September 2014 should be restated to a deficit of €54,935,000 and (iii) the total recognised losses in the statement of total recognised gains and losses for the year ended 30 September 2014 should be restated to €78,879,000.

Also, in relation to the prior year (i) 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 (ii) 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 and (iii) the total recognised losses in the statement of total recognised gains and losses for the year ended 30 September 2013 should be restated to €42,514,000.

Qualified opinion on financial statements

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 affairs of the Group and College at 30 September 2014 and of the deficit of the Group for the year then ended.

Matters on which we are required to report by exception

Under the Code of Governance for Irish Universities, we are required to report to you if the statement regarding governance and the system of internal financial control, as included in the Statement of Governance and Internal Control on pages 6 to 8, is not consistent with the information of which we are aware from our audit work on the financial statements, and we report if it is not.

Matters on which we are required to report under the terms of our engagement

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.

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 Financial Reporting Council 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, 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 the 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 and the loss is expected to be permanent, in which case the excess of the loss over the previous gains is taken to the income and expenditure account. Similarly, where the reversal of a loss charged previously to the income and expenditure account is expected to be permanent the gain arising is credited 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 2014

	Notes	2014 €'000	2013 €'000
Income			
State grants	1	47,279	54,469
Academic fees	2	122,169	116,138
Research grants and contracts	3	78,004	74,670
Amortisation of deferred capital grants	20	11,599	13,245
Other operating income	4	51,243	50,535
Interest income		866	2,811
Other finance income/(expense)	5	-	-
Endowment income	6	7,022	6,529
Gain on revaluation of investment properties	13	7,881	-
Total Income		326,063	318,397
Expenditure			
Staff costs	7	225,756	221,756
Other operating expenses	8	89,368	84,991
Interest payable	9	4,217	4,171
Depreciation	11	28,554	27,307
Loss on revaluation of investment properties	13	-	2,681
Total Expenditure		347,895	340,906
Deficit for the year before taxation		(21,832)	(22,509)
Taxation	10	-	-
Deficit for the year after taxation		(21,832)	(22,509)
Less: Surplus for the year transferred to accumulated income in endowment funds	21	(1,588)	(1,865)
Deficit for the year retained within revenue reserve	23	(23,420)	(24,374)

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 24 June 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 2014

	2014 €'000	2013 €'000
Deficit for the year after taxation	(21,832)	(22,509)
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	4,477	4,445
Historical cost deficit for the year before taxation	(17,355)	(18,064)
Historical cost deficit for the year after taxation	(17,355)	(18,064)

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 30 September 2014

	Notes	2014 €'000	2013 €'000
Deficit for the year after taxation		(21,832)	(22,509)
Additional revaluation gain on investment properties not reflected in income and expenditure account	13	1,621	1,268
New endowments	21	1,212	9
Net appreciation of endowment asset investments	21	15,805	4,966
Actuarial (loss)/gain in respect of pension schemes	32	(187,178)	16,213
Movement on pension receivable	32	187,178	(16,213)
Total recognised losses for the year		(3,194)	(16,266)

CONSOLIDATED AND COLLEGE BALANCE SHEETS
Year Ended 30 September 2014

	Notes	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Fixed assets					
Tangible assets	11	761,668	765,807	761,620	765,727
Investment properties	13	46,369	42,517	46,369	42,517
		808,037	808,324	807,989	808,244
Endowment assets	14	165,113	146,508	165,113	146,508
Current assets					
Debtors	15	47,916	53,837	47,859	54,877
Stock	16	320	468	320	468
Cash at bank and in hand	30	21,677	44,736	10,383	35,903
Short term deposits	30	148,048	140,835	135,563	128,230
		217,961	239,876	194,125	219,478
Creditors: amounts falling due within one year	17	(147,528)	(144,443)	(135,900)	(137,274)
Net current assets		70,433	95,433	58,225	82,204
Total assets less current liabilities		1,043,583	1,050,265	1,031,327	1,036,956
Creditors: amounts falling due after more than one year	18	(134,280)	(134,132)	(134,280)	(134,132)
Net assets excluding pension (liability)/asset		909,303	916,133	897,047	902,824
Pension liability	32	(1,423,616)	(1,179,497)	(1,423,616)	(1,179,497)
Pension receivable	32	1,423,616	1,179,497	1,423,616	1,179,497
Net Assets		909,303	916,133	897,047	902,824

CONSOLIDATED AND COLLEGE BALANCE SHEETS (continued)
Year Ended 30 September 2014

	Notes	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Represented by:					
Deferred capital grants	20	420,017	423,653	420,017	423,653
Endowment funds: Permanent	21	156,793	138,649	156,793	138,649
Expendable	21	8,320	7,859	8,320	7,859
		165,113	146,508	165,113	146,508
Revaluation reserve	22	335,536	333,915	335,536	333,915
Revenue reserve	23	(11,363)	12,057	(23,619)	(1,252)
	23	324,173	345,972	311,917	332,663
		909,303	916,133	897,047	902,824

The financial statements on pages 11 to 40 were approved by the Board of the College on 24 June 2015 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

CONSOLIDATED CASHFLOW STATEMENT
Year Ended 30 September 2014

	Notes	2014 €'000	2013 €'000
Net cash outflow from operating activities	26	(9,849)	(16,285)
Returns on investments and servicing of finance	27	3,819	5,432
Capital expenditure and financial investment	28	(10,120)	(6,278)
Net cash outflow before management of liquid resources and financing		(16,150)	(17,131)
Management of liquid resources	29	(7,213)	30,968
(Decrease)/increase in cash in the year	30	(23,363)	13,837

Reconciliation of net cash flow to movement in net funds

	Notes	2014 €'000	2013 €'000
(Decrease)/increase in cash in the year	30	(23,363)	13,837
Increase/(decrease) in liquid resources	30	7,213	(30,968)
Movement in net funds resulting from cash flows		(16,150)	(17,131)
Increase in finance lease obligations	30	(148)	(263)
Movement in net funds in year		(16,298)	(17,394)
Net funds at beginning of year	30	51,225	68,619
Net funds at end of year	30	34,927	51,225

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 State grants	2014 €'000	2013 €'000
State grants allocated for recurrent purposes	47,279	54,469

The above grant income was received from the following sources:	2014 €'000	2013 €'000
HEA	43,921	50,910
Department of Health and Children	3,358	3,559
	47,279	54,469

Reconciliation of State grant received to income recognised	2014 €'000	2013 €'000
State grant received in respect of current year	48,641	47,916
State grant deferred from prior accounting year (Note 17)	2,454	9,007
State grant deferred to subsequent accounting years (Note 17)	(3,816)	(2,454)
	47,279	54,469

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	2014 €'000	2013 €'000
Academic fee income	120,456	114,718
Miscellaneous fee income	1,713	1,420
Total fees paid by or on behalf of individual students	122,169	116,138

A total of €41,620,521 (2013: €42,751,145) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,329,640 (2013: €4,234,432).

The academic fee income is analysed as follows:	2014 €'000	2013 €'000
Full time EU	85,381	83,909
Full time non EU	27,363	22,684
Part time EU	7,331	7,833
Part time non EU	381	270
Short courses	-	22
	120,456	114,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Research grants and contracts	2014 €'000	2013 €'000
State and semi-state	50,492	49,410
European Union	13,945	11,937
Industry	1,729	1,556
Other	5,600	5,217
SFI Overheads	6,238	6,550
	78,004	74,670

4 Other operating income	2014 €'000	2013 €'000
Academic Schools and Faculty Offices	5,517	9,193
Service areas	3,675	2,813
Catering	2,640	2,937
Residences	9,830	10,446
Other ancillary services	1,074	899
Rental income	7,822	7,028
Library income	7,949	6,964
Concession income	826	826
Non academic other activities	3,581	4,579
Science Gallery	1,812	1,605
HEA pension income	1,127	1,390
Other income	5,390	1,855
	51,243	50,535

5 Other finance income/(expense)	Notes	2014 €'000	2013 €'000
Interest on pension liabilities	32	(45,228)	(46,597)
Movement on pension receivable to offset finance expense	32	45,228	46,597
		-	-

6 Endowment income	Notes	2014 €'000	2013 €'000
Income from permanent endowments	21	6,728	6,232
Income from expendable endowments	21	294	297
		7,022	6,529

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	2014 Number	2013 Number
Teaching and research		1,339	1,270
Technical		975	963
Support services		988	959
Other		779	776
		4,081	3,968

	Notes	2014 €'000	2013 €'000
Salaries and wages		187,793	186,939
Social welfare costs		14,300	13,687
Other pension costs**		23,663	21,130
		225,756	221,756

** Other pension costs in respect of:	Notes	2014 €'000	2013 €'000
Defined benefit	32	39,366	38,626
Defined contribution	32	159	142
Movement on pension receivable to offset FRS 17 incremental costs	32	(15,862)	(17,638)
		23,663	21,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8 Other operating expenses	2014 €'000	2013 €'000
Telephone and related charges	741	660
Conference fees	728	691
Consumables	16,940	15,745
Computer and other equipment	5,105	6,587
Heat, light, water and power	9,441	8,519
Books and periodicals	2,044	2,523
Repairs and general maintenance	12,602	12,200
Insurance	1,230	1,178
Professional fees	7,342	4,041
Rent and rates	2,373	2,469
Print and stationery	4,560	3,615
Travel and subsistence	5,811	5,673
Hospitality and entertainment	817	931
Recruitment	854	390
Capitation	1,157	1,138
Academic fees	6,762	5,278
Scholars and fellows costs	1,464	1,743
Student awards	1,317	1,578
Examination costs	530	617
Bank charges	538	479
Trinity Foundation direct expenditure	1,499	1,188
Endowment funds direct expenditure	1,205	1,704
Other expenses	4,308	6,044
	89,368	84,991

Other operating expenses include:

Auditors' remuneration (including VAT)	162	138
C&AG remuneration	38	38
	200	176

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 €2.8m (2013: €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	2014 €'000	2013 €'000
On finance leases	3,503	3,489
On bank loan	714	682
	4,217	4,171

10 Taxation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11 Tangible fixed assets	Land and Buildings €'000	Computer Equipment €'000	Equipment €'000	Total €'000
CONSOLIDATED				
Cost or valuation				
At 1 October 2013	939,452	16,790	165,605	1,121,847
Additions	6,256	2,859	9,650	18,765
Reclassification from investment properties (Note 13)	5,650	-	-	5,650
Disposals	-	(300)	(903)	(1,203)
At 30 September 2014	951,358	19,349	174,352	1,145,059
Depreciation				
At 1 October 2013	200,256	15,047	140,737	356,040
Depreciation for year	17,665	1,190	9,699	28,554
Disposals	-	(300)	(903)	(1,203)
At 30 September 2014	217,921	15,937	149,533	383,391
Net book value				
At 1 October 2013	739,196	1,743	24,868	765,807
At 30 September 2014	733,437	3,412	24,819	761,668
COLLEGE				
Cost or valuation				
At 1 October 2013	939,452	16,456	165,458	1,121,366
Additions	6,256	2,853	9,650	18,759
Reclassification from investment properties (Note 13)	5,650	-	-	5,650
Disposals	-	(300)	(903)	(1,203)
At 30 September 2014	951,358	19,009	174,205	1,144,572
Depreciation				
At 1 October 2013	200,256	14,774	140,609	355,639
Depreciation for year	17,665	1,158	9,693	28,516
Disposals	-	(300)	(903)	(1,203)
At 30 September 2014	217,921	15,632	149,399	382,952
Net book value				
At 1 October 2013	739,196	1,682	24,849	765,727
At 30 September 2014	733,437	3,377	24,806	761,620

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 2013/14 of €3,338,673 (2012/13: €181,931).

In applying FRS 5 *'Reporting the Substance of Transactions'*, the College has included in Land and Buildings property for which the related liabilities of €59,279,908 (2012/13: €59,132,047) are included in creditors (see Note 18). The net book value of this property was €56,160,000 at 30 September 2014 (2012/13: €57,600,000).

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 €0.46m were donated to Trinity College between 1 October 2009 and 30 September 2014 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.

	2009/10	2010/11	2011/12	2012/13	2013/14
Value of acquisitions by donation	€0.04m	€0.15m	€0.08m	€0.07m	€0.12m

There were no disposals of heritage assets between 1 October 2009 and 30 September 2014.

12 Investments within Fixed Assets

	Consolidated	
	2014 €'000	2013 €'000
At beginning of year	-	715
Increase in market value of investments	-	19
Encashment of investments	-	(734)
At end of year	-	-

These investments were 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	
	2014 €'000	2013 €'000
At beginning of year	42,517	43,930
Reclassification to tangible fixed assets	(5,650)	-
Revaluation gains in year	9,502	1,371
Revaluation losses in year	-	(2,784)
At end of year	46,369	42,517

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2014 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 2014 resulting in revaluation surpluses of €1.1m and €0.1m in 2014 respectively. The valuation of Oisin House at 30 September 2014 resulted in a revaluation gain of €1.5m.

Trinity Biomedical Sciences Institute (commercial element) was valued at €34.7m as at 30 September 2014 resulting in a revaluation gain in 2014 of €6.8m. At 30 September 2014, the College opted to utilise the first floor for internal academic purposes. As a result this area no longer met the criteria of investment properties as set out in SSAP 19. Therefore, this portion of the building valued at €5.7m has been reclassified within tangible fixed assets with effect from 30 September 2014.

A net gain on revaluation of investment properties of €1.62m has been taken to the revaluation reserve in the Balance Sheet (2013: €1.27m gain) and a net surplus on revaluation of €7.88m has been recognised as a gain in the income and expenditure account (2013: €2.68m deficit) representing the reversal of losses previously recorded in the Income and Expenditure Account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS – continued

14 Endowment Assets	Notes	Consolidated and College 2014 €'000	2013 €'000
At beginning of year		146,508	139,668
New endowments	21	1,212	9
Net increase in market value of investments	21	15,805	4,966
Surplus transferred from income and expenditure account	21	1,588	1,865
At end of year		165,113	146,508
Represented by:			
Bonds		67,788	61,780
Equities		64,976	57,718
Zero Coupon Bonds		2,071	2,049
Diversified alternatives		8,499	10,394
Property		19,355	7,239
Cash deposits		1,000	7,150
Working capital		1,424	178
Total endowment assets		165,113	146,508

15 Debtors	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Trade debtors	3,322	4,553	3,322	4,682
Research grants and contracts receivable	19,782	16,615	19,782	16,615
State capital grants receivable	13,114	15,728	13,114	15,728
Non State capital funding receivable	1,456	625	1,456	625
Prepayments and other debtors	10,242	16,316	10,049	17,226
Amounts due from subsidiary undertakings	-	-	136	1
	47,916	53,837	47,859	54,877

16 Stocks	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Raw materials and consumables	40	136	40	136
Finished goods for resale	280	332	280	332
	320	468	320	468

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 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Trade creditors	3,516	994	3,209	528
Research grants and contracts in advance	46,880	51,871	46,880	51,871
Academic fees received in advance	40,683	38,055	40,683	38,055
State recurrent grants received in advance	3,816	2,454	3,816	2,454
Capital funding received in advance	2,869	3,970	2,869	3,970
Accruals and deferred income	27,941	29,967	16,622	23,265
Bank loans and overdrafts (Note 19)	518	214	518	214
PAYE/PRSI	5,049	4,738	5,049	4,738
Other creditors	16,256	12,180	16,254	12,179
	147,528	144,443	135,900	137,274

Accruals include deferred income of €0.6m (2013: €1.4m) in relation to concession agreements.

18 Creditors: Amounts falling due after more than one year	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
Obligations under finance lease (Note 19)	59,280	59,132	59,280	59,132
Bank loan (Note 19)	75,000	75,000	75,000	75,000
	134,280	134,132	134,280	134,132

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.

19 Borrowings	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
(a) Bank loans and overdrafts				
Bank loans and overdrafts are repayable as follows:				
Amounts due within one year	518	214	518	214
Due after more than five years	75,000	75,000	75,000	75,000
Total	75,518	75,214	75,518	75,214

The College has no undrawn bank loan facilities available to it at 30 September 2014.

(b) Finance leases	Consolidated 2014 €'000	Consolidated 2013 €'000	College 2014 €'000	College 2013 €'000
The net finance lease obligations committed to are:				
Due between two and five years	1,447	669	1,447	669
Due after more than five years	57,833	58,463	57,833	58,463
Total	59,280	59,132	59,280	59,132

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 2013	273,145	150,508	423,653
Amount receivable	5,592	2,371	7,963
Released to income and expenditure	(7,478)	(4,121)	(11,599)
At 30 September 2014	271,259	148,758	420,017

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 Charities Regulatory Authority (formally 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	2014 Total €'000	2013 Total €'000
Capital	130,746	6,986	137,732	132,757
Accumulated income	7,903	873	8,776	6,911
At beginning of year	138,649	7,859	146,508	139,668
New endowments	1,212	-	1,212	9
Net appreciation of endowment investments	14,923	882	15,805	4,966
Investment income for the year	6,728	294	7,022	6,529
Expenditure for the year	(4,719)	(715)	(5,434)	(4,664)
At end of year	156,793	8,320	165,113	146,508
Represented by:				
Capital	146,881	7,868	154,749	137,732
Accumulated income	9,912	452	10,364	8,776
	156,793	8,320	165,113	146,508

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 2014 €'000	Accumulated Income: Opening Balance €'000	Income €'000	Expenditure €'000	Income transfer to capital €'000	Closing Balance €'000	Date Received
Research (Arts, Economics, & Social Studies)	1,595	125	60	55	-	130	1979
Chetwood-Aiken	1,689	12	62	-	55	19	1969
Hitachi	1,781	2	68	55	-	15	1991
Brown Animal	1,984	-	75	75	-	-	1973
O'Sullivan Manuscripts	2,123	271	80	241	-	110	2002
Early Irish Studies	2,406	-	91	91	-	-	1996
Loyola	3,644	203	8	120	-	91	2013
Smurfit	2,479	-	94	94	-	-	1989
Provost's Academic Development Fund	3,224	477	122	100	-	499	1992
Nunn	3,331	711	126	1	-	836	1994
Coca Cola	3,427	12	130	92	-	50	1993
Reid Entrance Exhibitions	3,997	38	151	79	27	83	1888
Childhood Research	4,228	298	160	96	-	362	2005
Iona Technologies	7,712	169	292	280	-	181	1997
Faculty Funds	7,868	873	294	606	109	452	2009
Endowment Capital Development Fund	45,409	313	1,721	1,515	-	519	1995
	96,897	3,504	3,534	3,500	191	3,347	

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	2014 €'000	2013 €'000
At 1 October	333,915	332,647
Gain on revaluation of investment properties (Note 13)	1,621	1,268
At 30 September	335,536	333,915

23 Reconciliation of movement in reserves	Revenue reserve €'000	Revaluation reserve €'000	Total €'000
CONSOLIDATED			
At 1 October 2013	12,057	333,915	345,972
Deficit for the financial year	(23,420)	-	(23,420)
Gain on revaluation of investment properties (Note 13)	-	1,621	1,621
At 30 September 2014	(11,363)	335,536	324,173
COLLEGE			
At 1 October 2013	(1,252)	333,915	332,663
Deficit for the financial year	(22,367)	-	(22,367)
Gain on revaluation of investment properties (Note 13)	-	1,621	1,621
At 30 September 2014	(23,619)	335,536	311,917

24 Contingent liabilities

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

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	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Capital Commitments				
Contracted for but not provided	4,019	3,669	4,019	3,669
Authorised but not contracted out	12,275	6,526	12,275	6,526
	16,294	10,195	16,294	10,195

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.

26 Reconciliation of consolidated deficit to net cash outflow from operating activities	2014 €'000	2013 €'000
Deficit for the year	(21,832)	(22,509)
Depreciation	28,554	27,307
Surplus transferred to endowment funds	(1,588)	(1,865)
Increase in market value of fixed asset investments	-	(19)
Amortisation of deferred capital grants	(11,599)	(13,245)
Decrease in stocks	148	1
Decrease/(increase) in debtors	4,138	(12,918)
Increase in creditors	3,882	9,451
Interest payable	4,217	4,171
Interest received	(866)	(2,811)
Endowment income	(7,022)	(6,529)
(Gain)/loss on revaluation of investment properties	(7,881)	2,681
Net cash outflow from operating activities	(9,849)	(16,285)

27 Returns on investments and servicing of finance	2014 €'000	2013 €'000
Interest received	866	2,811
Interest paid	(4,069)	(3,908)
Endowment income received	7,022	6,529
Net cash inflow from returns on investments and servicing of finance	3,819	5,432

28 Capital expenditure and financial investment	2014 €'000	2013 €'000
Purchase of tangible fixed assets	(18,765)	(21,912)
Capital grants received	8,645	14,901
Encashment of investments	-	733
Net cash outflow from capital expenditure and financial investment	(10,120)	(6,278)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

29 Management of liquid resources	2014 €'000	2013 €'000
Movement in short term deposits	(7,213)	30,968

30 Analysis of changes in net funds	At 1 October 2013 €'000	Cashflows €'000	Other changes €'000	At 30 September 2014 €'000
Cash	44,736	(23,059)	-	21,677
Bank overdraft	(214)	(304)	-	(518)
	44,522	(23,363)	-	21,159
Liquid resources	140,835	7,213	-	148,048
Obligations under finance leases	(59,132)	-	(148)	(59,280)
Bank loan	(75,000)	-	-	(75,000)
Total	51,225	(16,150)	(148)	34,927

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.

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 €100,905 (2012/13: €60,054) to the Haughton Institute and received €541,759 (2012/13: €148,388) for services provided to the Haughton Institute.

31 Related parties *(continued)*

All transactions were conducted on an arm's length basis. At 30 September 2014, there was an amount of €43,800 (2012/13 €78,301) due from Trinity College to the Haughton Institute. The net assets of the Haughton Institute per their audited Financial Statements at 31 December 2013 were €313,423 (2012: €423,269) and the deficit for the year amounted to €109,846 (2012: €82,321).

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 €236,809 (2012/13: €335,714) to MMI and received €3,000 (2012/13: €Nil). At 30 September 2014 there was an amount of €Nil (2012/13: €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 2013 were €Nil (2012: €Nil) and the surplus for the year amounted to €Nil (2012: €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 €Nil (2012/13: €79,683). At 30 September 2014 there was an amount of €Nil (2012/13: €Nil) due from NRDC Limited. The net assets per their Financial Statements as at 31 December 2013 were €730,895 (2012: €729,390) and the surplus for the year amounted to €1,505 (2012: €8,456).

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 2014 there was an amount of €Nil (2012/13: €Nil) due from NIBRT Limited. The net reserves (per their financial statements as adjusted to align with Trinity College accounting policies) at 31 December 2013 were €Nil (2012: €Nil) and the surplus for the year amounted to €Nil (2012: €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 eight 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 (2,202 square meters) to The Lir until 30 September 2021, at a nominal rent of €10 per annum. At 30 September 2014 there was an amount of €490,838 (2012/13: €400,504) due from The Lir. The net liabilities of The Lir per their Financial Statements at 30 September 2014 were €290,111 (2013: €265,329) and the surplus for the year amounted to €24,782 (2013: €98,861 deficit).

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 seven Board Members. The main object for which the Company is established is to advance education by igniting creativity and discovery where science and art collide, through developing an international network of science activities including touring exhibitions, educational workshops, training programmes and events. At 30 September 2014 there was an amount of €113,422 (2013: €105,264) due from SGI and an amount of €66,905 (2013 €61,500) due to SGI. The net assets of SGI per management accounts at 30 September 2014 were €72,507 (2013: €62,792) and the profit for the year amounted to €9,715 (2013: €24,064).

The Douglas Hyde Gallery is a company limited by guarantee and does not have share capital. The main objectives of the company are to promote the study and improve the understanding of the fine arts, to maintain a permanent centre for the exhibitions of works of art and to carry out research, investigation and experimental works in the arts. The Douglas Hyde Gallery is a related party as four out of a total of eight board members are appointed by Trinity College. During the period, Trinity College made payments of €46,815 (2013: €45,431) to the Douglas Hyde Gallery and received payments for €38,870 (2013: €45,431) in respect of rent and other costs associated with the provision of office and exhibition space in the College. At 30 September 2014, there was an amount of €Nil (2013: €Nil) due from the Douglas Hyde Gallery. The net assets of the Douglas Hyde Gallery at 30 September 2014 were €85,145 (2013: €119,575) and the deficit for the year amounted to €34,430 (2013: €43,972).

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 €0.2 million (2013: €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

Consolidated and College		**2014 €'000**	**2013 €'000**
Pension liability – FRS 17	Section (iii) below	(1,423,616)	(1,179,497)
Pension receivable	Section (iv) below	1,423,616	1,179,497
		-	-

Analysis of pension liability – FRS 17	**2014 €'000**	**2013 €'000**
Master Pension Scheme	(944,335)	(771,786)
Model Scheme and Pension Supplementation	(476,576)	(407,488)
Single Public Service Pension Scheme	(2,705)	(223)
Present value of unfunded obligations	(1,423,616)	(1,179,497)

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 2014 and 30 September 2013 were as follows:

Financial assumptions	**30 September 2014**	**30 September 2013**
Valuation method	Projected Unit	Projected Unit
Discount rate	2.60%	3.75%
Inflation rate	1.75%	2.0%
Salary increases	3.25%	3.5%
Pension supplementation	2.25%	2.5%

The discount rate of 2.60% 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 2014**	**30 September 2013**
Member aged 65 (current life expectancy)	23.5	23.3
Member aged 40 (life expectancy at age 65)	26.5	26.4

Change in benefit obligations	**2014 €'000**	**2013 €'000**
Benefit obligations at beginning of year	1,179,497	1,139,996
Service cost	39,366	38,626
Interest cost	45,228	46,597
Plan members' contributions	2,407	2,475
Actuarial loss/(gain)	187,178	(16,213)
Benefits paid	(29,763)	(31,641)
Expenses paid	(297)	(343)
Benefit obligations at end of year	1,423,616	1,179,497

There are no plan assets for these unfunded pension arrangements.

The estimated employer contributions for the 2015 financial year are €24.1m. Employer contributions for the 2014 financial year were €23.5m (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)

Expense recognised in the income and expenditure account before movement on pension receivable	Notes	2014 €'000	2013 €'000
Analysis of amount charged to other finance costs			
Interest on pension liabilities		45,228	46,597
	5	45,228	46,597
Analysis of amount charged to staff costs			
Current service cost		39,366	38,626
	7	39,366	38,626
Total pension expense recognised in income and expenditure account before movement on pension receivable		84,594	85,223

Cumulative amount of actuarial (losses) / gains immediately recognised before movement on pension receivable	2014 €'000	2013 €'000
At beginning of year	(48,843)	(65,056)
Amount recognised in the consolidated statement of total recognised gains/(losses)		
Experience gains on liabilities	37,207	71,890
Changes in assumptions	(224,385)	(55,677)
Actuarial (loss)/gain recognised in STRGL before movement on pension receivable	(187,178)	16,213
At end of year	(236,021)	(48,843)

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	2014 €'000	2013 €'000	2012 €'000	2011 €'000	2010 €'000
Difference between expected and actual return on scheme assets	n/a	n/a	n/a	n/a	n/a
Percentage of scheme assets (fair value)	n/a	n/a	n/a	n/a	n/a
Experience gains and losses on scheme liabilities	37,207	71,890	37,166	43,704	48,260
Percentage of scheme liabilities (present value)	2.6%	6.1%	3.3%	4.9%	5.0%
Total actuarial gains and losses	(187,178)	16,213	(194,974)	118,185	(140,822)
Percentage of scheme liabilities (present value)	13.1%	1.4%	(17.1%)	13.2%	(14.7%)

History of scheme deficits	2014 €'000	2013 €'000	2012 €'000	2011 €'000	2010 €'000
Fair value of scheme assets	-	-	-	-	-
Present value of scheme liabilities	(1,423,616)	(1,179,497)	(1,139,996)	(895,407)	(960,906)
Deficit in schemes	(1,423,616)	(1,179,497)	(1,139,996)	(895,407)	(960,906)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32 Retirement benefits *(continued)*	2014 €'000	2013 €'000

b) Defined benefit pension schemes *(continued)*

iv) Pension receivable – due from the State

	2014 €'000	2013 €'000
Pension receivable at beginning of year	1,179,497	1,139,996
Movement included in other finance income – Note 5	45,228	46,597
Movement included in staff costs – Note 7	15,862	17,638
Movement included in the statement of total recognised gains and losses	187,178	(16,213)
Employer contributions	23,504	20,988
Member contributions	2,407	2,475
Benefits paid from plan	(29,763)	(31,641)
Expenses paid	(297)	(343)
Pension receivable at end of year	1,423,616	1,179,497

33 Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2014 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 24 June 2015.

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

TRINITY COLLEGE DUBLIN, THE UNIVERSITY OF DUBLIN

FUNDING STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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

We have audited the Funding Statements of the College for the year ended 30 September 2014 as set out on pages 44 to 60 which comprise the Statement of Accounting Policies, Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. These Funding Statements have been prepared in accordance with the accounting policies set out therein and with the Harmonisation of Accounts Agreement, as adopted by Irish Universities.

This report is made solely to the Board, as a body, in accordance with College statute. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to it 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 the College and Auditor

As more fully explained on page 43, the College is responsible for preparing the Funding Statements.

Our responsibility is to audit and express an opinion on the Funding Statements in accordance with the terms of our engagement letter dated 18 September 2013 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the Funding Statements

An audit involves obtaining evidence about the amounts and disclosures in the Funding Statements sufficient to give reasonable assurance that the Funding Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the College; and the presentation of the Funding Statements in accordance with the Harmonisation of Accounts Agreement. However, in view of the purpose for which the Funding Statements are prepared and the nature of the Harmonisation of Accounts Agreement's requirements, we have not assessed the overall presentation of the HEA financial statements as would have been required if we were to express a true and fair opinion under International Standards on Auditing (UK and Ireland).

Opinion on Funding Statements

In our opinion the Funding Statements of the College for the year ended 30 September 2014 have been properly prepared, in all material respects, in accordance with the accounting policies therein and with the most recent Harmonisation of Accounts agreement.

Matters on which we are required to report under the terms of our engagement

We have obtained all the information and explanations which we consider necessary for the purpose of our audit. In our opinion proper books of account have been kept by the College. The Funding Statements are in agreement with the books of account.

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 Responsibilities for the Funding Statements

Trinity College Dublin, the University of Dublin ("the College") is required to comply with the Universities Act 1997, and to keep in such form as may be approved by an tÚdarás, all proper and usual accounts of money received and expended by it. Under these responsibilities the College is required to prepare Funding Statements in accordance with the Harmonisation of Accounts Agreement, as adopted by Irish Universities. In preparing the Funding Statements, the College is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Funding Statements on the going concern basis unless that basis is inappropriate.

The College is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the College and which enables it to ensure that its Funding Statements comply with the Universities Act 1997. The 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.

On behalf of Trinity College Dublin, the University of Dublin

PROVOST

CHIEF FINANCIAL OFFICER

Statement of Accounting Policies

Funding Statements

The Funding Statements reflect the teaching, research and related service activities of Trinity College Dublin, the University of Dublin ("the College"). The Financial Statements of the Pension Funds of Trinity College, Trinity Endowment Fund 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 2014 are separately 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 Financial Reporting Council.

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.

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.

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. For the purposes of the Funding Statements notional interest representing the opportunity costs of deposit interest foregone by the College is also capitalised.

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.

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:

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.

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. It is considered that no meaningful value can be attributed to the majority of these assets 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 to 31 December 2012 and is operated on a pay as you go basis.

Post-retirement pension increases (Pension Supplementation) for retired staff are operated on a pay as you go basis.

The Single Public Service Scheme applies to all new staff who join the public sector as new entrants on or after 1 January 2013. It is a defined benefit scheme. 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.

Pension costs are accounted for by the College in the Funding Statements 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, which do not form part of teaching or research related activities. 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 2014

	Notes	2014 €'000	*2013 €'000*
Income			
State Grants	1	47,781	*55,176*
Student Fees	2	122,235	*116,198*
Other Income	3	30,437	*31,544*
		200,453	*202,918*
Research Grants and Projects	4	71,729	*65,002*
Total		272,182	*267,920*
Expenditure			
Academic Faculties	5	117,810	*118,060*
Academic and Other Services	6	20,152	*18,334*
Premises	7	27,975	*27,020*
Amount Allocated for Capital Purposes	8	501	*500*
Central Administration and Services	9	12,751	*13,525*
General Educational Expenditure	10	9,413	*10,213*
Student Services	11	5,021	*5,381*
Miscellaneous Expenditure	12	8,837	*9,780*
Academic and Related Services	13	202,460	*202,813*
Research Grants and Projects	13	71,729	*65,002*
Total	13	274,189	*267,815*
(Deficit)/ Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		(2,007)	*105*
Deficit on Ancillary Services	14	(28)	*(6,982)*
Depreciation of Fixed Assets	15	(24,081)	*(30,478)*
General Reserve Transfer	16	24,109	*37,460*
Net (deficit) / surplus for year	24	(2,007)	*105*

The Statement of Accounting Policies (Pages 44 to 46) and Notes to the Funding Statements (Pages 50 to 60) form part of these Funding Statements.

PROVOST

CHIEF FINANCIAL OFFICER

Balance Sheet
At 30 September 2014

	Notes	2014 €'000	*2013 €'000*
Fixed Assets			
Tangible assets	17	765,669	*765,342*
Investment properties	18	46,369	*42,517*
		812,038	*807,859*
Current Assets			
Bank and cash balances		145,946	*164,133*
Debtors and prepayments	19	55,414	*54,137*
Stocks		287	*436*
		201,647	*218,706*
Current Liabilities			
Creditors and accrued expenditure	20	(205,412)	*(214,316)*
Bank balances		(518)	*(214)*
		(205,930)	*(214,530)*
Net Current (Liabilities)/Assets		(4,283)	*4,176*
Long Term Liabilities			
Creditors due after one year	22	(134,280)	*(134,132)*
		673,475	*677,903*
Represented By:			
General reserve	23	674,992	*677,413*
Revenue reserve	24	(1,517)	*490*
		673,475	*677,903*

The Statement of Accounting Policies (Pages 44 to 46) and Notes to the Funding Statements (Pages 50 to 60) form part of these Funding Statements.

PROVOST

CHIEF FINANCIAL OFFICER

Cash Flow Statement
Year ended 30 September 2014

	Notes	2014 €'000	*2013 €'000*
Net Cash Outflow from Operating Activities	25	(12,495)	*(19,556)*
Returns on Investments and Servicing of Finance			
Interest received (net)		428	*1,485*
Capital Expenditure			
Purchase of fixed assets		(18,758)	*(20,139)*
Net Cash Outflow before Management of Liquid Resources and Financing		(30,825)	*(38,210)*
Management of Liquid Resources		(7,333)	*31,345*
Financing			
Capital receipts		12,334	*18,818*
Total financing		12,334	*18,818*
(Decrease)/ Increase in Cash in the year	25	(25,824)	*11,953*
Reconciliation of Net Cash Flow to Movement in Net Funds	25		
Net funds beginning of year		29,787	*49,442*
Net funds at end of year		11,148	*29,787*
Net Funds Outflow		(18,639)	*(19,655)*
Represented by:			
(Decrease) / Increase in cash in the year		(25,824)	*11,953*
Increase / (Decrease) in liquid resources		7,333	*(31,345)*
Movement in Net Funds Resulting from Cash Flows		(18,491)	*(19,392)*
Movement in finance leases		(148)	*(263)*
		(18,639)	*(19,655)*

Notes to the Funding Statements

1.	State Grants	2014 €'000	*2013 €'000*
	Recurrent grant	44,271	*50,907*
	Nursing	3,358	*3,559*
	Targeted funding for special initiatives	-	*556*
	Minor works	152	*154*
		47,781	*55,176*

2.	Student Fees	2014 €'000	*2013 €'000*
	Academic	120,523	*115,131*
	Miscellaneous fee income	1,712	*1,067*
		122,235	*116,198*

A total of €41,620,521 (2013: €42,751,145) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,329,640 (2013: €4,234,432).

3.	Other Income	2014 €'000	*2013 €'000*
	Interest receivable (net)	428	*1,517*
	Funded posts and donations	3,083	*3,735*
	Research grants and projects contribution	13,391	*14,079*
	Miscellaneous income*	13,535	*12,213*
		30,437	*31,544*

**Miscellaneous income includes a €6.9m contribution from Ancillary services in 2014 and €2.2m in 2013 (see Note 14). Miscellaneous income in 2013 included €3.2m released from Other Creditors and Accruals.*

4.	Research Grants and Projects	2014 €'000	*2013 €'000*
	Exchequer	47,054	*43,707*
	Non-Exchequer	24,675	*21,295*
	Research grants	71,729	*65,002*

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

5. Academic Faculties	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
Academic	79,381	-	79,381	*74,760*
Technical	9,521	-	9,521	*8,735*
Administrative support	10,322	-	10,322	*9,470*
Faculty and School grants	-	18,056	18,056	*24,651*
Miscellaneous	-	530	530	*444*
	99,224	18,586	117,810	*118,060*

6. Academic and Other Services	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
Library	6,897	3,279	10,176	*8,860*
Information systems services	5,016	1,931	6,947	*6,707*
Bio resources unit	712	373	1,085	*832*
Centre for microscopy and analysis	193	123	316	*306*
Innovation services	565	1,063	1,628	*1,629*
	13,383	6,769	20,152	*18,334*

7. Premises	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
Premises maintenance	2,199	4,886	7,085	*6,861*
General services	9,284	2,289	11,573	*11,706*
Rent and rates	-	78	78	*167*
Insurance	-	1,153	1,153	*992*
Energy	27	8,059	8,086	*7,294*
	11,510	16,465	27,975	*27,020*

8. Amount Allocated for Capital Purposes	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
Capital projects	-	501	501	*500*

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

9.	Central Administration and Services	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
	Administration	10,225	-	10,225	*10,366*
	Expenses	-	1,638	1,638	*2,647*
	Professional charges	-	888	888	*512*
		10,225	2,526	12,751	*13,525*

10.	General Educational Expenditure	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
	Examination expenses	-	1,075	1,075	*1,025*
	Scholarships, prizes and fellowships	-	6,768	6,768	*7,224*
	Miscellaneous expenses	-	1,570	1,570	*1,964*
		-	9,413	9,413	*10,213*

11.	Student Services	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
	Capitation grants	-	1,113	1,113	*1,171*
	Student services	381	685	1,066	*1,400*
	Careers advisory service	572	8	580	*675*
	Sports and recreation	258	-	258	*262*
	Health and counselling	1,926	78	2,004	*1,873*
		3,137	1,884	5,021	*5,381*

12.	Miscellaneous Expenditure	Staff Costs €'000	Non Pay €'000	2014 Total €'000	*2013 Total €'000*
	Pension supplementation	6,597	-	6,597	*6,993*
	Miscellaneous expenses	647	1,593	2,240	*2,787*
		7,244	1,593	8,837	*9,780*

13.	Total Expenditure	Staff Costs €'000	Non Pay €'000	2014 Total €'000	2013 Total €'000
	Academic and related services	144,723	57,737	202,460	*202,813*
	Research grants and projects	46,702	25,027	71,729	*65,002*
		191,425	82,764	274,189	*267,815*

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

14. Deficit on Ancillary Services

	Income €'000	Expenditure/ Allocation €'000	Deficit 2014 €'000	*Deficit 2013 €'000*
Catering	3,804	(3,804)	-	*(797)*
Residences/Conferences	14,130	(14,130)	-	*(4,679)*
Library shop	2,769	(2,769)	-	-
Enterprise Centre	1,252	(1,252)	-	*(1,626)*
Copying service	-	-	-	*8*
Day nursery	466	(546)	(80)	*85*
Diagnostics	508	(462)	46	*(14)*
College company proceeds and royalties account	6	-	6	*47*
Other (rents, Book of Kells & branding)	6,005	(6,005)	-	*(6)*
	28,940	(28,968)	(28)	*(6,982)*

Note: ancillary services contributed €9.1m to College in 2013/14 under expenditure above of which €6.9m was transferred to other income (see note 3) and €2.2m was transferred to the Ussher posts fund included in Other Creditors and Accruals. In 2012/13, ancillary services contributed €9.3m to College under expenditure of which €7.1m was transferred to a Central Strategic fund included under Other Creditors and Accruals and €2.2m was transferred to other income.

15. Depreciation of Fixed Assets

	2014 €'000	*2013 €'000*
Land and buildings	17,665	*19,671*
Adjustment to historic depreciation*	(4,435)	-
Equipment	10,851	*10,807*
	24,081	*30,478*

**Depreciation includes an adjustment following a revision in the depreciation policy for historic buildings from a useful life of 50 years to 80 years in the Consolidated accounts with effect from 1 October 2011. In previous Funding Statements up to 30 September 2013, a useful life of 50 years was used to calculate the depreciation of such buildings. This revision brings the Funding Statements depreciation policy in line with the Consolidated accounts and in addition the revised policy has been backdated to 2011/12 and 2012/13 resulting in a €4.4m adjustment to the historic depreciation which has been reflected in the current year's Funding Statements.*

16. General Reserve Transfer (See Note 23)

	2014 €'000	*2013 €'000*
Amortisation in line with depreciation (Note 15)	24,081	*30,478*
Deficit on ancillary services from Income and Expenditure account to General Reserve (Note 14)	28	*6,982*
	24,109	*37,460*

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

17. Fixed Assets	Land and Buildings €'000	Equipment €'000	Total €'000
Cost/Valuation at 1 October 2013			
Valuation	425,299	5,452	430,751
Cost	511,988	178,385	690,373
Total	937,287	183,837	1,121,124
Additions at cost	6,256	12,502	18,758
Reclassification from investment property (Note 18)	5,650	-	5,650
Disposals	-	(1,203)	(1,203)
Cost/Valuation at 30 September 2014			
Valuation	425,299	5,452	430,751
Cost	523,894	189,684	713,578
Total	949,193	195,136	1,144,329
Depreciation			
At 1 October 2013	200,399	155,383	355,782
Less accumulated depreciation on disposals	-	(1,203)	(1,203)
Depreciation for year	17,665	10,851	28,516
Adjustment to historic depreciation* (Note 15)	(4,435)	-	(4,435)
At 30 September 2014	213,629	165,031	378,660
Net Book Value at 1 October 2013	736,888	28,454	765,342
Net Book Value at 30 September 2014	735,564	30,105	765,669

* The adjustment to historic depreciation arises due to a revision in the depreciation policy for historic buildings from a useful life of 50 years to 80 years in the Consolidated accounts with effect from 1 October 2011. In previous Funding Statements up to 30 September 2013, a useful life of 50 years was used to calculate the depreciation of such buildings. This revision brings the Funding Statements depreciation policy in line with the Consolidated accounts and in addition the policy has been backdated to 2011/12 and 2012/13 resulting in a €4.4m adjustment to the historic depreciation which has been reflected in the current year's Funding Statements.

Land was valued on an existing use basis at a valuation of €126,974 per acre carried out in 1998. Buildings were valued on an existing use basis at a standard cost of €2,413 per square metre carried out in 1998, and the net book value reflects this valuation as updated for subsequent additions, disposals and depreciation.

The College owns a considerable number of heritage assets including paintings, silver, sculptures and priceless manuscripts. These heritage assets are not included in the Funding Statements. 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 €59,279,908 (2012/13: €59,132,047) are included in creditors due after one year. The net book value of this property was €56,160,000 at 30 September 2014 (2012/13: €57,600,000).

Land and Buildings include assets in the course of construction of €3,338,673 (2012/13: €181,931).

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

18. Investment Properties

	2014 €'000	*2013 €'000*
At beginning of year	42,517	43,930
Reclassification to tangible fixed assets (Note 17)	(5,650)	-
Revaluation gains in year	9,502	1,371
Revaluation losses in year	-	(2,784)
At end of year	46,369	42,517

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2014 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 2014 resulting in revaluation surpluses of €1.1m and €0.1m in 2014 respectively. The valuation of Oisin House at 30 September 2014 resulted in a revaluation surplus of €1.5m in 2014.
Trinity Biomedical Sciences Institute (commercial element) was valued at €34.7m as at 30 September 2014 resulting in a revaluation surplus in 2014 of €6.8m. A decision to use the 1st floor of the Trinity Biomedical Sciences Institute for academic purposes with effect from 30 September 2014 resulted in a reclassification of €5.7m to tangible fixed assets at 30 September 2014.

19. Debtors and Prepayments

	2014 €'000	*2013 €'000*
Contract research grants and projects recoverable	20,158	*16,615*
Staff house loans	59	*46*
Internal balances	7,237	*7,226*
Trade debtors	4,010	*4,692*
Other debtors and prepayments	23,950	*25,557*
Amount due from subsidiary undertaking	-	*1*
	55,414	*54,137*

20. Creditors and Accrued Expenditure

	2014 €'000	*2013 €'000*
Contract research grants and projects unexpended	47,026	*53,294*
Trade creditors	3,796	*446*
State grants for recurrent expenditure received in advance	7,346	*7,147*
Academic fees received in advance	40,683	*38,055*
PAYE/PRSI	5,049	*4,738*
Internal balances	47,620	*47,024*
Other creditors and accruals	53,892	*63,612*
	205,412	*214,316*

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

21. Pension Control Account	2014 Funded Scheme €'000	2014 Model Scheme €'000
Opening Balance-Grant receivable from/(payable to) the HEA	35,359	(27,573)
Income		
Employer Contributions	(8,576)	(3,846)
Employer Contributions - 20%*	(478)	(3,101)
Employee Contributions	(2,408)	(3,015)
Pension transfers in	(244)	(203)
Supplementation income	(6,597)	-
Funding from HEA	(11,023)	-
Other	(11)	-
Total Income	(29,337)	(10,165)
Expenditure		
Pensions in payment (including supplementation)	27,063	81
Lump sum payments on retirement	1,213	49
Death in service payments	1,227	66
Pension transfer out (cash payments)	-	-
Refunds of contributions	1	187
Administration & other costs	812	376
Total Expenditure	30,316	759
Deficit/(Surplus) in year	979	(9,406)
Closing Balance-Grant receivable from/(payable to) the HEA**	36,338	(36,979)

* 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 Statements harmonisation purposes effective from 2011/12 grant receivable/amount payable to the HEA relating to the Funded and Model Pension Schemes are offset against each other. The net amount payable to the HEA of €0.64m is included in other creditors and accruals (Note 20). This comprises grant receivable from the HEA for the Funded Scheme of €36.34m offset by grant payable to the HEA for the Model Scheme of €36.98m.

Single Public Service Pension Scheme

Separately, the Single Public Service Pension Scheme applies to all new staff who join the public sector as new entrants on or after 1st January 2013. It is a defined benefit scheme. 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.

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

22. Creditors Due after more than one year	2014 €'000	*2013 €'000*
Obligations under finance lease	59,280	*59,132*
Bank Loan	75,000	*75,000*
	134,280	*134,132*

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 2013 €'000	Movement in year €'000	Total to 30 September 2014 €'000
Valuation – fixed assets*	436,623	43	436,666
Revaluation- investment properties	(17,283)	9,502	(7,781)
State capital grants - HEA	254,532	8,205	262,737
Recurrent funding transfer	60,335	969	61,304
Capital donations	189,659	2,371	192,030
Other (includes transfer of surplus on ancillary services - Note 16)	177,560	570	178,130
	1,101,426	21,660	1,123,086
Disposals	(63,804)	(1,203)	(65,007)
Amortisation			
Amortisation at 1 October 2013	(360,209)		
Accumulated amortisation on disposals		1,203	
Amortisation in line with depreciation		(24,081)	
Amortisation at 30 September 2014			(383,087)
	677,413	(2,421)	674,992

*Valuation–fixed assets reserves includes interest paid on the €75m loan facility with the European Investment Bank (see note 22 and accounting policies page 46). In addition, transactions associated with the capitalisation of equipment are also included under this heading.

24. Revenue Reserve	2014 €'000	*2013 €'000*
Opening balance	490	*385*
(Deficit)/Surplus for year	(2,007)	*105*
Closing balance	(1,517)	*490*

Notes to the Funding Statements (cont'd.)

25. Reconciliation of Income and Expenditure Account (Deficit) / Surplus to Net Cash Outflow from Operating Activities	2014 €'000	*2013 €'000*
(Deficit)/Surplus for year	(2,007)	*105*
Interest received (net)	(428)	*(1,485)*
Depreciation of fixed assets	(24,081)	*(30,478)*
Amortisation of general reserves	24,081	*30,478*
Decrease in stocks	149	*21*
Decrease/(increase) in debtors and prepayments (excl. research and internal balances)	2,277	*(10,854)*
Increase in academic fees paid in advance	2,628	*19*
Increase/ (decrease) in State grants received in advance	199	*(7,260)*
Movement in internal balances	585	*(1,776)*
Movement in research balances	(9,811)	*14,491*
Decrease in other creditors and accruals	(6,059)	*(5,835)*
Movement in ancillary services	(28)	*(6,982)*
Net cash outflow from operating activities	(12,495)	*(19,556)*

Analysis of Net Funds	At 1 October 2013 €'000	Cash Flow €'000	Non Cash Movement €'000	At 30 September 2014 €'000
Cash	35,903	(25,520)	-	10,383
Bank overdraft	(214)	(304)	-	(518)
	35,689	(25,824)	-	9,865
Liquid resources	128,230	7,333	-	135,563
Obligations under finance leases	(59,132)	-	(148)	(59,280)
Bank loan	(75,000)	-	-	(75,000)
	29,787	(18,491)	(148)	11,148

26. Related Party Disclosures

For related party disclosures details please see note 31 to the consolidated financial statements (Page 33-34).

27. Retirement Benefits

In 2009, prior to the Transfer Order outlined below, the College funded a Master Pension Scheme, which provided the pension entitlements of certain employees, based on final pensionable pay and secured by contributions by the College and the employees, to a separately administered pension fund. This scheme was closed to new entrants from January 2005.

The Financial Measures (Miscellaneous Provisions) Act 2009 was enacted on 26 June 2009 and included, in relation to the Master Pension Scheme, 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.

Following approval from the Department of Finance and the Department of Education and Science, an unfunded Model Pension Scheme applies to all new staff appointed from 1 January 2005 to 31 December 2012 and is operated on a pay as you go basis. The College is required to account for both employee and employer pension contributions on behalf of the State.

Post retirement pension increases (supplementation) of all staff are funded on a pay as you go basis from the College's recurrent income.

The Single Public Service Pension Scheme applies to all new staff that join the public sector as new entrants on or after 1st January 2013. It is a defined benefit scheme. 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.

The disclosure requirements of the accounting standard FRS 17 'Retirement Benefits' have not been adopted in these Funding Statements which are presented in accordance with the 'Harmonisation of Accounts' format as adopted by all Irish Universities. The Harmonisation of Accounts format agreed with the HEA requires that pension contributions, for the purposes of these Funding Statements, are capped at 15% of pensionable salary with the exception of all new externally funded posts created post 10 March 2011 which are at a rate of 20% as required by the Employment Control Framework for the Higher Education sector 2011-2014.

Notes to the Funding Statements (cont'd)

28. Commitments

For capital and other commitments details please see note 25 to the consolidated financial statements (Page 32).

29. Contingent Liability

For contingent liabilities details please see note 24 to the consolidated financial statements (Page 31).

30. Post Balance Sheet Events

There were no significant post balance sheet events since the year ended 30 September 2014 which require adjustment to the Funding Statements or the inclusion of a note thereto.

31. Approval of Funding Statements

The Board of Trinity College approved the Funding Statements on 24 June 2015.

RECONCILIATION OF CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT TO HEA FUNDING STATEMENTS

	Consolidated financial statements	Unincorporated ancillary activities (1)	GAAP adjustment		HEA funding statements
	€'000	€'000	€'000		€'000
Income					
State grants	47,279	-	502	(2)	47,781
Academic fees	122,169	-	66	(3)	122,235
Research grants and contracts	78,004	-	(6,275)	(4)	71,729
Amortisation of deferred capital grants	11,599	-	(11,599)	(5)	-
Other operating income	51,243	(28,940)	7,706	(6)	30,009
Interest income	866	-	(438)	(7)	428
Endowment income	7,022	-	(7,022)	(8)	-
Gain on revaluation of Investment properties	7,881	-	(7,881)	(9)	-
Total income	326,063	(28,940)	(24,941)		272,182
Expenditure					
Staff costs	225,756	(5,811)	(28,520)	(10)	191,425
Other operating expenses	89,368	(23,157)	16,553	(11)	82,764
Interest payable	4,217	-	(4,217)	(12)	-
Depreciation	28,554	-	(28,554)	(13)	-
Total expenditure	347,895	(28,968)	(44,738)		274,189
(Deficit)/Surplus for the year before taxation	(21,832)	28	19,797		(2,007)

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. 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 accounting policies, in certain circumstances losses and gains are recognised in the Income and Expenditure Account.

10. 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.

11. 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.

12. 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.

13. 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.