

The Financial Statements that follow were presented to the Board of the University at its meeting of 22 March 2017.

Explanatory Foreword
Financial Statements for the Year-ended 30 September 2016

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 are prepared in accordance with Financial Reporting Standard 102 – (FRS 102) and the Statement of Recommended Practice (“SORP”) - Accounting for Further and Higher Education (2015), issued by the FE/HE SORP Board in the UK, which has been voluntarily adopted by the University and, similar to the rest of the higher education sector, is the first year of such reporting replacing Irish GAAP. The Consolidated Financial Statements cover all activities of the University and its subsidiary undertakings in the statement of comprehensive income and statement of financial position and are akin to statements published by commercial entities. All Universities are required to prepare their financial statements in accordance with Financial Reporting Standard 102 (FRS 102).

The second set of statements are Funding Statements prepared on the basis of Irish University sector harmonised principles approved by the HEA and cover the teaching and research activities of the University. Funding Statements are uniformly prepared across the sector.

The Consolidated Financial Statements and Funding Statements for the year ended 30 September 2016 were approved by the Board of the University on 22 March 2017.

The 2016 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 FRS 102. The University continues to include a retirement benefit receivable asset in the statement of financial position similar to previous years 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 retirement benefit 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 2016 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 retirement benefit liabilities were guaranteed by the State at that time. The provision of this evidence is outside of the University’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 University’s finances.



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 2016



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



Ireland's European Structural and
Investment Funds Programmes
2014-2020

Co-funded by the Irish Government
and the European Union



European Union

European Regional
Development Fund



European Union

European Structural
and Investment Funds



EUROPEAN UNION

European Social Fund

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



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Chief Financial Officer's Report

I present the Consolidated Financial Statements of Trinity College Dublin, the University of Dublin ("the University") together with the Higher Education Authority ("HEA") Funding Statements and a reconciliation between both, that were approved by Board on 22 March 2017. The Consolidated Financial Statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2015), issued by the Further and Higher Education (FE/HE) SORP Board in the UK, which has been voluntarily adopted by the University. In this context, the University has reviewed its accounting policies and made judgements and estimates that are reasonable and prudent to ensure a true and fair view of the University's affairs at 30 September 2016. The HEA Funding Statements 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 include the University and its subsidiary undertakings Ghala Limited, Trinity Online Services Company Limited By Guarantee, Trinity Foundation, Trinity College Dublin Education Endowment Fund and Trinity College Dublin Trust and TCD Association. The basis of preparation is explained in greater detail in the Statement of Accounting Policies on pages 21 to 25.

FRS 102

Similar to the rest of the higher education sector, the introduction of the new accounting standard FRS 102 has resulted in a significant change to the structure, terminology and format of the consolidated financial statements. This single reporting standard replaces the previous Irish Generally Accepted Accounting Practice (Irish GAAP). The University's financial statements for the year ended 30 September 2016 with comparatives at 30 September 2015 have been prepared in accordance with FRS 102. Restatements are effective from 1 October 2014, being the first date of the comparative period i.e. date of transition to FRS 102. A key change in accounting treatment under FRS 102 is the new income recognition criteria where unrealised gains and losses are recognised in the statement of comprehensive income and the University now faces the challenge of potential volatility of financial results driven by this new accounting standard which involves the valuation at year-end of many assets and liabilities. This will prove particularly challenging to the University in its forecasting given the unpredictability of annual movement in revaluations.

FE/HE SORP

In addition to the implementation of FRS 102, the FE/HE SORP Board in the UK issued a revised Statement of Recommended Practice – Accounting for Further and Higher Education, 2015 (SORP) to provide clarification on aspects of FRS 102, and to enable the standard to be applied in a manner that is relevant and provides useful information to users of financial statements in the FE/HE sector. The recommendations in the SORP are not mandatory in the Republic of Ireland, however, the University has chosen to adopt it in line with best practice.

The key changes in accounting treatment brought by the introduction of FRS 102 and SORP are outlined below with detailed notes in the Statement of Accounting Policies on pages 21 to 25 of the consolidated financial statements:

- Income recognition changes
- Treatment of deferred capital grants
- Employee benefit accrual
- Land revaluation exercise

The introduction of FRS 102 does not impact the HEA Funding Statements contained in pages 59 to 80.



Consolidated Financial Statements Year ended 30 September 2016

The summary financial position is set out in Table 1 below and the key movements between the 2015/16 Consolidated Financial Statements deficit of €9.4m and the 2014/15 deficit of €14.0m are detailed underneath.

Total
Income
€339m

Table 1 - Summary Financial Position		FRS102		Irish GAAP		
	5 year trend lines	2016 €m	2015* €m	2014 €m	2013 €m	2012 €m
State grants		44.0	44.5	47.3	54.5	58.7
Academic fees		133.7	128.9	122.2	116.1	113.8
Research grants and contracts		92.2	85.2	78.0	74.7	75.9
Other income		50.6	44.5	51.2	50.5	49.5
Investment income **		6.8	7.0	7.0	6.5	6.6
Donations and endowments ***		11.7	12.9	-	-	-
Total income		339.0	323.0	305.7	302.3	304.5
Staff costs		234.7	231.1	225.7	221.8	220.9
Other operating expenses		95.9	94.5	89.4	85.0	84.9
Total operating expenses		330.6	325.6	315.1	306.8	305.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)		8.4	(2.6)	(9.4)	(4.5)	(1.3)
Less:						
Depreciation (net of amortisation)		(34.4)	(19.8)	(17.0)	(14.0)	(12.0)
Net Interest payable		(4.6)	(3.6)	(3.4)	(1.4)	(0.3)
Deficit before other gains and losses		(30.6)	(26.0)	(29.8)	(19.9)	(13.6)
Plus:						
Gain/(loss) on revaluation of investment property		11.6	9.9	7.9	(2.6)	(7.5)
Gain on investments		9.6	2.1	-	-	-
Deficit for the year		(9.4)	(14.0)	(21.9)	(22.5)	(21.1)

* The figures for 2015 have been restated in accordance with FRS 102

** Investment income excludes interest income

*** Change in income recognition criteria

Total
Income
+5%

Consolidated income (excluding amortisation and interest income) for 2015/16 of €339.0m (2014/15: €323.0m as restated) represents an increase of 5.0% on the prior year. The movement of €16.0m primarily relates to increases in academic fee income of €4.8m, research income of €7.0m and other income of €6.1m. The financial performance for the year also reflects the impact of the 0.6% calendar year reduction in state recurrent funding in 2016 over 2015 as notified by the HEA. The growth in academic fees and other income in 2015/16 over 2014/15 reflects the University's investment in non-Exchequer revenue generating income strategies, (see notes 2 to 7 of the Consolidated Financial Statements for further breakdown of income).



Consolidated expenditure (excluding depreciation and interest payable) for the year amounted to €330.6m (2014/15: €325.6m as restated). The movement of €5.0m primarily relates to an increase in staff costs of €3.6m of which salary increments contribute €2.0m. Other operating expenses increased 1.5% year on year, mainly reflecting the increased activity relating to growth in research and the commercial revenue. See notes 8 to 10 on pages 28 to 30 of the Consolidated Financial Statements for further breakdown of expenses.

Operating
Expenditure
+1.5%

The reported deficit before other gains and losses of €30.6m includes a provision for depreciation (net of amortisation) of €17.8m and a one-off impairment charge of €16.7m relating to the demolition of Luce Hall (including some surrounding buildings on Pearse St) and the vacating of Oisín House to make way for the development of the Business School and new student accommodation respectively.

Operating
Expenditure
€330.6m

One-off
Impairment of
Fixed Assets
€16.7m

Research Activity

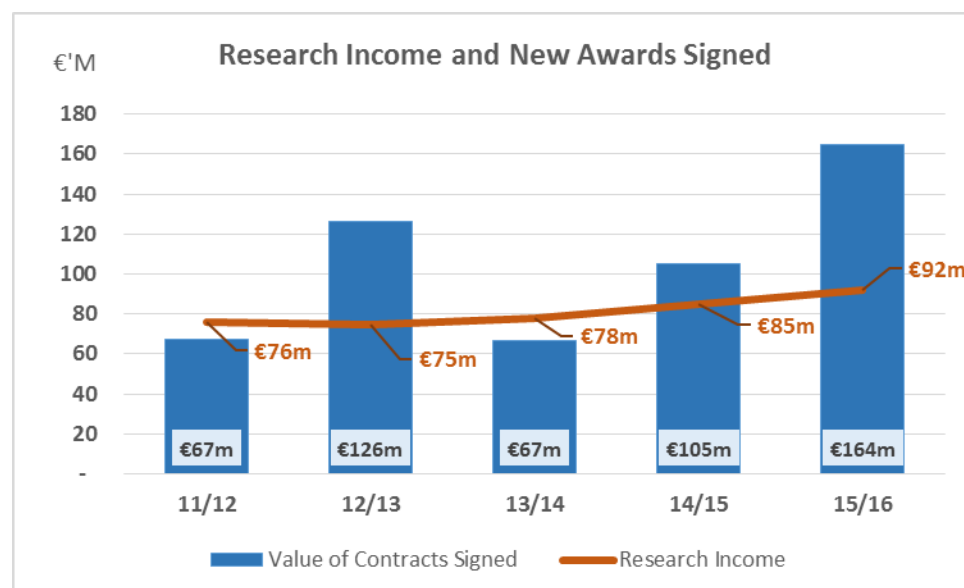


Fig 1

Largest
Philanthropic
Award to HE
Organisation in
Ireland
€68m

The level of research activity for 2015/16 recorded in the Consolidated Financial Statements (measured on the basis of research expenditure during the year and not income received) amounted to €92.2m an increase of 8.2% (2014/15: €85.2m). This is the third consecutive year that the University has recorded an increase in research income with the current year 23.5% ahead of what was reported in 2012/13. The value of new awards secured in the year amounted to €164m, an increase of 56% on the prior year (2014/15: €105m). This total includes a €68m award from Atlantic Philanthropies to fund the Global Brain Health Institute. This landmark award is the biggest philanthropic award in Irish history and the largest single award ever pledged to the University. The success in attracting EU funding has continued in 2015/16 with the value of awards funded under the Horizon 2020 programme reporting an increase of 13% (€2.9m) over the prior year. Trinity is now ranked 19th out of 1,337 HEIs in Europe for Horizon 2020 funding. In 2015/16 the Exchequer: non-Exchequer ratio of research income was 64:36 (2014/15: 65:35).

Research
Activity
+8.2%



While the research environment remains very competitive, current projections for research income are greater than €90m per year over the next 5 years. The University continues to benefit from the success of the Research Diversification Strategy, which focuses on EU, Industry and other non-Exchequer funding. The relative low recovery rate of indirect costs when compared to the Full Economic Cost (FEC) rate remains a cause for concern with the indirect cost rate recovered on direct expenditure decreasing to 18% (2014/15: 20%). Progress to narrow this funding gap will need to be addressed if the University is to continue growing and supporting research effectively.

Indirect Cost
Recovery
Rate
18%

Procurement

The Procurement Strategy, launched in 2014/15, continues to focus on the management of non-pay expenditure across the University with an emphasis on supplier and category management. Engagement with the Office of Government Procurement and the Education Procurement Service continues to increase with the likelihood that, in future, all procurement will be run by these organisations in the form of full tenders or mini competitions.

The new Financial Information System has influenced the sourcing and purchasing model with savings of circa €2m achieved in 2015/16 achieved across the seven categories of spend (Lab & Research, ICT, Facilities, Travel, HR, Marketing, Professional Services). The ongoing implementation of the Procurement Strategy will enable new approaches to identify sources of cost reduction, risk and value supporting the University's aim of achieving increased value for money.

Trinity Endowment Fund

Endowment
Net Assets
€181m

The Trinity Endowment Fund comprises permanent individual funds that provide financial support to specific University activities in perpetuity including endowed chairs, scholarships, fellowships, research, capital projects and a variety of other academic purposes. The total funds held by the Endowment Fund amounted to €181m at 30 September 2016, which has now exceeded the target value set out in the University's Strategic Plan 2014-2019 of €180m. The Fund achieved a net return of 10%, resulting in a gross income contribution to the University of €6.5m. Table 2 below outlines the Endowment Fund actual performance against a benchmark aggregate return by year from 2012 to 2016.

During the year the University commenced a review of the Endowment Fund Investment Strategy in the context of the current low yield environment. In addition, following extensive engagement with student representatives and external organisations, the University committed in November 2016 to divest from companies whose primary business is the extraction of fossil fuel.

Income
Generated
€6.5m

Table 2 – Investment Return

	Actual Return*	Benchmark**
FY2015/16	10.0%	9.8%
FY2014/15	5.1%	6.2%
FY2013/14	15.3%	15.2%
FY2012/13	11.5%	8.7%
FY2011/12	12.6%	12.9%

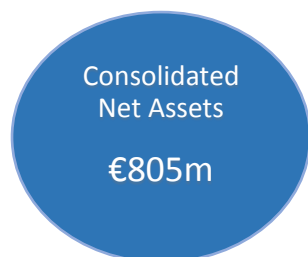
* Annualised Returns (net of management fees)

** Aggregate Benchmark Returns

New
Endowments
€2.8m



Statement of Financial Position



The consolidated net assets amount to €805.1m at 30 September 2016, a decrease of €9.5m over 2014/15 (as restated). The new accounting treatment under FRS 102 has resulted in a material adjustment downward to net assets due to the reclassification of deferred capital grants to deferred income in creditors greater than one year of €267.7m with effect from the FRS 102 transition date 01 October 2014. Also, as part of the transition to FRS 102 the University undertook an external professional revaluation of its land which partially offset these adjustments by increasing the value of our land assets by €180.6m.

Fixed asset capital additions during the year, reflecting the continued investment in the University's estate, amounted to €25.6m (2014/15: €17.4m as restated). Building and fixtures and fittings additions account for €15.5m mainly relating to the new Business School, the Institute of Population Health (IPH) building in Tallaght, Oisín House student accommodation, Campus Medium Voltage Project and the Trinity Centre for Creative Technologies and Media Engineering. Computer and Equipment additions account for €10.1m (2014/15: €5.8m as restated), which included the purchase of a significant new microscope costing €4.2m. The University continues to have a number of key capital projects progressing to enhance future teaching, research and commercial revenue growth.



Cash balances were €95.1m at 30 September 2016 (2015: €73.0m as restated) and investments, which consist mainly of short term deposits, were €149.1m at 30 September 2016 (2015: €108.8m as restated). The University has a €145.0m loan facility with the European Investment Bank, all of which was drawn down at 30 September 2016. The University complied with all of its bank covenants at the year end. The table below sets out the University's debt (loans and finance leases) as a percentage of net assets.

Table 3 – Debt as a % of Net Assets

	FRS102		Irish GAAP		
	2016	2015	2014	2013	2012
Debt as a % of net assets	25%	17%	16%	15%	14%

HEA Funding Statements

The Funding Statements (on pages 59 to 80), prepared on the basis of Irish University sector harmonised principles approved by the HEA and covering the teaching and research activities of the University are uniformly prepared across the sector. As approved by the HEA, KPMG has not conducted an audit of the HEA Funding Statements. However, KPMG has reviewed workings and calculations reconciling the Funding Statements to the Consolidated Financial Statements.

Table 4 – Funding Statements surplus/(deficit)

	2016	2015	2014	2013	2012
Funding Statements surplus/(deficit) for year	€0.3m	€1.7m	(€2.0m)	€0.1m	€0.1m

Audit Qualification

Similar to previous years, I draw your attention to the qualified audit opinion issued by the Board appointed auditors, KPMG, arising from the noncompliance with accounting and disclosure requirements of FRS 102. The University continues to include a retirement benefit receivable asset in the statement of financial position 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 all retirement benefit 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 2016 and they have qualified the audit opinion on this basis. The University understands that there has been discussion in this regard between the HEA, the Department of Education and Skills and the Department of Public Expenditure and Reform.

Contrary to the Board appointed auditors, the Comptroller and Auditor General (“C&AG”) has not issued a qualification in this regard, as the recognition of the retirement benefit funding asset in respect of the Model Pension Scheme and Pension Supplementation anticipates that funding will be provided by the State to meet retirement benefit liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources to fund future retirement benefit liabilities.

Conclusion

Table 5 – Key Performance Indicators (KPIs)

KPI's	Target 2019	RAG status	FRS102		Irish GAAP		
			2016	2015 (restated)	2014	2013	2012
EBITDA ¹ % of income ²	6%	A	2.5%	-0.8%	-3.1%	-1.5%	-0.4%
Total (Deficit)/ Surplus % of income ²	3%	A	-2.8%	-4.3%	-7.1%	-7.4%	-6.9%
Exchequer / Non-Exchequer Income ³	40:60	A	43:57	44:56	45:55	48:52	49:51
Pay / Non Pay ratio ⁴	65:35	A	71:29	71:29	72:28	72:28	72:28
Pay as % of Operating Income	65%	A	69%	72%	74%	73%	73%
Net Assets	€800m	G	€805m	€815m	€909m	€916m	€938m
Endowment Fund Value	€180m	G	€181m	€169m	€165m	€147m	€140m

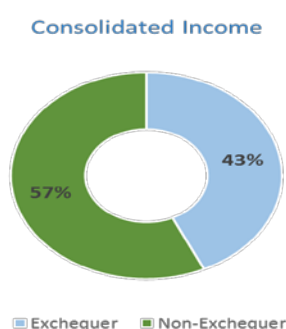
¹ Earnings before interest, tax, depreciation and amortisation

² Income before unrealised gains/losses and amortisation

³ Excludes State funding for pensions, SUSI payments and amortisation of capital grants (sector agreed)

⁴ Excludes depreciation, impairment and interest costs

Given the financial challenges that the University has encountered over the last number of years it continues to make good progress to achievement of its strategic objectives. It is encouraging to see that the non-Exchequer income generating strategies are continuing to bear fruit and have resulted in positive movement on the above KPIs including EBITDA improvement of 3.3% over 2014/2015.



While overall funding for core activities from Exchequer sources appears to have stabilised, this is against a backdrop of significant cumulative core grant reductions (overall State funding per student has declined c.20% between 2008 and 2016) and year on year increases in student numbers resulting in a shift in the balance of public and private funding. In the context of reduced public funding, the University continues to focus on key areas of non-Exchequer income generation (post-graduate and international students, commercialisation, philanthropy, research and industry engagement) to diversify and grow the University's income streams, improve profitability and in doing so, secure our financial sustainability. These key growth strategies, in which the University has invested over recent years, are progressing well and in the year under review the University's Exchequer/Non-Exchequer income ratio is 43:57 compared to 49:51 in 2011/12 (70:30 in 2007/08).

Over the years, the impact of public funding reductions has had a serious impact on the financial position of the University and has resulted in the reporting of a consolidated deficit in each of the last 5 years and a depletion of financial reserves. This had led to decisions being taken to focus on non-Exchequer revenue growth as well as deliver short-term savings in order to minimise the deficit. However this has long-term impact such as the deferral of capital investment. It also brings into sharp focus the sustainability problems facing the University when compared with the OECD recommendation of an annual 3% surplus as a level necessary in an Irish Higher Education (HE) context to maintain financial sustainability. It is widely recognised that the funding for the Irish HE sector is at crisis point and this matter has been considered extensively by the Cassells Report. The University fully endorses the findings and recommendations of this Report. A long term funding plan now needs to be established at a level sufficient to ensure financial sustainability including capital infrastructure renewal, development and upkeep. However, the University faces the future uncertain as to the Government's commitment to Cassells and the impact of potential Brexit outcomes.

As referenced earlier, there is also a pressing issue regarding the current low level of research contribution to indirect costs from contract research. The effective rate of contribution experienced by the University falls well below the full economic cost recovery

rate and in 2015/16 resulted in c€9m of revenue lost when even compared to the rate agreed by the national funding agencies of 30%.

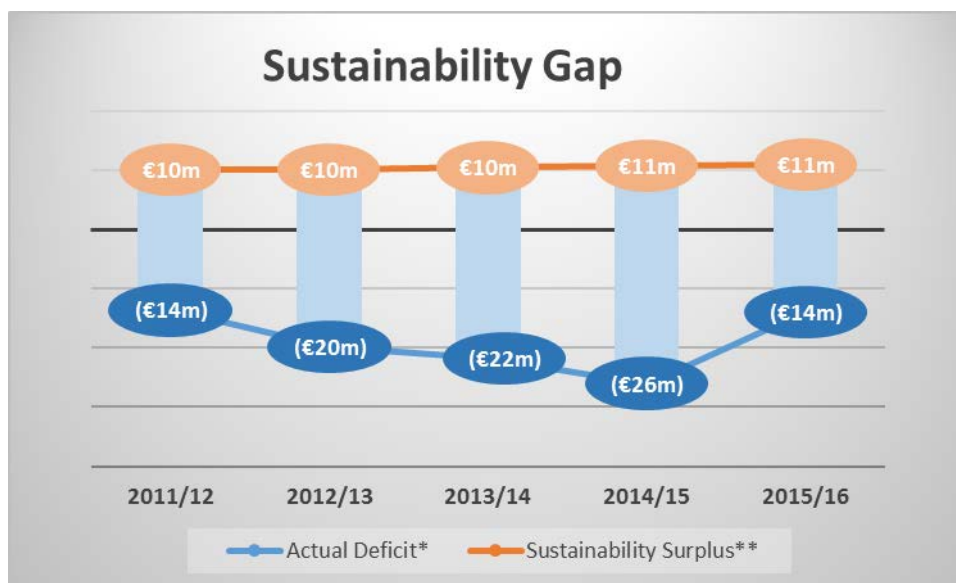


Fig 2

* Total deficit before other gains and losses and one off impairments

** 3% of total budget before other gains and losses

On the issue of overall financial sustainability and the sustainability gap highlighted in Figure 2 above, the University should be reporting an annual surplus of at least 3% of income before unrealised gains/losses and once-off impairments (OECD recommendation). To achieve this target in the medium term, the University must now increase its revenue even further and improve the return on existing activities. It should be noted that any further cost reductions could have a significant negative impact on quality of teaching, rankings and the overall student experience. The financial situation of the University continues to need careful management going forward and in that context a number of meetings were held with the HEA in 2016 to consider budgetary matters. The University is committed to addressing its challenging financial position as a matter of priority with the majority of the reported deficits linked to the provision for the renewal of infrastructure which to date has not been funded from public funding sources. During the year, the University considered a high-level concept of introducing a student levy to meet this cost and will engage further with key stakeholders in 2016/17.

In my view, the University's objective of delivering the best teaching, research and student experience by way of the best academics, infrastructure and administration can only be achieved by increased revenues from a combination of Exchequer and non-Exchequer sources and increased return on our existing activities. While there are significant opportunities available to the University to generate further revenue from non-exchequer sources over and above what it has delivered to date, significant additional funding is required from the State as a key stakeholder in higher education both in recurrent and capital terms to meet anticipated forecasted growth in demographic and participation rates and to maintain quality of the student experience.

Ian Mathews
Chief Financial Officer



Statement of Responsibilities

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

The University is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enable it to ensure that its Consolidated Financial Statements comply with the Universities Act 1997 and are prepared in accordance with accounting standards generally accepted in Ireland.

The University is responsible for ensuring that the business of the University 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
PROVOST

22 March 2017

IAN MATHEWS
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 it has overall responsibility for the University'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 University'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, provide only 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 University. A risk management framework has been in place since 2006 and will continue to be developed and strengthened on an ongoing basis.

In detail:

- (i) The following ensure that there is an appropriate control environment in place in the University:
- Regular reporting to the relevant Board Committees and Board on the financial and legal aspects of major projects and ensuring relevant milestones are achieved;
 - 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 Audit Committee, supported by the Internal Audit function, reviews the scope and effectiveness of the University's internal controls, including financial, operational and compliance controls and reports regularly to Board;
 - The Board, Finance Committee and the University's Executive Officers Group, Steering groups and other relevant committees review the risk profile of major initiatives prior to, and during, the implementation of major projects;
 - Faculty Deans and Heads of Schools, Administrative and Service areas, in fulfilling their functions, operate according to policies on the Roles and Responsibilities in relation to financial matters approved by the Finance Committee and Board;
 - Control Exception Reports are compiled by the Financial Services Division and considered by the Finance Committee on a biannual basis. Actions are identified to address the matters identified;
 - The University's High Level Risk Register is considered by the University's Executive Officers Group, Board and the Audit Committee and is currently being reviewed and updated;
 - 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. A review of the Fraud Policy is underway and will be completed in the 16/17 Academic year;
 - Procedural manuals and guidelines on financial, research and HR management are available to all staff.
- (ii) The following processes are used to identify organisational risks and to evaluate their financial implications:
- An updated Risk Management Policy was adopted by Board in June 2015. This policy is being implemented by way of a formal risk management process which involves all areas of the University, 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 University's High Level Risks and risk owners and the steps being taken to manage the risks. The implementation of the Risk Policy and the integration of risk management into the operation of the University continues to be developed and integrated into the University's management structures;
 - All major proposals being presented to Board include a formal risk assessment, including financial risks. A supplementary policy on 'Guidelines on noting large research projects at Board', applicable to large research grants, from the Dean of Research was approved by Board at the meeting of 23 March 2016;
 - A sectoral approach, initiated by the University, to ensure that the Board receives regular reports on the risk profile and coherence with the University's Strategic Plan from inter-institutional bodies of which the University is a member has been agreed. In addition, Trinity Directors on these bodies now provide six-monthly reports to Board under the following headings:
 - 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 the University.
 - Details of the major financial information systems that are in place such as budgets, and means of comparing actual results with budgets during the year;



Statement of Governance and Internal Control (cont'd)

- The University has established a resource allocation and budgeting system and has developed a 5 year financial forecasting 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 performance and quarterly re-forecasts during the year. Monthly reports are available and training and support has been provided to budget-holders at their request and the consolidated financial pack is reviewed by the Finance Committee on a quarterly basis.
- (iii) Best practice procedures for addressing the financial implications of major business risks are followed including:
- The University 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/ Head of Division is accountable to the Board through Finance Committee for all financial matters of his/her Faculty. The Secretary's Office provides training and advises areas of the University in relation to compliance with legislative and other obligations on the University;
 - Detailed procedures on handling financial transactions are published on the University's website by the Financial Services Division. This Division also provides financial training to staff on a regular basis. Policies and procedures are regularly reviewed and updated as appropriate;
 - Finance professionals are members of the following Committees:
 - Audit Committee
 - Finance Committee
 - Human Resources Committee
 - Estates Policy Committee
 - Student Life Committee;
 - Finance Partners provide direct advice and support to the Academic community and Divisions in relation to financial matters.
- (iv) Procedures for Monitoring the Effectiveness of Internal Controls:
- The regular review 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 oversight by Principal Committees of Board with regular reporting to Board of issues to which its attention should be drawn by way of the minutes of these committees and reporting by the Chairs of Committees who are elected members of Board, apart from the Finance Committee which is chaired by the Provost and the Audit Committee which is chaired by an independent external member;
 - 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 University's Audit Committee. Internal audit reviews controls across various functions in the University based on a review of risk. The Audit Committee reports to Board on an annual basis and issues an annual statement on the effectiveness of internal controls; a response to this report from the Executive Officer Group is also then submitted to the Board for consideration;
 - Reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee;
 - A programme of external quality reviews of academic and support areas, the results of which feed into the risk registers of the individual areas. Quality reviews of Schools, programmes, Research and Support Services are guided by the requirements of the Qualifications and Quality Assurance Act 2012. The University is also compliant with the requirements of the Department of Justice and Equality – Immigration Reforms and the Interim International Education Programme Register (ILEP), that relate to our ability to offer programmes of education to students who require an entry visa;
 - The Annual Review of the Provost;
 - The Provost's Reports presented at each meeting of the Board;
 - In response to issues identified in an Internal Audit review of 'Externally Contracted Services', a new policy was approved by Board in January 2017 to provide control with regard to the sourcing and governance of same.
- (v) Confirmation of Review of the Effectiveness of the System of Internal Control:
- Trinity confirms that the above monitoring and review processes (Section (iv)) have been in place throughout the financial year ended 30 September 2016 and that no issues relating to the effectiveness of the system of internal control have been identified which require disclosure in this statement.



Statement of Governance and Internal Control (cont'd)

Based on an internal review of expenditure over €25,000 during the year ended 30 September 2016, in excess of 98% of the University's expenditure remains fully compliant with national and EU procurement guidelines. The University continues to work towards full compliance with all relevant guidelines.

In cases where failings in internal control were identified by Internal Audit, work is ongoing to implement the relevant recommendations. 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.

The risk management system is continuously under review and being refined. Phase 1 of the University Risk Register setting out the high level risks was undertaken and is being reviewed and work is in progress on Phase 2, with pilots having been completed in a unit of each of the three Divisions and three Schools in the Faculties. The post of Chief Risk Officer, a senior position in Trinity which will have responsibility for the overall approach to Risk Management and compliance obligations from a Risk Management perspective within its remit, has been advertised.

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

- i) **Statutory Obligations:** The Board recognises that it is responsible for compliance with all statutory obligations applicable to the University as laid out in the Universities Act, 1997 and other relevant legislation.

To ensure that the basic law of the College and University can properly and appropriately support and organise the University, protect the welfare and order of its Community, and advance its mission and objectives, amendments to the Chapters and revisions of the Schedules to the 2010 Statutes were approved at the Joint Meeting of Board and Council on 20 January 2016 relating to:

- Academic and administrative units, to Committees (including the Finance Committee), and to consequential revisions relating to Officers;
- Elections;
- Academic titles;
- Standing Orders of Board and Council;
- Staff conduct.

Following the Assent of the Fellows, the Visitors approved the proposed amendments and they came in to force on 3 March 2016.

- ii) **Code of Governance and Codes of Conduct:** The Board, at its meeting of 19 June 2013 adopted a Trinity College Dublin Code of Governance in respect of the Governance of the University, and a code of conduct for Board members and staff of the University.
- iii) **Financially Significant Developments:** See Chief Financial Officer's Report on pages 2 to 8 for detail on financially significant developments. The University 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 University has no accumulated recurrent deficit and recorded a €0.3m surplus at 30 September 2016. As previously advised, the University 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 to 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 University's overall risk policy.
- iv) **Government Policy on Pay:** The University is committed to compliance with the Public Pay Policy and the relevant frameworks under the Universities Act 1997. In any instance of non-compliance, the University continues to engage with the HEA and the Department of Education and Skills to resolve the issue.

All other staff members are on or within pay scales approved by the Department of Education and Skills. Where payment is in excess of the top of the scale, the Departures Framework has been utilised and notified to the HEA with discussions ongoing as required. For any cases falling outside of the Departures Framework, discussion with the Department of Education and Skills is being pursued, as appropriate. We are compliant with the terms of the Haddington Road and Lansdowne Road agreements and the Financial Emergency Measures in the Public Interest (FEMPI) Act 2015 with respect to pay and increments.

- 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.



Statement of Governance and Internal Control (cont'd)

- b. An Audit Committee has been in place since 1998 and currently has an independent, external Chairperson and two independent external members and reports annually to the Board. The work of the Committee is supported by an independent internal audit function.
 - c. The Finance Committee also has three financially experienced external members.
 - d. **Procurement:** The University has put in place procurement policies and procedures and all non-pay expenditure is required to be procured in accordance with these policies and procedures. The University is actively working with the Office of Government Procurement (OGP) to ensure that procurement activities are taking place in accordance with the operating model put in place by the OGP. The implementation of this model is still in progress. A memorandum of understanding between the OGP and the Department of Education and Skills which sets out the fundamentals of this model is due to be finalised shortly. Due to resourcing and timing issues it is not always possible for procurement under this model to be implemented as intended. There is a risk that contracts will expire in advance of being retendered or that contracts will be extended temporarily beyond their original duration without going through the appropriate procurement process because of this. Due to financial and staffing constraints, the University is not in a position at present to deploy the complete optimum resource for its procurement function and in addition has lost some staff posts due to OGP policy. However, the University recognises the value of procurement and the need for full compliance and continues to minimise the relevant risks.
 - e. Asset disposal is governed by established University procedures. To the best of our knowledge and belief the University is fully compliant with these.
- vi) **Guidelines for the Appraisal and Management of Capital Projects:** The University 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. In addition, Trinity has put in place special procedures for the approval and monitoring of capital projects under a Capital Review Group which includes in its membership the Bursar/Director of Strategic Initiatives, the Chief Operating Officer and the Chief Financial Officer. A special purpose Project Management Office manages major projects through a series of approval stage gates in order to ensure that all such projects are properly approved and carefully monitored.
- vii) **Travel Policy:** The University has a travel policy and associated procedures in place. The policy and procedures are made available to all staff on the University website. The policy and procedures have been developed having regard to the requirements of the Department of Finance travel circulars and the requirements of the Revenue Commissioners in relation to employee expenses. Any exceptions are reported to the Finance Committee on a regular basis and appropriate action taken. The Board approved a revision to the Travel Policy at the meeting of 23 March 2016. A revised Hospitality and Entertainment Policy was also approved by the Board on that date.
- viii) **Value for Money:** The University 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 University is committed to compliance with taxation laws. Any issues identified during a year are investigated and resolved. The University 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 on 29 February 2012. The University is currently endeavouring to recruit a Child Protection Officer. Specific Child Protection Training and requirements for the University will also be provided as required.
- xi) **Governing Authority Fees and Expenses:** No fees are paid to members of the Governing Authority. The external Board members are entitled to Senior Common Room membership fees of €279. No other expenses were claimed by Board members for in the academic year 2015-2016.
- The Provost was paid a salary of €186,693 in the period 1 October 2015 to 30 September 2016. Pursuant to University Statute the Provost is obliged to ordinarily reside in the Provost's House, consequently, the total additional taxable benefit in kind relating to household expenses paid in the current year was €2,760.
- xii) **Subsidiary Companies:** We confirm that the Boards of Directors of trading subsidiaries include senior College Officers and that annual statements are provided to the Board for consideration. The Constitution and Legal Agreements to incorporate the University's commercial subsidiary were approved by Board at the meeting of 15 June 2016.
- xiii) **Good Faith Reporting – Protected Disclosures Act 2014:** A Protected Disclosures Policy for the University was approved by the Board on 22 June 2016, and is published on the University's Policy webpage. Training for the Protected Disclosures Group will be provided in the Academic Year 2016/17.
- xiv) **Governing Authority Meetings:** Confirmation of the number of Board (Governing Authority) meetings held during 2015-16 and the attendance records of members is outlined below.



Statement of Governance and Internal Control (cont'd)

There were 13 meetings of the Board in 2015-16, attendances noted below.

Ex-officio members:

Provost (Dr P Prendergast) (13), Vice-Provost/Chief Academic Officer (Professor L Hogan) (13), Senior Lecturer/Dean of Undergraduate Studies (Professor GS Martin) (12), Registrar (Professor SPA Allwright) (13), Bursar (Professor V Campbell) (13)

Elected members:

Mr F Cowzer (13), Professor P Coxon* (1), Professor WJ Dowling (10), Professor SM Draper (11), Professor E Drew (10), Ms S Dunphy (11), Mr D Frost (11), Mr GJ Garrahan (9), Professor R Gilligan** (12), Professor BM Lucey (12), Professor C McCabe (13), Professor JF McGilp (13), Professor C O'Farrelly (11), Professor D O'Neill (9), Professor M Ó Siochrú (13), Professor DR Phelan (13), Professor A Seery (12)

External Members:

Dr Olive Braiden (10), Mr T Keohane*** (10)

Student Members:

Mr C Clancy (11), Ms K Crowther (13), Ms M Kenny (11), Ms L Ruane (12)

*eligible to attend 1 meeting, ** eligible to attend 12 meetings, ***eligible to attend 11 meetings

Among others, and in addition to those policies mentioned above, the following policies were approved by Board during 2015-2016: Regulations on Outside Earnings, Sports Sponsorship Policy and Governance Framework Proposal, Revised Hospitality and Entertainment Policy; Gift Voucher Policy, Treasury Management Policy Revision, Records Management Policy.

- xv) **Audit Committee Meetings:** Confirmation of the number of Audit Committee meetings held in 2015-16 and attendance record of members is outlined below.

There were 5 meetings of the Audit Committee in 2015-16, attendance noted below.

Members Attendance:

Julie O'Neill (Chair) (5), Professor Joe Barry (3), Professor Ruth Byrne (4), Ann Duffy (5), Oliver Cussen (4), Professor John McGilp (5)

- xvi) **Finance Committee Meetings:** Confirmation of the number of Finance Committee meetings held in 2015-16 and attendance record of members is outlined below.

There were 10 meetings of the Finance Committee in 2015-16, attendance noted below.

Members Attendance:

Provost (Dr P Prendergast) (Chair) (8), Vice-Provost/Chief Academic Officer (Professor L Hogan) (9), Chief Financial Officer (Mr I Mathews) (10), Chief Operating Officer (Ms G Ruane) (10), Bursar/Director of Strategic Management (Professor V Campbell) (10), Registrar (Professor SPA Allwright) (9), Professor R Gilligan*** (7), Students' Union President (6), Dean of Arts, Humanities and Social Sciences (Professor D Jones) (7).

External Members:

Ms. Caroline Curtis* (8), Mr. Jon Gorringer** (10).

*1 meeting by phone, ** 2 meetings by phone, *** eligible to attend 9 meetings

In Attendance:

Deputy Chief Financial Officer (Ms L Ryan) (9), Graduate Students' Union President (6).

- xvii) **Review of Governing Authority performance:** A self-evaluation process of the Board (Governing Authority) was completed in 2015.

On behalf of Trinity College Dublin, the University of Dublin

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

22 March 2017



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

We have audited the consolidated and University financial statements ("financial statements") of Trinity College Dublin, the University of Dublin ("the University") for the year ended 30 September 2016 on pages 17 to 57 which comprise the consolidated and University statements of comprehensive income, consolidated and University statements of changes in reserves, consolidated and University statements of financial position, consolidated cashflow statements and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland". Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK and Ireland).

Basis for qualified opinion on financial statements

As more fully explained in Note 29 to the financial statements, an asset representing a receivable from the State, equivalent to the value of the University's retirement benefit obligations in relation to its defined benefit retirement benefit schemes, has been recognised in the University's financial statements (and an equivalent amount recognised in the income and expenditure reserve) on the basis that the Board considers the University's retirement benefit liabilities to have been guaranteed by the State. In addition, gains or losses matching the movements in these retirement benefit liabilities during the year have been recorded in the statement of comprehensive income 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 University and in the Single Public Service Pension Scheme, such legislation did not specifically cover the Model and Pension Supplementation defined benefit retirement benefit schemes operated by the University. In the absence of the State's formal acceptance of the obligation to fund deficits in the University's Model and Pension Supplementation defined benefit retirement benefit schemes, it is not in our view, appropriate to recognise the retirement benefit receivable pertaining to the deficits on those schemes in the consolidated and University statements of financial position at 30 September 2016 and 30 September 2015.

In our opinion, the treatment adopted is not in accordance with the requirements of FRS 102 Section 21 "Provisions and Contingencies" as the receivable pertaining to the Model and Pension Supplementation defined benefit retirement benefit schemes remains contingent in nature until the State formally accepts the obligation.

Accordingly, (i) the retirement benefit receivable asset, net assets and income and expenditure - unrestricted reserve in the Consolidated and University statements of financial position at 30 September 2016 should be reduced by €590,805,000 and (ii) the total comprehensive loss in the Consolidated statement of comprehensive income for the year ended 30 September 2016 should be restated to a loss of €147,143,000.

Also, in relation to the prior year (i) the retirement benefit receivable asset, net assets and revenue reserve in the Consolidated and University statements of financial position at 30 September 2015 should be reduced by €459,406,000 and (ii) the total comprehensive loss in the Consolidated statement of comprehensive income for the year ended 30 September 2015 should be restated to a loss of €3,299,000.

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is qualified:

In our opinion, except for the financial effect of the recognition of the receivable from the State referred to in the basis for qualified opinion paragraphs, the financial statements on pages 17 to 57:

- give a true and fair view of the assets, liabilities and financial position of the Group and University as at 30 September 2016 and of the deficit or surplus of the Group and University for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland".

2. Our conclusions on other matters on which we are required to report under the terms of our engagement are set out below.

In our opinion, the HEA Funding Statements on pages 59 to 80, which have been prepared in accordance with the accounting policies set out on pages 61 to 63, have been properly extracted from the books and records of the University.



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

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion, the accounting records of the University were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records. In our opinion the information given in the Chief Financial Officer's Report is consistent with the financial statements.

3. We have nothing to report in respect of matters on which we are required to report by exception.

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

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 10 to 14, is not consistent with the information of which we are aware from our audit work on the financial statements, and we report if it does not.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Responsibilities set out on page 9, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. They are also responsible for the preparation of the HEA Funding Statements in accordance with the most recent Harmonisation of Accounts Agreement.

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

An audit undertaken in accordance with ISAs (UK & Ireland) 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 University'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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the members of the Board, as a body, in accordance with University 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 University and the Board as a body, for our audit work, for this report, or for the opinions we have formed.

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

22 March 2017

Statement of Comprehensive income		Year ended 30 Sep 2016		Year ended 30 Sep 2015	
	Notes	Consolidated	University	Restated Consolidated	Restated University
		€'000	€'000	€'000	€'000
Income					
State Grants	2	44,045	44,045	44,512	44,512
Academic Fees	3	133,698	133,698	128,872	128,872
Research grants and contracts	4	92,246	92,246	85,223	85,223
Other income	5	50,579	56,146	44,517	47,438
Investment income	6	7,447	7,410	7,391	7,275
Amortisation	21	10,276	10,276	6,827	6,827
Total income before donations and endowments		338,291	343,821	317,342	320,147
Donations and endowments	7	11,667	13,857	12,895	3,456
Total income		349,958	357,678	330,237	323,603
Expenditure					
Staff costs	8	234,713	231,804	231,118	229,019
Other operating expenses	9	95,932	96,907	94,468	92,343
Interest and other finance costs	10	5,221	5,221	4,059	4,059
Depreciation	12	28,016	27,993	25,957	25,924
Impairment of property	12	16,657	16,657	653	653
Total expenditure		380,539	378,582	356,255	351,998
Deficit before other gains and losses		(30,581)	(20,904)	(26,018)	(28,395)
Gain on revaluation of investment properties	14	11,590	11,590	9,886	9,886
Gain on investments	17/22	9,570	9,447	2,145	2,145
(Deficit)/surplus before tax		(9,421)	133	(13,987)	(16,364)
Taxation	11	-	-	-	-
(Deficit)/surplus for the year		(9,421)	133	(13,987)	(16,364)
Actuarial gain in respect of retirement benefit	29	29,630	29,630	27,126	27,126
Movement on retirement benefit receivable	29	(29,630)	(29,630)	(27,126)	(27,126)
Total comprehensive (loss)/income for the year		(9,421)	133	(13,987)	(16,364)
Represented by:					
Endowment comprehensive income for the year	22	12,572	12,572	3,624	3,624
Restricted comprehensive (loss)/income	23	(9,081)	2,985	4,441	-
Unrestricted comprehensive (loss)/income		(12,912)	(15,424)	(22,052)	(19,988)
Total comprehensive (loss)/income for the year		(9,421)	133	(13,987)	(16,364)

All items of income and expenditure relate to continuing activities.



Consolidated Financial Statements Year ended 30 September 2016

Consolidated and University statement of changes in reserves

	Income and expenditure reserve			Revaluation	Total excluding	Non-controlling	Total
	Endowment	Restricted	Unrestricted	Reserve	NCI	Interest	
Consolidated	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 October 2014	165,113	19,141	126,309	517,993	828,556	-	828,556
Surplus/(deficit) from the income and expenditure statement	3,624	12,366	(29,977)	-	(13,987)	-	(13,987)
Release of restricted funds spent in year	-	(7,925)	7,925	-	-	-	-
Total comprehensive (loss)/ income for the year	3,624	4,441	(22,052)	-	(13,987)	-	(13,987)
Balance at 30 September 2015	168,737	23,582	104,257	517,993	814,569	-	814,569
Surplus/(deficit) from the income and expenditure statement	12,572	8,358	(30,351)	-	(9,421)	-	(9,421)
Release of restricted funds spent in year	-	(17,439)	17,439	-	-	-	-
Total comprehensive (loss)/income for the year	12,572	(9,081)	(12,912)	-	(9,421)	-	(9,421)
Balance at 30 September 2016	181,309	14,501	91,345	517,993	805,148	-	805,148
	Income and expenditure reserve			Revaluation	Total excluding	Non-controlling	Total
	Endowment	Restricted	Unrestricted	Reserve	NCI	Interest	
University	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 October 2014	165,113	-	121,874	517,993	804,980	-	804,980
Surplus/(deficit) from the income and expenditure statement	3,624	-	(19,988)	-	(16,364)	-	(16,364)
Release of restricted funds spent in year	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	3,624	-	(19,988)	-	(16,364)	-	(16,364)
Balance at 30 September 2015	168,737	-	101,886	517,993	788,616	-	788,616
Surplus/(deficit) from the income and expenditure statement	12,572	2,985	(15,424)	-	133	-	133
Release of restricted funds spent in year	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	12,572	2,985	(15,424)	-	133	-	133
Balance at 30 September 2016	181,309	2,985	86,462	517,993	788,749	-	788,749

Consolidated Financial Statements Year ended 30 September 2016

Statement of Financial Position	Note	Year ended 30 Sep 2016		Year ended 30 Sep 2015	
		Consolidated	University	Restated Consolidated	Restated University
		€'000	€'000	€'000	€'000
Non-current assets					
Tangible fixed assets	12	933,736	933,694	933,058	933,024
Endowment and investment assets	13	176,368	176,368	165,586	165,586
Investment property	14	50,020	50,020	56,255	56,255
		1,160,124	1,160,082	1,154,899	1,154,865
Current assets					
Trade and other receivables	15	67,317	67,440	51,990	51,750
Inventories	16	588	588	492	492
Investments	17	149,090	135,000	108,845	101,000
Cash and cash equivalents	25	95,148	92,365	72,993	54,399
		312,143	295,393	234,320	207,641
Less: Payables – amounts falling due within one year	18	(204,056)	(203,663)	(169,078)	(168,318)
Net current assets		108,087	91,730	65,242	39,323
Total assets less current liabilities		1,268,211	1,251,812	1,220,141	1,194,188
Payables – amounts falling due after more than one year	19	(463,063)	(463,063)	(405,572)	(405,572)
Provisions					
Retirement benefit provisions	29	(1,743,816)	(1,743,816)	(1,395,218)	(1,395,218)
Retirement benefit receivable	29	1,743,816	1,743,816	1,395,218	1,395,218
Total net assets		805,148	788,749	814,569	788,616
Restricted reserves					
Income & expenditure – endowment	22	181,309	181,309	168,737	168,737
Income & expenditure – restricted	23	14,501	2,985	23,582	-
Unrestricted Reserves					
Income & expenditure – unrestricted		91,345	86,462	104,257	101,886
Revaluation reserve	24	517,993	517,993	517,993	517,993
Total reserves		805,148	788,749	814,569	788,616

The financial statements on pages 17 to 58 were approved by the Board of the University on 22 March 2017 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

22 March 2017



Consolidated Statement of cash flows

	Note	2016 €'000	Restated 2015 €'000
Cash flow from operating activities			
Deficit for the year		(9,421)	(13,987)
Adjustment for non-cash items			
Depreciation	12	28,016	25,957
Impairment of property	12	16,657	653
Amortisation of deferred capital grants	21	(10,276)	(6,827)
Gain on investment property investments	14	(11,590)	(9,886)
Gain on investments	13	(7,830)	(3,415)
Adjustment for working capital items			
Increase in inventories	16	(96)	(172)
Increase in trade receivables	15	(17,370)	(4,990)
Increase in trade payables	18	32,686	37,440
Adjustment for investing or financing activities			
Investment income	6	(7,447)	(7,391)
Interest payable	10	5,221	4,059
New Endowments received	22	(2,767)	(209)
Net cash inflow from operating activities		15,783	21,232
Cash flows from investing activities			
Capital grants received		2,221	2,968
Investment income	6	7,447	7,391
Payments made to acquire non-current asset investments	13/14	(4,914)	(209)
Payments made to acquire fixed assets	12	(25,564)	(17,394)
New deposits	17	(40,245)	(32,400)
New endowment cash received	22	2,767	209
Net cash outflow from investing activities		(58,288)	(39,435)
Cash flows from financing activities			
Interest paid	10	(1,711)	(549)
Capital element of finance lease rental payments		(119)	20
Interest element of finance lease rental payments	10	(3,510)	(3,510)
New unsecured loans drawn down	20	70,000	-
Net cash inflow/(outflow) from financing activities		64,660	(4,039)
Increase/(decrease) in cash and cash equivalents in the year		22,155	(22,242)
Cash and cash equivalents at beginning of the year	25	72,993	95,235
Cash and cash equivalents at end of the year	25	95,148	72,993

Notes to the consolidated financial statements

1. Statement of Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 – FRS 102 and the Statement of Recommended Practice (“SORP”) - Accounting for Further and Higher Education (2015), issued by the HE/FE SORP Board in the UK, which has been voluntarily adopted by the University. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

Transition to FRS 102 and the 2015 FE HE SORP

The University is preparing its financial statements in accordance with FRS 102 and the 2015 FE HE SORP for the first time and consequently has applied the first time adoption requirements. The date of transition to FRS 102 is 1 October 2014. An explanation of how the transition to these new accounting standards has affected the reported financial position and financial performance of the consolidated results of the University is provided in note 30.

Application of first time adoption grants certain exemptions from the full requirements of FRS 102 and the 2015 FE HE SORP in the transition period. The following exemptions have been taken into these financial statements: Fair value or revaluation as deemed cost – as at 1 October 2014, fair value has been used as the deemed cost for certain land and buildings. In addition, the University has taken the exemption under 1.12 (b) of FRS 102 to not produce a cash flow statement for the University as it is the ultimate parent entity.

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 University and its subsidiary undertakings (as defined by the SORP) Ghala Limited, Trinity Online Services Limited, Trinity Foundation, TCD Education Endowment Fund and TCD Trust and TCD Association. The Trinity Endowment Fund is accounted for within the University’s individual financial statements in accordance with the SORP. Other undertakings in which the University has an interest, as indicated in Note 28, have not been consolidated on the basis that they are not controlled by the University or on the grounds of immateriality. Intra-Group income and expenditure are eliminated fully on consolidation.

The financial statements of the Pension Funds and Capitated Bodies have not been consolidated as they are not controlled by the University.

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 and other government 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 statement of comprehensive income and expenditure account in accordance with the right to consideration earned per the contractual terms.

Donations and endowments

Investment income and appreciation of endowments are recorded in income in the year in which they arise, and as either restricted or unrestricted income, according to the terms applied to the individual endowment fund. There are four main types of donations and endowments within reserves:

1. Restricted donations

The donor has specified that the donation must be used for a particular objective.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd.)

Donations and endowments (cont'd)

2.Unrestricted permanent endowments

The donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

3.Restricted expendable endowments

The donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.

4.Restricted permanent endowments

The donor has specified that the fund is to be permanently invested, to generate an income stream to be applied to a particular objective.

Non exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the consolidated statement of comprehensive income when the University is entitled to the funds. Income is retained within the restricted reserve until such time it is utilised in line with such restrictions at which point the income is released to unrestricted reserves through a reserve transfer. Donations with no restrictions are recorded within the consolidated statement of comprehensive income when received or receivable.

Accounting Estimates and Judgements

In the preparation of the financial statements various estimates, judgements and assumptions have been made that impact on amounts reported as assets, liabilities, income and expenditure. Estimates and assumptions used are reviewed on an ongoing basis.

The principal estimates, judgements and assumptions used in the financial statements for the year ended 30 September 2016 are as follows:

1. Property, Plant and Equipment

Depreciation is calculated based on estimates and assumptions on the useful economic life and expected residual value of the asset.

2.Investment Property

Investment property is measured at fair value. A revaluation of investment property is carried out annually by an independent professional valuer.

3.Impairments

Judgement is used to determine whether there has been any indication of impairment to the University's assets.

4.Recoverability of Bad Debts

The provision for bad debt is calculated based on management's expectation on the recoverability of debt. In calculating the provision for bad debt the following factors are considered: age of the debt, the default history and current situation of the debtor and current market conditions.

5.Employee Benefits

The accrual for holidays earned but not taken is based on estimates of total holiday leave less leave taken.

6.Pension Provisions

The pension provision is calculated based on actuarial assumptions provided by an actuary annually. The actuarial assumptions include discount rates, salary increases, pension increases and inflation rates.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd.)

Tangible fixed assets

1. Land and buildings

The University has revalued its land on a fair value basis as at 1 October 2014 and the revised values are now used as the deemed cost of land. Land is not depreciated.

The University's buildings were valued by the Board of the University in 1998 at a standard cost of €2,413 per square metre. Buildings acquired since their valuation are included in the statement of financial position at cost. Historic buildings are depreciated over their expected useful economic life to the University 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 buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account and are released to the statement of comprehensive income 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.

2. Fit-out and equipment

Equipment costing less than €10,000 per individual item is written off to the statement of comprehensive income 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
Fixture and Fittings	10 years
Other Equipment	5 years
Computer software	5 years
Computer equipment	3 years

Where equipment is acquired with the aid of specific government 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 statement of comprehensive income over the expected useful economic life of the related equipment.

The cost of routine corrective maintenance is charged to the statement of comprehensive income in the period that it is incurred.

Heritage Assets

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

Heritage assets acquired subsequent to 1 October 2006 which are not held for the core purpose of teaching and research are capitalised these at either their cost in the case of acquisitions made by the University or their fair value in the case of donations. Heritage assets valued at less than €150,000 are not capitalised in the financial statements.

Investment properties

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income. Investment properties are revalued annually by independent professional third party valuers and are not depreciated or amortised.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd.)

Investments

Investments are stated at the following valuations:

Quoted investments are stated at market value based on prices ruling at the statement of financial position date. Unit trusts are stated at net asset value quoted by the investment managers at the year-end date. Investments which are held in managed funds and unit linked funds are stated at bid prices at the statement of financial position date. The market values of investments denominated in foreign currency are converted to euro using the rates of exchange ruling at the year-end date.

Changes to the market value of endowment investments are reported in the statement of comprehensive income as gains or losses on investments.

Other Investments

Other financial investments are stated at market value and are disclosed under fixed assets or current assets depending on portfolio liquidity.

Inventories

Inventories are stated at the lower of their cost and net realisable value on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective inventory. Expenditure incurred by the University on books and consumable inventories financed from recurrent grants is charged to the statement of comprehensive income.

Taxation

As the University 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 University 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.

Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance lease. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

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 statement of comprehensive income in proportion to the reducing capital element outstanding.

Operating Leases

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

Financial instruments

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

The University has received concessionary loans from the European Investment Bank to fund its ongoing capital investment programme. Concessionary loans are loans made or received between a Public Benefit Entity (PBE) and a third party at below the prevailing market rate of interest that are not payable on demand. In accordance with FRS 102 section 34, the loans are initially measured at the amount received and adjusted to reflect any accrued interest and/or repayment of capital.

Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd.)

Retirement benefits

The University has certain defined benefit retirement benefit arrangements as detailed in Note 29.

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

Retirement benefit costs

For defined benefit retirement 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 statement of financial position.

The amount charged to the statement of comprehensive income is the actuarially determined cost of retirement benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The expected return on the retirement benefit 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 or investment income in the statement of comprehensive income.

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 comprehensive income.

Retirement benefit 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 29, the University was advised that the State would also be meeting future retirement benefit liabilities for the Model Scheme and Pension Supplementation on a pay-as-you-go basis. Under FRS 102, if any entity is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the entity shall recognise its right to reimbursement as an asset. An entity shall treat those assets in the same way as plan assets. As a result, the financial statements reflect a receivable asset which completely offsets the retirement benefit liability. Movements on this retirement benefit receivable are included in the statement of comprehensive income in order to mirror the underlying movement on the retirement benefit liability.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity. Other restricted reserves include balances through which the donor or funder has designated a specific purpose and therefore the University is restricted in the use of these funds.



Notes to the consolidated financial statements

2. State Grant

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Recurrent grants				
State Grant	44,045	44,045	44,512	44,512

The above grant was received from the following:

HEA	40,896	40,896	41,413	41,413
Department of Health	3,149	3,149	3,099	3,099
	44,045	44,045	44,512	44,512

Reconciliation of grant received to income recognised

Received in respect of current year	42,747	42,747	43,411	43,411
Deferred from prior accounting year	2,715	2,715	3,816	3,816
Deferred to subsequent accounting years	(1,417)	(1,417)	(2,715)	(2,715)
Total	44,045	44,045	44,512	44,512

3. Academic Fees

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Academic fee income	128,943	128,943	124,502	124,502
Other academic fee income	2,935	2,935	2,301	2,301
Miscellaneous fee income	1,820	1,820	2,069	2,069
Total	133,698	133,698	128,872	128,872

The academic fee income is analysed as follows:

Full time EU	85,907	85,907	86,231	86,231
Full time non EU	33,706	33,706	29,837	29,837
Part time EU	8,892	8,892	8,160	8,160
Part time non EU	438	438	274	274
Total	128,943	128,943	124,502	124,502

A total of €37,312,563 (2015: €39,511,725) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €3,841,913 (2015: €3,966,138).

Notes to the consolidated financial statements

4. Research grants and contracts

	Consolidated	University	Restated Consolidated	Restated University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
State and semi-state	57,217	57,217	51,438	51,438
European Union	16,503	16,503	17,382	17,382
Industry	2,747	2,747	2,137	2,137
SFI overheads	7,398	7,398	6,696	6,696
Other	8,381	8,381	7,570	7,570
Total	92,246	92,246	85,223	85,223

5. Other Income

	Consolidated	University	Restated Consolidated	Restated University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Academic schools and faculty offices income	5,369	6,181	3,273	3,562
Service area	3,155	3,155	3,321	4,473
Catering	3,198	3,198	2,916	2,923
Residences income	10,677	10,677	11,336	11,341
Other ancillary services	1,074	1,074	1,114	1,114
Rental income	8,264	8,264	8,199	8,199
Library income	11,998	12,000	9,990	9,686
Concession income	4,250	4,250	1,682	1,682
Non-academic other activities	525	3,333	333	2,439
Science Gallery	1,545	1,521	1,583	1,609
Other income	524	2,493	770	410
Total	50,579	56,146	44,517	47,438

6. Investment income

		Consolidated	University	Consolidated	University
		2016	2016	2015	2015
	Note	€'000	€'000	€'000	€'000
Interest income		443	406	487	371
Income from permanent endowments	22	6,205	6,205	6,286	6,286
Income from expendable endowments	22	245	245	270	270
Interest from short term investments		185	185	-	-
Net return on retirement benefit scheme	29	369	369	348	348
Total		7,447	7,410	7,391	7,275

7. Donations & endowments

		Consolidated	University	Consolidated	University
		2016	2016	2015	2015
	Note	€'000	€'000	€'000	€'000
Unrestricted donations		542	8,105	320	3,247
Donations with restrictions	23	8,358	2,985	12,366	-
New endowments	22	2,767	2,767	209	209
Total		11,667	13,857	12,895	3,456

Notes to the consolidated financial statements

8. Staff costs

	Consolidated	University	Restated Consolidated	Restated University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Wages and salaries	193,149	190,639	190,914	189,131
Social security costs	15,620	15,371	14,904	14,738
Other retirement benefit costs	25,944	25,794	25,300	25,150
Total	234,713	231,804	231,118	229,019

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University's "key management personnel" are members of the senior management team who form the Executive Officer Group. The total remuneration for key management personnel for the year 2016 amounted to €2.0m (2015: €1.9m).

Higher paid staff

The University has adopted a starting value of €60,000 to identify higher paid staff. Staff remuneration (including royalty payments from Non-Exchequer sources), in salary bands of €10,000 was as follows:

Salary Bands	Consolidated 2016 Number of employees	University 2016 Number of employees	Consolidated 2015 Number of employees	University 2015 Number of employees
€60,000 – €69,999	284	284	246	246
€70,000 – €79,999	240	238	245	244
€80,000 – €89,999	188	187	177	176
€90,000 – €99,999	87	84	82	79
€100,000 – €109,999	49	47	52	51
€110,000 – €119,999	13	13	13	12
€120,000 – €129,999	33	31	39	38
€130,000 – €139,999	29	29	30	30
€140,000 – €149,999	2	2	1	1
€150,000 – €159,999	2	2	2	2
€160,000 – €169,999	6	6	1	1
€170,000 – €179,999	4	4	5	5
€180,000 – €189,999	4	4	4	4
€190,000 – €199,999	6	6	6	6
€200,000 – €210,000	3	3	3	3
€210,000 – €220,000	4	4	3	3
€220,000 – €230,000	8	8	6	6
€230,000 – €240,000	1	1	1	1
€240,000 – €250,000	1	1	2	2
€270,000 – €280,000	1	1	-	-
€360,000 – €370,000	1	1	-	-
Total	966	956	918	910

Notes to the consolidated financial statements

8. Staff costs (cont'd)

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

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	FTE	FTE	FTE	FTE
Teaching and Research	2,119	2,119	2,173	2,173
Technical	138	138	142	142
Support services	1,019	1,019	1,002	1,002
Other	801	763	754	727
Total	4,077	4,039	4,071	4,044

9. Other operating expenses

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Telephone and related communications	655	655	689	689
Consumables	11,530	11,537	11,355	11,355
Cost of goods sold	3,837	3,837	3,400	3,400
Computer and other equipment	8,639	8,639	7,302	7,302
Heat, light, water and power	7,116	7,116	8,206	8,206
Books and periodicals, printing & stationery	4,927	4,926	4,882	4,882
Repairs and general maintenance	3,731	3,731	5,142	5,142
Insurance	1,289	1,289	1,058	1,058
Professional services	9,881	9,881	7,463	7,463
Rent, rates & property tax	2,924	2,924	2,683	2,683
Travel and subsistence	5,754	5,754	5,561	5,561
Hospitality and entertainment	802	802	760	760
Recruitment	886	886	776	776
Capitation	1,147	1,147	1,027	1,027
Scholars and Fellows costs	1,369	1,369	1,358	1,358
Student related costs and awards	9,840	9,840	9,666	9,671
Employee related costs	1,794	1,794	1,805	1,805
Advertising & PR costs	1,674	1,674	1,228	1,228
Bank charges	640	640	437	437
Quality & Risk assessment	442	442	437	437
Service contracts	7,968	7,968	6,308	6,308
Subscriptions & Membership fees	1,592	1,592	1,301	1,301
Trinity Foundation direct expenditure	2,150	-	2,771	-
Endowment fund direct expenditure	1,332	1,332	1,199	1,199
Other expenses	4,013	7,132	7,654	8,295
Total	95,932	96,907	94,468	92,343

Free fees (fee waivers and scholars fees) of €3.1m (2015: €3.3m) are shown in fee income and the related deemed expenditure shown in other expenses. This is consistent within the University sector.



Notes to the consolidated financial statements

9. Other operating expenses (cont'd)

Other operating expenses include:

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Auditors remuneration (including VAT)	187	187	152	152
Statutory Auditor fee	35	35	35	35
Total	222	222	187	187

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.

10. Interest & other finance costs

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Loan interest	1,711	1,711	549	549
Finance lease interest	3,510	3,510	3,510	3,510
Total	5,221	5,221	4,059	4,059

11. Taxation

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



Consolidated Financial Statements Year ended 30 September 2016

12 Tangible fixed assets	Land and buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
Consolidated	€'000	€'000	€'000	€'000	€'000
Cost or valuation					
At 1 October 2015 (restated)	1,138,861	-	20,263	177,786	1,336,910
Additions	6,265	9,200	493	9,606	25,564
Reclassification from investment properties	20,800	-	-	-	20,800
Reclassification to investment properties	(1,497)	-	-	-	(1,497)
Disposals	(10,194)	-	-	(857)	(11,051)
At 30 September 2016	1,154,235	9,200	20,756	186,535	1,370,726
Depreciation					
At 1 October 2015	229,484	-	17,310	157,058	403,852
Depreciation for year	16,622	355	1,294	9,745	28,016
Impairment charge	16,657	-	-	-	16,657
Reclassification to investment properties	(484)	-	-	-	(484)
Disposals	(10,194)	-	-	(857)	(11,051)
At 30 September 2016	252,085	355	18,604	165,946	436,990
Net book value					
At 30 September 2015	909,377	-	2,953	20,728	933,058
At 30 September 2016	902,150	8,845	2,152	20,589	933,736
University	€'000	€'000	€'000	€'000	€'000
Cost or valuation					
At 1 October 2015 (restated)	1,136,997	1,864	19,757	177,786	1,336,404
Additions	6,265	9,200	462	9,606	25,533
Reclassification from investment properties	20,800	-	-	-	20,800
Reclassification to investment properties	(1,497)	-	-	-	(1,497)
Disposals	(10,194)	-	-	(857)	(11,051)
At 30 September 2016	1,152,371	11,064	20,219	186,535	1,370,189
Depreciation					
At 1 October 2015	229,484	-	16,838	157,058	403,380
Depreciation for year	16,622	355	1,271	9,745	27,993
Impairment charge	16,657	-	-	-	16,657
Reclassification to investment properties	(484)	-	-	-	(484)
Disposals	(10,194)	-	-	(857)	(11,051)
At 30 September 2016	252,085	355	18,109	165,946	436,495
Net book value					
At 1 October 2015 (restated)	907,513	1,864	2,919	20,728	933,024
At 30 September 2016	900,286	10,709	2,110	20,589	933,694

Notes to the consolidated financial statements

12. Tangible fixed assets (cont'd)

The University has revalued its land on a fair value basis as at 1 October 2014, taking advantage of the transitional provisions of FRS 102. The University appointed GVA Donal O Buachalla, an independent external valuer, regulated by the Royal Institution of Chartered Surveyors. The valuation was performed in accordance with the RICS Valuation – Professional Standards April 2015. The revised land valuation has increased tangible fixed assets and the revaluation reserve by €180.6m at the date of transition 01 October 2014. At 30 September 2016, land and buildings included €202m (at 30 September 2015: €192.7m) in respect of land which is not depreciated.

Land and buildings include buildings valued by the Board of the University in 1998 at a standard cost of €2,413 per square metre amounting to €330m.

Land and buildings include assets in the course of construction at 30 September 2016 of €17.9m (at 30 September 2015: €13.8m).

The University has included in Land and buildings a building for which the related liabilities of €59.1m (at 30 September 2015: €59.3m) are included in payables (see note 18/19). The net book value of this building was €53.3m at 30 September 2016 (at 30 September 2015: €54.7m).

An annual impairment review of building assets is undertaken with Estates and Facilities to identify assets showing signs of impairment. At 30 September 2016, €16.7m of asset impairments have been reflected in the statement of comprehensive income:

- Oisín House, a former investment property valued at €14.5m was transferred to tangible fixed assets in February 2016. The land element was separately valued at €9.3m and has been transferred to land. The building was valued at €5.2m and as the building is no longer in use and is due to be demolished to make way for the new student residences, an impairment for the full value €5.2m has been reflected in the statement of comprehensive income for the year ended 30 September 2016.

- Other impairments of €11.5m include Luce Hall €5.4m, 182-189 Pearse St. extensions €1.4m, 206 Pearse St. €2.2m, TTEC units €0.2m, Roberts Laboratory €0.8m and Printing House extension and Housekeeping Stores €1.5m. Estates and Facilities has confirmed these buildings are derelict and not fit for use, consequently an impairment adjustment has been reflected in the statement of comprehensive income for the year ended 30 September 2016.

Heritage Assets

The University holds and maintains certain heritage assets such as paintings, silver, sculptures and priceless manuscripts. The University conserves these assets for research and teaching and for interaction between the University 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 University 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 students use to increase their understanding of the 3-dimensional nature of the body.

Notes to the consolidated financial statements

12. Tangible fixed assets (cont'd)

Art Collection:

The University 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 University.

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 University Mace and a selection of the University Plate are used for ceremonial and decorative purposes at Commencements and special University dinners. The collection is currently used for educational and research purposes and is being considered for public display in the future.

Heritage assets of €1.1m, summarised below, were donated to Trinity College between 1 October 2012 and 30 September 2016. These have not been capitalised in the financial statements as each individual item is valued at less than the €0.15m threshold. There were no disposals of heritage assets in the period.

	2012	2013	2014	2015	2016
Value of acquisitions by donation	€0.8m	€0.07m	€0.12m	€0.06m	€0.05m

13. Non-current investments

Endowment

Consolidated & University

	Assets	Other	Total
	€'000	€'000	€'000
At beginning of year	165,586	-	165,586
Additions	2,767	185	2,952
Net appreciation of investment portfolio	7,830	-	7,830
Total	176,183	185	176,368

Other

On 7 March 2016 Spark Therapeutics acquired Genable Technologies Ltd, a campus company of which the University had a 5% shareholding. The University obtained 3,554 shares in Spark Therapeutics valued at €0.2m at 30 September 2016.

Endowment assets

Represented by:

	2016	2015
	€'000	€'000
Bonds	55,005	54,231
Equities	79,217	72,816
Property	25,074	22,595
Diversified alternatives	8,941	8,964
Other	7,946	6,980
Total endowment assets	176,183	165,586

14. Investment properties

Consolidated & University

	2016	2015
	€'000	€'000
At beginning of year	56,255	46,369
Additions	1,962	-
Net appreciation of investment properties	11,590	9,886
Net transfer to fixed assets	(19,787)	-
Total	50,020	56,255

Notes to the consolidated financial statements

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2016 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 2016 resulting in revaluation gains of €0.8m and €0.3m respectively. Trinity Biomedical Sciences Institute (commercial element) was valued at €34.9m as at 30 September 2016 resulting in a revaluation gain in 2016 of €6.6m.

The Tower at Trinity Technology & Enterprise Campus (TTEC) was reclassified as an investment property in 2016 following a detailed review of the investment properties portfolio and had been valued in tangible fixed assets at €1.0m. TTEC was valued at €3.6m as at 30 September 2016 on an open market basis. This resulted in a revaluation gain of €2.6m relative to the carrying value of the property.

37 Fenian Street was purchased during 2016 at a cost of €1.96m and valued at €2.0m as at 30 September 2016 resulting in a revaluation gain of €0.04m.

Oisin House was valued at €14.5m during 2016 resulting in a revaluation gain of €1.3m. During the year, Oisin House (€14.5m) and the second floor of the Trinity Biosciences building (€6.3m) were reclassified to fixed assets following a review of the intended future use of these properties.

15. Trade and other receivables

	Consolidated	University	Consolidated	Restated
	2016	2016	2015	University
	€'000	€'000	€'000	2015
				€'000
Trade receivables	4,474	4,700	2,564	2,321
Research grants and contracts receivable	39,653	39,653	24,413	24,413
State capital grants receivable	9,026	9,026	11,820	11,820
Non State capital funding receivable	1,555	1,555	804	804
Prepayments and other receivables	12,609	12,506	12,389	12,302
Amounts due from subsidiary undertakings	-	-	-	90
Total	67,317	67,440	51,990	51,750

16. Inventories

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Raw materials and consumables	179	179	102	102
Finished goods for resale	409	409	390	390
Total	588	588	492	492

17. Current investments

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Short term deposits	147,647	135,000	107,525	101,000
Short term investments	1,443	-	1,320	-
Total	149,090	135,000	108,845	101,000

Short term investments

	2016	2015
	€'000	€'000
At 1 October	1,320	-
Additions	-	1,320
Net appreciation of investment	123	-
At 30 September	1,443	1,320

These short term investments represent an Irish Life equity portfolio held in Trinity Education Endowment Fund.

Notes to the consolidated financial statements

18. Payables: amounts falling due within one year

	Consolidated 2016 €'000	University 2016 €'000	Restated	
			Consolidated	University
			2015 €'000	2015 €'000
Trade payables	3,351	2,423	4,019	3,455
Contract research grants and projects unexpended	77,756	77,756	53,775	53,775
Academic fees received in advance	52,798	52,798	46,825	46,825
State recurrent grants received in advance	1,417	1,417	2,715	2,715
Capital funding received in advance	488	488	454	454
Accruals and deferred income	37,740	37,596	36,192	36,192
Obligations under finance lease	274	274	120	120
Unsecured bank loans	379	379	113	113
PAYE/PRSI	5,198	5,198	5,114	5,114
Other payables	24,655	24,821	19,751	19,554
Amounts due to subsidiary undertakings	-	513	-	1
Total	204,056	203,663	169,078	168,318

Accruals & deferred Income

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Accruals	15,156	15,012	13,974	13,974
Banking concession income deferred	4,553	4,553	4,678	4,678
Deferred income – government capital grants	10,276	10,276	10,571	10,571
Other income deferred	7,755	7,755	6,969	6,969
Total	37,740	37,596	36,192	36,192

19. Payables: amounts falling due after one year

	Consolidated 2016 €'000	University 2016 €'000	Restated	
			Consolidated	University
			2015 €'000	2015 €'000
Unsecured bank loans	145,000	145,000	75,000	75,000
Obligations under finance leases	58,907	58,907	59,180	59,180
Deferred income - government capital grants	247,461	247,461	257,298	257,298
Other deferred income	11,695	11,695	14,094	14,094
Total	463,063	463,063	405,572	405,572

Notes to the consolidated financial statements

20. Borrowings

	Consolidated	University	Consolidated	University
	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Unsecured bank loans				
Unsecured bank loans are repayable as				
Amounts due within one year	379	379	113	113
Due between two and five years	9,942	9,942	4,321	4,321
Due after more than five years	135,058	135,058	70,679	70,679
Total	145,379	145,379	75,113	75,113

Unsecured bank loans repayable includes €0.4m of interest accruing at 30 September 2016 (30 September 2015: €0.1m).

Finance leases

The net finance lease obligations

Amounts due within one year	274	274	120	120
Due between two and five years	2,960	2,960	2,180	2,180
Due after more than five years	55,947	55,947	57,000	57,000
Total	59,181	59,181	59,300	59,300

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

Unsecured bank loans outstanding at 30 September 2016 were as follows:

Lender	Amount €'000	Repayable	Interest rate %	Borrower
European Investment Bank	20,000	2009 - 2029	0.7% above base	University
European Investment Bank	20,000	2010 - 2040	0.6% above base	University
European Investment Bank	20,000	2010 - 2040	0.6% above base	University
European Investment Bank	15,000	2011 - 2041	0.8% above base	University
European Investment Bank	70,000	2016 - 2046	1.904%	University
	145,000			

The unsecured bank loans are concessionary loans with interest below the prevailing market rate. They are repayable between 2029 and 2046 by quarterly instalment. There are no undrawn bank loan facilities available at 30 September 2016.

21. Deferred Capital Grants

Consolidated and University	Buildings €'000	Equipment €'000	Total €'000
At 1 October 2015 (restated)	258,834	9,035	267,869
Capital grants received/receivable	144	-	144
Released to statement of comprehensive income	(6,916)	(3,360)	(10,276)
At 30 September 2016	252,062	5,675	257,737

Notes to the consolidated financial statements

22. Endowment Funds - Consolidated and University

The Trinity Endowment Fund is a collection of individual funds, each of which represents a benefaction to the University. They are permanent and expendable endowment funds that provide financial support to specific University 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. When the Commissioners were dissolved all their functions transferred to the Charities Regulatory Authority under the Charities Act 2009. The Trustees of the Endowment 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	2016 Total €'000	2015 Total €'000
Capital	149,231	7,872	157,103	154,749
Accumulated income	11,116	518	11,634	10,364
At beginning of year	160,347	8,390	168,737	165,113
New endowments	2,767	-	2,767	209
Net appreciation of endowment investments	10,313	(867)	9,446	2,145
Investment income for the year	6,206	245	6,451	6,556
Expenditure for the year	(5,686)	(406)	(6,092)	(5,286)
Total endowment comprehensive income for the year	13,600	(1,028)	12,572	3,624
At end of year	173,947	7,362	181,309	168,737
Represented by:				
Capital	162,311	7,005	169,316	157,104
Accumulated income	11,636	357	11,993	11,633
Total	173,947	7,362	181,309	168,737

Notes to the consolidated financial statements

22. Endowment Funds (cont'd) Consolidated and University

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

	Accumulated Income						Date Received
	Capital Value	Opening	Income	Expenditure	Income	Closing	
	at 30 Sept 2016	Balance			transfer	Balance	
	€'000	€'000	€'000	€'000	To capital €'000	€'000	
Research (Arts, Economics, & Social Studies)	1,695	160	52	48	-	164	1979
Hitachi	1,891	15	58	51	-	22	1991
Chetwood-Aiken	1,900	20	56	-	48	28	1969
Brown Animal	2,108	4	64	64	-	4	1973
O'Sullivan Manuscripts	2,255	119	69	-	-	188	2002
Early Irish Studies	2,555	-	78	78	-	-	1996
Smurfit	2,633	-	80	80	-	-	1989
Provost's Academic Development Fund	3,425	430	105	534	-	1	1992
Nunn	3,538	950	108	202	-	856	1994
Coca Cola	3,640	36	111	138	-	9	1993
Loyola	3,871	106	118	136	-	88	2013
Reid Entrance Exhibitions	4,246	145	130	87	-	188	1888
Childhood Research	4,491	310	137	197	-	250	2005
Faculty Funds	7,006	518	245	406	-	357	2009
Iona Technologies	8,192	213	250	233	-	230	1997
Endowment Capital Development Fund	48,233	566	1,474	1,520	-	520	1995
	101,679	3,592	3,135	3,774	48	2,905	

Research (Arts, Economic & Social Studies)

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

Hitachi

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

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.

Brown Animal

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



Notes to the consolidated financial statements

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 University Library.

Early Irish Studies

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

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.

Loyola

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

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 in 1995 to provide a regular annual income stream which would be available to the Board to facilitate major capital developments in the University.

Notes to the consolidated financial statements

23. Restricted reserves

Reserves with restrictions are as follows:

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Balances at 1 October	23,582	-	19,141	-
New donations	8,358	2,985	12,366	-
Expenditure	(17,439)	-	(7,925)	-
Balances at 30 September	14,501	2,985	23,582	-
Closing reserves comprise the following funds:				
Funds held with Trinity Foundation	12,287	-	21,571	-
Funds held with Trinity College Dublin Education Endowment Trust	2,214	-	2,011	-
Funds held with Trinity College Dublin	-	2,985	-	-
	14,501	2,985	23,582	-

24. Revaluation reserve

	Consolidated 2016 €'000	University 2016 €'000	Restated Consolidated 2015 €'000	Restated University 2015 €'000
Balances at 1 October	517,993	517,993	517,993	517,993
Revaluation in year	-	-	-	-
Balances at 30 September	517,993	517,993	517,993	517,993

25. Cash and cash equivalents

Consolidated	1 Oct 2015 €'000	Cash flows €'000	30 Sept 2016 €'000
Cash and cash equivalents	72,993	22,155	95,148
University	1 Oct 2015 €'000	Cash flows €'000	30 Sept 2016 €'000
Cash and cash equivalents	54,399	37,966	92,365

26. Commitments

	Consolidated 2016 €'000	University 2016 €'000	Consolidated 2015 €'000	University 2015 €'000
Contracted for but not provided	4,025	4,025	7,089	7,089
Authorised but not contracted	928	928	8,447	8,447
Total	4,953	4,953	15,536	15,536

Other Commitments

In respect of the Trinity Hall Student Residences, Trinity College is committed to making an annual financial payment of €2.22m incrementing at 4% per annum for the period to 2036.

Notes to the consolidated financial statements

27. Lease obligations

	Consolidated	University	Consolidated	University
Total rentals payable under operating leases	2016	2016	2015	2015
	€'000	€'000	€'000	€'000
Future minimum lease payments due				
Not later than one year	735	735	-	-
Later than one year and not later than five years	2,572	2,572	-	-
Total	3,307	3,307	-	-
Total rentals income due under operating leases				
Future minimum lease income due				
Not later than one year	3,564	3,564	4,220	4,220
Later than one year and not later than five	11,811	11,811	12,526	12,526
Later than five years	15,113	15,113	17,962	17,962
Total	30,488	30,488	34,708	34,708

On 29 March 2015 the University entered, as lessee, into a five-year non-cancellable lease of a building in the International Financial Services Centre which is being used for academic purposes. The previous lessor has provided a dilapidation fund of €1.7m for the property to be restored to its original layout and condition at the end of the lease. This fund has been included in payables due after one year.

28. Related Parties

Subsidiary undertakings

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

Trinity Online Services Company Limited by Guarantee: The principal activity of the company is the advancement of education through the development and provision of a range of online education courses for Trinity College Dublin, the University of Dublin.

Trinity Asia Services Limited The principal activity is the teaching of University students in Singapore. There were no transactions in this company during the year.

The following three entities are also considered to be subsidiary undertakings of the University in accordance with the SORP definition of control. Their activities are exclusively for the benefit of the University. Transactions with subsidiaries of the University have been eliminated on consolidation.

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 University, and to make grants to the University 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 University inter alia by promoting the purposes of the Trinity College Dublin Trust.

Notes to the consolidated financial statements

28. Related Parties (cont'd)

Transactions with other related parties

The Haughton Institute is a related limited company. During the period, the Board of the Haughton Institute set out a proposal recommending the wind-up of the institute. The 2015 annual financial statements, including the relevant disclosures relating to the strike-off process are due to be finalised at which point a draft set of final accounts will be prepared. Trinity College holds a 33.3% interest in the share capital of the Haughton Institute. During the period, Trinity College made payments of €88,635 (2014/15: €106,569) to the Haughton Institute and received €120,157 (2014/15: €53,358) for services provided to the Haughton Institute. All transactions were conducted at an arm's length basis. At 30 September 2016, there was an amount of €100 (2014/15: €7,835) due from Trinity College to the Haughton Institute and an amount of €8,415 (2014/15: €13,284) due from The Haughton Institute. The net assets of the Haughton Institute per their audited Financial Statements at 31 December 2015 were €2,643 (2014: €60,264) and the deficit for the year amounted to €57,622 (2014: €253,159).

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. There are five key shareholders (Partner institutions) NUIG, RCSI, UCC, UCD and TCD. During the period Trinity College made payments of €49,008 (2014/15: €202,855) to MMI and received €nil (2014/15: €nil). At 30 September 2016 there was an amount of €nil (2014/15: €nil) due to MMI and an amount of €nil (2014/15: €nil) due from MMI. All transactions were conducted on an arm's length basis. The net assets of MMI per their Financial Statements at 30 September 2016 were €nil (2015: €nil) and the surplus for the year amounted to €nil (2015: €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 (2014/15: €nil). At 30 September 2016 there was an amount of €nil (2014/15: €nil) due from NDRC Limited. The net assets per their Financial Statements as at 31 December 2015 were €1,530,365 (2014: €730,895) and the surplus for the year amounted to €799,470 (2014: €nil).

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 2016 there was an amount of €nil (2014/15: €nil) due from NIBRT Limited. The net assets at 31 December 2015 were €nil (2014: €nil) and the surplus for the year amounted to €nil (2014: €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 University representatives on its Board out of a total of ten 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 University has leased property (2,202 square meters) to The Lir until 30 September 2021, at a nominal rent of €10 per annum. An additional property (636 square meters) was leased to The Lir in October 2014 for 8 years at an annual rent of €10. At 30 September 2016 there was an amount of €447,677 (2014/15: €464,837) due from The Lir. The net liabilities of The Lir per its Financial Statements at 30 September 2016 were €262,109 (2015: €289,259) and the surplus for the year amounted to €27,150 (2015: €852).

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 University 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. During the period, Trinity College made payments of €131,173 (2014/15: €96,563) to SGI and received €265,308 (2014/15: €304,449) for services provided to SGI. All transactions were conducted at an arm's length basis. At 30 September 2016 there was an amount of €138,536 (2015: €81,562) due from SGI and an amount of €nil (2015: €69,673) due to SGI. The net assets of SGI per its management accounts at 30 September 2016 were €160,904 (2015: €164,294) and the deficit for the year amounted to €3,661 (2015: surplus of €91,791).

The Douglas Hyde Gallery is a company limited by guarantee without 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 financial year to 31 December 2015, Trinity College made payments of €50,004 (2014: €46,815) to the Douglas Hyde Gallery and received payments for €41,048 (2014: €38,870) in respect of rent and other costs associated with the provision of office and exhibition space in the University. At 31 December 2015, there was an amount of €nil (2014: €nil) due from the Douglas Hyde Gallery. The net assets of the Douglas Hyde Gallery at 31 December 2015 were €72,664 (2014: €85,145) and the deficit for the year amounted to €12,481 (2014: €34,430).

Notes to the consolidated financial statements

29. Retirement benefits

a) Defined contribution scheme and Personal Retirement Savings Accounts (PRSAs)

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 retirement benefit charge for the period represents contributions payable by Trinity Foundation to the scheme and amounted to €0.09m (2015: €0.15m).

In addition and in compliance with the provisions of the Pensions Act 1990 (as amended), Trinity Online Services Limited has appointed Personal Retirement Savings Account (PRSA) providers commencing on 1 October 2015. The retirement benefit charge for the period represents contributions payable by Trinity Online Services Limited on behalf of its employees and amounted to €0.06m.

b) Defined benefit retirement schemes

The University had the following defined benefit retirement 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 University funded a Master Pension Scheme, comprising a retirement benefit scheme and a prolonged disability income scheme, operating under a Trust Deed. The Master Pension Scheme provides the retirement benefit entitlements of certain employees, which are based on final pensionable pay and are secured by contributions by the University 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 University 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 retirement benefit entitlements of members on a pay-as-you-go basis.

The University's contribution was limited to 15% of pensionable salary due to a restriction imposed by the HEA on the level of the University'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 University is obliged by the HEA to provide retirement benefits under the rules of the scheme to new staff appointed from 1 February 2005. This scheme is an unfunded defined benefit retirement benefit arrangement which operates on a pay-as-you-go basis from the University's core funding.

Pension Supplementation

This relates to post-retirement retirement benefit increases for all staff which are unfunded and paid on a pay-as-you-go basis from the University'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 retirement benefit scheme and the University has accounted for its estimated share of the defined benefit retirement benefit obligations of this scheme in accordance with FRS 102. All employee retirement benefit contributions for the Single scheme are paid to a state retirement benefit account. This scheme operates on a pay-as-you-go basis from the University's core funding.

Notes to the consolidated financial statements

29. Retirement benefits (cont'd)

Fundamental changes to retirement benefit arrangements

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

The Financial Measures (Miscellaneous Provisions) Act 2009 was enacted on 26 June 2009 and included, in relation to the Master Pension Scheme of the University, 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 retirement benefit assets transferred to the National Pension Reserve Fund;
- the University 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 retirement benefit scheme remains an obligation of the University in relation to the scheme;
- if the aggregate of the members and employers' contributions paid or withheld above are insufficient to meet the University's obligations to pay those benefits in accordance with the Scheme, the Minister for Finance shall make good the deficiency by payments to the University from funds provided by the Oireachtas for this purpose. Hence, the payments of retirement benefit obligations of the Master Pension Scheme are guaranteed by the State and they will be paid on a pay-as-you-go basis.

The University 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 retirement benefit liabilities of the University i.e. those liabilities associated with the Master Pension Scheme and other defined benefit retirement benefit arrangements that the University has in place.

Although the above legislation enacted during 2009 relates specifically to the Master Pension Scheme, the University has been advised that the State would also be meeting future retirement benefit liabilities for the Model Scheme and Pension Supplementation on a pay-as-you-go basis. The University'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 University has offset the deficit in the defined benefit retirement benefit schemes in full with a retirement benefit receivable asset due from the State being recognised in the statement of financial position which is equivalent to the retirement benefit liability.

Notes to the consolidated financial statements

29. Retirement benefits (cont'd)

Consolidated and University	2016	Restated 2015
	€'000	€'000
Present value of plan liabilities	(1,743,816)	(1,395,218)
Retirement benefit receivable	1,743,816	1,395,218
	-	-
Analysis of retirement benefit liability	2016	2015
	€'000	€'000
Master Pension Scheme	(1,136,704)	(929,966)
Model Scheme and Pension Supplementation	(590,805)	(459,406)
Single Public Service Pension Scheme	(16,307)	(5,846)
Present value of unfunded obligations	(1,743,816)	(1,395,218)
Changes in the present value of defined benefit retirement obligations	2016	2015
	€'000	€'000
Defined benefit obligation at start of period	1,395,218	1,423,616
Current service cost	55,165	51,987
Interest cost	37,231	36,598
Contributions by scheme participants	2,220	2,290
Effect of experience adjustments on defined benefit retirement obligation	(39,656)	(7,103)
Changes in financial assumptions	326,249	(80,165)
Benefit payments from reimbursement rights	(32,611)	(32,005)
Defined benefit retirement benefit obligations at end of period	1,743,816	1,395,218
Changes in fair value of reimbursement rights	2016	2015
	€'000	€'000
Fair value of reimbursement rights at start of period	1,395,218	1,423,616
Interest income	37,600	36,946
Return on reimbursement rights	316,223	(60,142)
Employer contributions*	25,425	24,802
Contributions by scheme participants	2,220	2,290
Benefit payments from reimbursement rights	(32,611)	(32,005)
Administration expenses paid from reimbursement rights	(259)	(289)
Fair value of reimbursement rights at end of period	1,743,816	1,395,218

* These costs represent employer contributions, employer controlled framework (ECF) contributions and Pension Supplementation for the Master Pension Scheme, Model Scheme and Single Pension Scheme.



Notes to the consolidated financial statements

29. Retirement benefits (cont'd)

Net retirement benefit liability

	2016	2015
	€'000	€'000
Amounts recognised in the Statement of Comprehensive income in respect of the plan are:		
Amount included in staff costs		
Current service costs	55,165	51,987
	55,165	51,987
Amount included in investment income		
Net Interest income	(369)	(348)
	6	(348)
Amount recognised in Other Comprehensive Income		
Return on retirement benefit reimbursement rights	(316,223)	60,142
Experience adjustments	(39,656)	(7,103)
Changes in assumptions underlying the present value of plan	326,249	(80,165)
	(29,630)	(27,126)

Net retirement benefit liability

The valuation of the defined benefit retirement benefit obligations of the College for the purposes of FRS 102 disclosures has been performed by an independent professionally qualified actuary as at the statement of financial position date.

The assumptions used by the actuaries to value the liabilities as at 30 September 2016 were as follows:

Financial assumptions

	2016	2015
Valuation method	Projected Unit	Projected Unit
Discount rate	1.60%	2.70%
Inflation rate	1.50%	1.60%
Salary increases	3.00%	3.10%
Pension supplementation	2.00%	2.10%

The discount rate of 1.6% 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.

Notes to the consolidated financial statements

29. Retirement benefits (cont'd)

The assumptions relating to longevity underlying the retirement benefit liabilities at the statement of financial position 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	2016	2015
Member aged 65 (current life expectancy)	22.9	22.8
Member aged 40 (Life expectancy at age 65)	25.7	25.6

There are no reimbursement rights for these unfunded retirement benefit arrangements.

The estimated employer contributions for the 2017 financial year are €25.9m. Employer contributions for the 2016 financial year were €25.4m.

History of experience gains and losses	2016 €'000	2015 €'000	2014 €'000	2013 €'000	2012 €'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	39,656	7,103	37,207	71,890	37,166
Percentage of scheme liabilities (present value)	2.3%	0.5%	2.6%	6.1%	3.3%
Total remeasurements included in other comprehensive income	29,630	27,126	(187,178)	16,213	(194,974)
Percentage of scheme liabilities (present value)	1.7%	1.9%	13.1%	1.4%	(17.1%)
History of experience deficits	2016 €'000	2015 €'000	2014 €'000	2013 €'000	2012 €'000
Fair value of scheme assets	1,743,816	1,395,218	1,423,616	1,179,497	1,139,996
Present value of scheme liabilities	(1,743,816)	(1,395,218)	(1,423,616)	(1,179,497)	(1,139,996)
Deficit in schemes	-	-	-	-	-

30. Transition to FRS 102 and the 2015 HE SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the updated FE HE SORP. The accounting policies have been applied in preparing the financial statements for the year ended 2016 and the comparative information for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 October 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements which had been prepared in accordance with old basis of accounting (Generally Accepted Accounting Practice in Ireland and 2007 SORP). An explanation of how the transition to FRS 102 and the FE/HE SORP has affected the University's financial position and financial performance is set out in the following tables.

Notes to the consolidated financial statements

30. Transition to FRS 102 and the 2015 HE SORP (cont'd)

Consolidated statement of financial position and reconciliation of reserves

		Consolidated 01 Oct 2014 2007 SORP €'000	Effect of transition €'000	Consolidated 01 Oct 2014 FRS 102 €'000	Consolidated 30 Sept 2015 2007 SORP €'000	Effect of transition €'000	Consolidated 30 Sep 2015 FRS 102 €'000
	Notes						
Tangible Assets/Non-Current Assets							
Tangible assets	a)	761,668	180,606	942,274	752,452	180,606	933,058
Investments	b)	-	162,689	162,689	-	165,586	165,586
Endowment assets	b)	165,113	(165,113)	-	168,737	(168,737)	-
Investment properties		46,369	-	46,369	56,255	-	56,255
Current Assets							
Trade and other receivables	b)	47,916	544	48,460	50,960	1,030	51,990
Inventories		320	-	320	492	-	492
Cash and cash equivalents	c)	21,677	73,070	94,747	25,944	47,049	72,993
Short term deposits	c)	148,048	(71,604)	76,444	153,926	(45,081)	108,845
Trade and other payables: amounts falling due within one year	b)/d)/m)	(147,528)	10,320	(137,208)	(173,136)	4,058	(169,078)
Total Assets less current liabilities		1,043,583	190,512	1,234,095	1,035,630	184,511	1,220,141
Trade and other payables: amounts falling due after one year							
Retirement benefits liability	e)	(134,280)	(271,259)	(405,539)	(148,394)	(257,178)	(405,572)
Retirement benefits receivable		(1,423,616)	-	(1,423,616)	(1,395,218)	-	(1,395,218)
		1,423,616	-	1,423,616	1,395,218	-	1,395,218
Total net assets		909,303	(80,747)	828,556	887,236	(72,667)	814,569
Deferred capital grants							
Endowment Funds	e)/f)	420,017	(420,017)	-	412,907	(412,907)	-
Expendable	k)	8,320	(8,320)	-	8,390	(8,390)	-
Permanent	k)	156,793	(156,793)	-	160,347	(160,347)	-
Total endowment funds		165,113	(165,113)	-	168,737	(168,737)	-
Restricted Reserve							
Income and expenditure reserve-endowment reserve	k)	-	165,113	165,113	-	168,737	168,737
Income and expenditure reserve-restricted reserve	n)	-	19,141	19,141	-	23,582	23,582
		-	184,254	184,254	-	192,319	192,319
Unrestricted reserves							
Income and expenditure reserve - unrestricted reserve	d)/f)/i)/m)/n)	(11,363)	137,672	126,309	(36,733)	140,990	104,257
Revaluation reserve	a)/i)	335,536	182,457	517,993	342,325	175,668	517,993
		324,173	320,129	644,302	305,592	316,658	622,250
Total Reserve		909,303	(80,747)	828,556	887,236	(72,667)	814,569



Notes to the consolidated financial statements

Consolidated statement of financial position and reconciliation of reserves (cont'd)

30. Transition to FRS102 and the 2015 SORP (cont'd)

Details of the movement in the Consolidated reserves are outlined below

		Consolidated	
		01-Oct-2014	30-Sep-2015
	Note	€'000	€'000
Opening Reserves 1 October 2014		324,173	305,592
<i>Adjustments - opening balance 1 October 2014</i>			
Restatement of fixed assets as at 1 October 2014	a)	180,606	180,606
Holiday pay accrual	d)	(1,413)	(1,413)
Reclassify deferred capital grants opening	f)	148,732	148,732
Endowment fund transferred to unrestricted reserve	k)	165,113	165,113
Recognition of income from Trinity Foundation previously deferred	m)	11,319	11,319
Movement in release of deferred capital grants		26	26
		828,556	809,975
<i>Adjustments 2014-15</i>			
Movement in endowment funds	b)	-	3,624
Movement in holiday pay accrual	d)	-	(57)
Movement in deferred income from Trinity Foundation	m)	-	4,747
Movement in release of deferred capital grants	j)	-	(3,720)
		-	4,594
Restated Reserves		828,556	814,569

Notes to the consolidated financial statements

30. Transition to FRS 102 and the 2015 HE SORP (cont'd)

University statement of financial position and reconciliation of reserves

		University 01 Oct 2014 2007 SORP	Effect of transition	University 01 Oct 2014 FRS 102	University 30 Sept 2015 2007 SORP	Effect of transition	University 30 Sep 2015 FRS 102
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Tangible Assets/Non-Current Assets							
Tangible assets	a)	761,620	180,606	942,226	752,418	180,606	933,024
Investments	b)	-	162,689	162,689	-	165,586	165,586
Endowment assets	b)	165,113	(165,113)	-	168,737	(168,737)	-
Investment properties		46,369	-	46,369	56,255	-	56,255
Current Assets							
Trade and other receivables	b)	47,859	544	48,403	50,720	1,030	51,750
Inventories		320	-	320	492	-	492
Cash and cash equivalents	c)	10,383	67,029	77,412	13,432	40,967	54,399
Short term deposits	c)	135,563	(65,563)	70,000	140,000	(39,000)	101,000
Trade and other payables: amounts falling due within one year	b)/d)/m)	(135,900)	(999)	(136,899)	(156,503)	(11,815)	(168,318)
Total Assets less current liabilities		1,031,327	179,193	1,210,520	1,025,551	168,637	1,194,188
Trade and other payables: amounts falling due after one year							
Retirement benefits liability	e)	(134,280)	(271,259)	(405,539)	(148,394)	(257,178)	(405,572)
Retirement benefits receivable		1,423,616	-	1,423,616	1,395,218	-	1,395,218
Total net assets		897,047	(92,066)	804,981	877,157	(88,541)	788,616
Deferred capital grants							
Deferred capital grants	e)/f)	420,017	(420,017)	-	412,907	(412,907)	-
Endowment Funds							
Expendable	k)	8,320	(8,320)	-	8,390	(8,390)	-
Permanent	k)	156,793	(156,793)	-	160,347	(160,347)	-
Total endowment funds		165,113	(165,113)	-	168,737	(168,737)	-
Restricted Reserve							
Income and expenditure reserve-endowment reserve	k)	-	165,113	165,113	-	168,737	168,737
Income and expenditure reserve-restricted reserve	n)	-	-	-	-	-	-
		-	165,113	165,113	-	168,737	168,737
Unrestricted reserves							
Income and expenditure reserve - unrestricted reserve	d)/f)/i)/m)/n)	(23,619)	145,494	121,875	(46,812)	148,698	101,886
Revaluation reserve	a)/ i)	335,536	182,457	517,993	342,325	175,668	517,993
		311,917	327,951	639,868	295,513	324,366	619,879
Total Reserve		897,047	(92,066)	804,981	877,157	(88,541)	788,616



Notes to the consolidated financial statements

30. Transition to FRS102 and the 2015 SORP (cont'd)

Details of the movement in the University's reserves are outlined below:

	Note	University	
		01-Oct-14 €'000	30-Sep-15 €'000
Opening Reserves 1 October 2014		311,917	295,513
<i>Adjustments - opening balance 1 October 2014</i>			
Restatement of fixed assets as at 1 October 2014	a)	180,606	180,606
Holiday pay accrual	d)	(1,413)	(1,413)
Reclassify deferred capital grants opening	f)	148,732	148,732
Endowment fund transferred to unrestricted reserve	k)	165,113	165,113
Movement in release of deferred capital grants		26	26
		804,981	788,577
<i>Adjustments 2014-15</i>			
Movement in endowment funds	b)	-	3,624
Movement in holiday pay accrual	d)	-	(57)
Movement in release of deferred capital grants	j)	-	(3,720)
Consolidation of Trinity Online Services Company Limited		-	192
			39
Restated Reserves		804,981	788,616

Notes to the consolidated financial statements

30. Transition to FRS 102 and the 2015 HE SORP (cont'd)

Reconciliation of total comprehensive income for the year ended 30 September 2015

Notes	Consolidated 30 September 2015 2007 SORP €'000	Effect of transition €'000	Consolidated 30 September 2015 FRS 102 €'000
Income			
State Grants	44,512	-	44,512
Academic fees	128,872	-	128,872
Research grants and contracts	85,199	24	85,223
Other income h)/m)	52,456	(7,939)	44,517
Investment Income g)	7,043	348	7,391
Amortisation j)	10,571	(3,744)	6,827
Total income before Donations and endowments	328,653	(11,311)	317,342
Donations and Endowments h)	-	12,895	12,895
Total income	328,653	1,584	330,237
Expenditure			
Staff costs d)/g)	230,713	405	231,118
Other operating expenses	94,468	-	94,468
Interest and other finance costs	4,059	-	4,059
Depreciation	26,610	-	26,610
Total expenditure	355,850	405	356,255
Gain on investment portfolio h)	-	2,145	2,145
Gain on revaluation of investment properties i)	3,097	6,789	9,886
Deficit for the year	(24,100)	10,113	(13,987)
Actuarial gain/(loss) in respect of retirement benefit Schemes l)	87,268	(60,142)	27,126
Movement on retirement benefit receivable l)	(87,268)	60,142	(27,126)
Total comprehensive income for the year	(24,100)	10,113	(13,987)
Surplus for the year transferred to accumulated income in Endowment Funds	(1,270)	1,270	-
Deficit for the year retained within reserves	(25,370)	11,383	(13,987)



Notes to the consolidated financial statements

30. Transition to FRS102 and the 2015 SORP (cont'd)

Details of the movement in the Consolidated deficit are outlined below:

	Notes	€'000	€'000
Opening deficit			(24,100)
Reclassification of amounts previously recognised in total recognised gains and losses			
Investment property revaluation gain	i)	6,789	
New endowments	h)	209	
Net appreciation of endowment investments	h)	2,145	9,143
Opening recognised loss			(14,957)
Recognition of revenue from Trinity Foundation previously deferred	m)		4,747
Reduction in release of deferred capital grants	j)		(3,720)
Increase in holiday pay accrual	d)		(57)
Restated deficit			(13,987)



Notes to the consolidated financial statements

30. Transition to FRS 102 and the 2015 HE SORP (cont'd)

Reconciliation of total comprehensive income for the year ended 30 September 2015

Notes	University 30 September 2015 2007 SORP €'000	Effect of transition €'000	University 30 September 2015 FRS 102 €'000
Income			
State Grants	44,512	-	44,512
Academic fees	128,872	-	128,872
Research grants and contracts	85,199	24	85,223
Other income h)/(m)	43,153	4,285	47,438
Investment Income g)	6,556	719	7,275
Interest Income	371	(371)	-
Amortisation j)	10,571	(3,744)	6,827
Total income before donations and endowments	319,234	1,284	320,147
Donations and Endowments h)	-	3,456	3,456
Total Income	319,234	4,369	323,603
Expenditure			
Staff costs d)/g)	228,692	327	229,019
Other operating expenses	84,925	7,418	92,343
Interest and other finance costs	4,059	-	4,059
Depreciation	26,577	-	26,577
Total expenditure	344,253	7,745	351,998
Gain on investment portfolio h)	-	2,145	2,145
Gain on revaluation of investment properties i)	3,097	6,789	9,886
Deficit for the year	(21,922)	5,558	(16,364)
Actuarial gain/(loss) in respect of retirement benefit Schemes l)/g	87,268	(60,142)	27,126
Movement on retirement benefit receivable l)	(87,268)	60,142	(27,126)
Total comprehensive income for the year	(21,922)	5,558	(16,364)
Surplus for the year transferred to accumulated income in Endowment Funds	(1,270)	1,270	-
Deficit for the year retained within reserves	(23,192)	6,828	(16,364)



Notes to the consolidated financial statements

30. Transition to FRS102 and the 2015 SORP (cont'd)

Details of the movement in the University's deficit are outlined below:

	Notes	€'000	€'000
Opening deficit			(21,922)
Reclassification of amounts previously recognised in total recognised gains and losses			
Investment property revaluation gain	i)	6,789	
New endowments	h)	209	
Net appreciation of endowment investments	h)	2,145	9,143
Opening recognised loss			(12,779)
Reduction in release of deferred capital grants	j)		(3,720)
Increase in holiday pay accrual	d)		(57)
Consolidation of Trinity Online Services Company Limited			192
Restated deficit			(16,364)

Notes to the consolidated financial statements

30. Transition to FRS 102 and the 2015 HE SORP (cont'd)

The principal effects of transition to FRS 102 and the 2015 SORP are set out below:

a) Revaluation of land

The University elected to use the first time adoption option on transition to FRS 102 and has revalued its land on a fair value basis as at 1 October 2014. The revised values are now used as the deemed cost of land. This resulted in the recognition of tangible assets and a corresponding revaluation reserve of €180.6 m at the date of transition.

b) Endowment assets

Endowment assets of €165.1m at 1 October 2014 and in future periods are no longer separately disclosed on the statement of financial position but are now included within the appropriate non-current or current net asset category (€162.7m non-current assets, €0.5m receivables, €1m cash & cash equivalents, €1m short term deposits & €0.1m within payables due within one year). There was no impact on consolidated or University reserves at transition date.

c) Cash and cash equivalents & short term deposits

Cash and cash equivalents includes short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These were previously disclosed as short term deposits. Consequently at 1 October 2014 €72.6m was reclassified from short term deposits. Endowment cash of €1.0m was reclassified from endowment assets and €0.5m bank overdraft was reclassified from payables due within one year to cash and cash equivalents.

Short term deposits

At 1 October 2014 €72.6m was reclassified to cash and cash equivalents while endowment short term deposits of €1.0m was reclassified from endowment assets.

d) Holiday pay accrual

FRS 102 requires the University to accrue for all short-term compensated absences as holiday entitlement earned but not taken at the balance sheet date. The accrual results in an additional €1.4m of accruals at 1 October 2014. During 2014/15 there was an additional €57,000 of holiday entitlement, which resulted in the accrual increasing to €1.5m at 30 September 2015.

e) Government grants

The University continues to adopt the accruals basis for government capital grants. The revised SORP requires government grants to be disclosed as deferred income within trade and other payables and released to the statement of comprehensive income on a systematic basis over the useful life of the asset. Previously, government capital grants were disclosed in reserves. The impact at date of transition was to increase payables due after one year and reduce net assets by €271.2m (30 September 2015 €257.1m).

f) Non-government grants

The University has adopted the performance model for non-government capital grants which are recognised on receipt unless there are performance related conditions. If performance related conditions exist, grants are deferred within payables and released to the statement of comprehensive income over the period during which the conditions are met. At the transition date, deferred capital grants of €148.8m with no performance related conditions were released to the unrestricted reserve.

g) Defined pension schemes

There is a presentation change under FRS 102 whereby the net interest on the net defined benefit pension liability is presented in the statement of comprehensive income using the liability discount rate. Under previous accounting standards the interest on the expected return on net assets was calculated using an expected asset return discount rate. This had no impact on reserves on transition but affects the allocation of interest costs between the statement of comprehensive income account and actuarial losses within other comprehensive income. The adjustment of €348,000 has been reflected in staff costs and interest income.



30. Transition to FRS102 and the 2015 HE SORP (cont'd)

Notes to the consolidated financial statements

h) Donations and Endowment

Under FRS 102 donation income is disclosed separately from other income together with new endowments which were previously reported in the statement of total recognised gains and losses on an additional line. The University has also adopted the performance model and most donations received do not have any performance related conditions and are now recognised in the year of receipt. For year ended 30 September 2015 new endowments of €209,000 and endowment appreciation of €2.1m were recognised in the statement of comprehensive income under gains on investments. Donations and endowments amounting to €12.9m include an amount of €7.9m transferred from other income and an amount of €4.8m that had previously been deferred.

i) Investment Property

In accordance with FRS 102.16.7 investment properties are measured at fair value at each reporting date, with any changes in fair value recognised immediately within the statement of comprehensive income. At the date of transition cumulative losses of €1.9m were adjusted for in both the revaluation reserve and income and expenditure unrestricted reserve. A revaluation gain of €6.8m previously recognised in the revaluation reserve in the balance sheet has been recognised as a gain on investments in the statement of comprehensive income for the year ended 30 September 2015.

j) Amortisation of deferred capital grants

An adjustment of €3.7m was made within income to reduce amortisation of deferred capital grants for the year ended 30 September 2015 to reflect capital grants from non-governmental sources that had previously been recognised as part of the transition to FRS 102.

k) Endowment Reserves

Endowments of €165.1m (at 30 September 2015: €168.7m) have been reclassified from Endowment Funds and are now reported within the Income and Expenditure Restricted Reserve at date of transition.

l) Retirement Benefit Schemes

Under FRS 102 if an entity is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the entity shall recognise its right to reimbursement as an asset. An entity shall treat the asset in the same way as plan assets. In line with FRS 102 the University has treated its Pension liability as an asset of the Pension scheme. This results in a restatement of €60m at date of transition but has an overall €nil impact on the balance sheet.

m) Deferred Income - donations from Trinity Foundation

Under previous GAAP the University deferred unspent income on donations as a creditor in the balance sheet at year end. In accordance with FRS 102, donations are deferred only if a performance related condition exists and fulfilment of the conditions is incomplete. Consequently, at 1 October 2014 an opening transition adjustment of €11.3m was recorded and, in the year ended 30 September 2015, €4.7m has been recognised in the statement of comprehensive income within other operating income.

n) Restricted reserves

Restricted reserves include balances through which the Donor or Funder has designated a specific purpose and therefore the University is restricted in the use of these funds. At 1 October 2014 restricted net assets were reclassified to include €17.2m of Trinity Foundation and €1.9m of Trinity Education Endowment Fund net assets.

31. Events after the reporting period

No events that require disclosure have occurred after the end of the reporting period.

32. Approval of the Consolidated Financial Statements

The Board of the University approved the Consolidated Financial Statements on 22 March 2017.



Circular 13/2014 - Management of and Accountability for Grants from Exchequer Funds
Research Grants

Grantor	Government Funding Department/Office	Grant Deferred/ (Due) 01/10/15	Cash Received 2015/16	Taken to Income 2015/16	Grant Deferred/ (Due) 30/9/16
SFI	Dept of Jobs Enterprise and Innovation	9,699	44,249	40,875	13,074
HRB	Dept of Health	(289)	8,245	6,921	1,036
HEA PRTL I	Dept of Jobs Enterprise and Innovation	658	736	1,898	(505)
IRC	Dept of Education and Skills	(145)	6,184	6,530	(491)
Enterprise Ireland	Dept of Jobs Enterprise and Innovation	(224)	3,989	4,603	(838)
Department of Agriculture Food and the Marine	Dept of Agriculture, Food and the Marine	(154)	348	478	(284)
Teagasc	Dept of Agriculture, Food and the Marine	(83)	165	192	(110)
The Marine Institute	Dept of Agriculture, Food and the Marine	(76)	73	0	(3)
An Roinn Ealain	Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	(142)	202	234	(174)
An Chomhairle um Oideachas Gaeltachta agus Gaelscola	Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	53	38	14	76
Department of Health	Dept of Health	113	79	44	147
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	(546)	826	925	(644)
Geological Survey of Ireland	Dept of Communications, Climate Action and Environment	0	68	32	36
City of Dublin Education and Training Board	Dept of Education and Skills	(10)	139	141	(11)
Irish Aid	Dept of Foreign Affairs and Trade	(19)	60	32	9
Department of Health	Dept of Health	122	933	747	308
Health Service Executive	Dept of Health	43	357	177	223
Nursing & Midwifery Planning & Development	Dept of Health	0	103	33	70
Dublin City Council	Dept of Housing, Planning, Community & Local Govt	16	39	55	1
Road Safety Authority	Dept of Transport, Tourism and Sport	89	76	93	71
Other Irish Government/State Agencies	Various Departments	111	255	360	5
Total Exchequer Research Grants		9,216	67,164	64,384	11,996
Total Non-Exchequer Research Grants		12,352	29,763	27,724	14,391
Total per Research Accounts		21,568	96,927	92,108	26,387
Other Adjustments		7,794	3,923	138	11,717
Research Grants and Contracts per Financial Statements		29,362	100,850	92,246	38,104

Capital Grants

The University received grant income of €2.8m under the programme for research in Third Level Institutions (PRTL I V) in the period. Returns are made to the HEA by TCD on a quarterly basis, based upon the actual expenditure incurred on HEA funded capital grants. All such expenditure incurred is in line with the specific terms and conditions of the capital grant. All funding received from the HEA for Capital Grants is treated in line with the specific terms and conditions as set out by the HEA and is also in line with Government policies and guidelines.



TRINITY COLLEGE DUBLIN, THE UNIVERSITY OF DUBLIN

FUNDING STATEMENTS

Year ended 30 September 2016



Statement of Responsibilities for the Funding Statements

Trinity College Dublin, the University of Dublin (“the University”) 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 University 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 University 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 University is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enables it to ensure that its Funding Statements comply with the Universities Act 1997. The University 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

22 March 2017

Statement of Accounting Policies

Funding Statements

The Funding Statements reflect the teaching, research and related service activities of the University. The Financial Statements of the Pension Funds of Trinity College, Trinity Endowment Fund, Trinity Foundation 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 accordance with Financial Reporting Standard 102 or the Statement of Recommended Practice ("SORP") - Accounting for Further and Higher Education (2015). The Consolidated Financial Statements for the year ended 30 September 2016 are separately prepared and include the University and its subsidiary undertakings (as defined by the SORP).

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

Land was valued on an existing use basis at a valuation of €126,974 per acre carried out in 1998.

Buildings were revalued by the Board of the University in 1998, at a standard cost of €2,413 per square metre. Land and building acquired since valuation are included at cost.

Land is not depreciated. Historic buildings are depreciated over their expected useful economic life to the University 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.

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)

(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 and Fit-out	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 University 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 University holds and maintains certain heritage assets, such as paintings, silver, sculptures and priceless manuscripts. The University conserves these assets for research and teaching and for interaction between the University 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

Investment properties are measured initially at cost and subsequently at fair value. Investment properties are revalued annually by independent professional third party valuers 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 University'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.

Inventories

inventories are stated at the lower of their cost and net realisable value on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stock. Expenditure incurred by the University 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 University holds tax exempt status.

Retirement Benefits

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



Statement of Accounting Policies (cont'd)

The Single Public Service Scheme applies to all new staff who joined 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 University's core funding.

Pension costs are accounted for by the University in the Funding Statements on the basis of charging the relevant cost of providing pensions over the period during which the University 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 HEA and amounts paid for pensions by the University (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.



Funding Statements Year ended 30 September 2016

Income and Expenditure Account
Year ended 30 September 2016

	Notes	2016 €'000	2015 €'000
Income			
State Grants	1	43,953	44,362
Student Fees	2	131,696	126,452
Other Income	3	29,125	33,856
		204,774	204,670
Research Grants and Projects	4	78,186	72,742
Total		282,960	277,412
Expenditure			
Academic Faculties	5	117,014	117,306
Academic and Other Services	6	22,604	20,617
Premises	7	25,433	26,582
Amount Allocated for Capital Purposes	8	500	500
Central Administration and Services	9	12,781	12,704
General Educational Expenditure	10	9,975	9,805
Student Services	11	5,297	4,911
Miscellaneous Expenditure	12	10,824	10,578
Academic and Related Services	13	204,428	203,003
Research Grants and Projects	13	78,186	72,742
Total	13	282,614	275,745
Surplus on Activities before Amortisation of Capital Reserves and Grants, Ancillary Services and Depreciation of Fixed Assets		346	1,667
Surplus/(deficit) on Ancillary Services	14	5,179	(104)
Depreciation of Fixed Assets	15	(44,650)	(26,577)
General Reserve Transfer	16	39,471	26,681
Net surplus for year	24	346	1,667

The Statement of Accounting Policies (Pages 61 to 63) and Notes to the Funding Statements (Pages 67 to 77) form part of these Funding Statements.

DR PATRICK PRENDERGAST
PROVOST

22 March 2017

IAN MATHEWS
CHIEF FINANCIAL OFFICER



Funding Statements Year ended 30 September 2016

Balance Sheet
At 30 September 2016

	Notes	2016 €'000	2015 €'000
Fixed Assets			
Tangible assets	17	757,137	756,467
Investment properties	18	50,020	56,255
		807,157	812,722
Current Assets			
Bank and cash balances		222,846	153,432
Receivables and prepayments	19	89,959	69,028
Inventories		555	460
		313,360	222,920
Current Liabilities			
Payables and accrued expenditure	20	(271,999)	(241,327)
Bank balances		(250)	(504)
		(272,249)	(241,831)
Net Current Assets (Liabilities)		41,111	(18,911)
Long Term Liabilities			
Payables due after one year	22	(204,181)	(134,300)
		644,087	659,511
Represented By:			
General reserve	23	643,591	659,361
Revenue reserve	24	496	150
		644,087	659,511

The Statement of Accounting Policies (Pages 61 to 63) and Notes to the Funding Statements (Pages 67 to 77) form part of these Funding Statements.

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

22 March 2017



Funding Statements Year ended 30 September 2016

Cash Flow Statement
Year ended 30 September 2016

	Notes	2016 €'000	2015 €'000
Net Cash Inflow from Operating Activities	25	14,765	23,320
Returns on Investments and Servicing of Finance			
Interest received (net)		406	371
Capital Expenditure			
Purchase of fixed assets and investment property		(27,495)	(17,375)
Net Cash (outflow) /Inflow before Management of Liquid Resources and financing		(12,324)	6,316
Management of Liquid Resources		5,000	(4,437)
Financing			
Capital receipts		11,992	1,185
Bank loan drawn down		70,000	-
Total financing		81,992	1,185
Increase in Cash in the year	25	74,668	3,064
Reconciliation of Net Cash Flow to Movement in Net Funds	25		
Net funds at beginning of year		18,628	11,148
Net funds at end of year		18,415	18,628
Net Funds (outflow)/ inflow		(213)	7,480
Represented by:			
Increase in cash in the year		74,668	3,064
Bank loan drawn down		(70,000)	-
Movement in liquid resources		(5,000)	4,437
Movement in Net Funds Resulting from Cash Flows		(332)	7,501
Movement in finance leases		119	(21)
		(213)	7,480



Notes to the Funding Statements

1. State Grants	2016 €'000	2015 €'000
Recurrent grant	40,658	41,116
Nursing	3,149	3,100
Minor works	146	146
	43,953	44,362
2. Student Fees	2016 €'000	2015 €'000
Academic	129,792	124,593
Miscellaneous fee income	1,904	1,859
	131,696	126,452
A total of €37,312,563 (2015: €39,511,725) included in academic fee income was paid directly by the HEA. This includes nursing fees of €3,841,913 (2015: €3,966,138).		
3. Other Income	2016 €'000	2015 €'000
Interest receivable (net)	406	371
Funded posts and donations*	1,562	3,002
Research grants and projects contribution	13,790	14,281
Miscellaneous income*	13,367	16,202
	29,125	33,856
* Funded posts includes a contribution of €0m from Ancillary services in 2016 (2015: €2.3m). Miscellaneous income includes a €8.8m contribution from Ancillary services in 2016 and €9.7m in 2015 (see Note 14).		
4. Research Grants and Projects	2016 €'000	2015 €'000
Exchequer	50,039	46,945
Non-Exchequer	28,147	25,797
Research grants	78,186	72,742



Funding Statements Year ended 30 September 2016

Notes to the Funding Statements (cont'd)

5. Academic Faculties	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Academic	80,353	-	80,353	80,591
Technical	9,642	-	9,642	9,666
Administrative support	10,453	-	10,453	10,480
Faculty and School grants	-	16,341	16,341	16,346
Miscellaneous	-	225	225	223
	100,448	16,566	117,014	117,306
6. Academic and Other Services	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Library	7,578	3,527	11,105	10,627
Information systems services	5,521	2,441	7,962	7,033
Comparative Medicine	640	605	1,245	505
Centre for microscopy and analysis	93	-	93	217
Trinity Research & Innovation (TR&I)	503	1,696	2,199	2,235
	14,335	8,269	22,604	20,617
7. Premises	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Premises maintenance	2,573	4,624	7,197	7,056
General services	9,071	2,249	11,320	11,802
Rent and rates	-	93	93	56
Insurance	-	1,058	1,058	1,034
Energy	14	5,751	5,765	6,634
	11,658	13,775	25,433	26,582
8. Amount Allocated for Capital Purposes	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Capital projects	-	500	500	500



Notes to the Funding Statements (cont'd)

9. Central Administration and Services

	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Administration	10,656	-	10,656	10,647
Expenses	-	1,572	1,572	1,518
Professional charges	-	553	553	539
	10,656	2,125	12,781	12,704

10. General Educational Expenditure

	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Examination expenses	-	857	857	912
Scholarships, prizes and fellowships	-	7,599	7,599	7,325
Miscellaneous expenses	-	1,519	1,519	1,568
	-	9,975	9,975	9,805

11. Student Services

	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Capitation grants	-	1,206	1,206	1,014
Student services	1,010	388	1,398	1,178
Careers advisory service	576	37	613	614
Sports and recreation	117	102	219	248
Health and counselling	1,836	25	1,861	1,857
	3,539	1,758	5,297	4,911

12. Miscellaneous Expenditure

	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Pension supplementation	6,324	-	6,324	6,481
Miscellaneous expenses	1,024	3,476	4,500	4,097
	7,348	3,476	10,824	10,578

13. Total Expenditure

	Staff Costs €'000	Non Pay €'000	2016 Total €'000	2015 Total €'000
Academic and related services	147,984	56,444	204,428	203,003
Research grants and projects	50,821	27,365	78,186	72,742
	198,805	83,809	282,614	275,745



Notes to the Funding Statements (cont'd)

14. Surplus/(Deficit) on Ancillary Services

	Income	Expenditure/ Allocation	Surplus/ (Deficit) 2016	Surplus/ (Deficit) 2015
	€'000	€'000	€'000	€'000
Catering	4,262	(4,019)	243	-
Residences/Conferences	16,039	(15,072)	967	-
Library shop	4,214	(3,781)	433	-
Visitor Services	7,486	(6,182)	1,304	-
Trinity Technology & Enterprise Centre	1,190	(1,190)	-	-
Copying service	11	0	11	1
Day nursery	360	(557)	(197)	(219)
Diagnostics	8	(168)	(160)	(15)
University company proceeds and royalties account	(31)	-	(31)	129
Other (rents & branding)	9,082	(6,473)	2,609	-
	42,621	(37,442)	5,179	(104)

Ancillary services contributed €11.3m to the University in 2015/16 (2014/15: €12.0m) under expenditure above of which €8.8m (2014/15: €9.7m) was transferred to other income (see note 3). In addition, €0m (2014/15: €2.3m) was transferred to a fund to support academic posts (Ussher posts) included in Other Payables and Accruals which was subsequently transferred to Miscellaneous income (Funded posts) while €2.5m was allocated to ongoing IT Strategy costs included in Other Payables and Accruals.

15. Depreciation of Fixed Assets

	2016 €'000	2015 €'000
Land and buildings	33,634	16,217
Equipment	11,016	10,360
	44,650	26,577

16. General Reserve Transfer (See Note 23)

	2016 €'000	2015 €'000
Amortisation in line with depreciation (Note 15)	44,650	26,577
Deficit on Ancillary services from Income and Expenditure account to General Reserve (Note 14)	(5,179)	104
	39,471	26,681



Notes to the Funding Statements (cont'd)

17. Fixed Assets	Land and buildings €'000	Equipment €'000	Total €'000
Cost/Valuation at 1 October 2015			
Valuation	425,299	5,452	430,751
Cost	535,445	194,013	729,458
Total	960,744	199,465	1,160,209
Additions at cost	15,465	10,068	25,533
Reclassification from investment property	19,303	-	19,303
Disposals	(10,194)	(857)	(11,051)
Cost/Valuation at 30 September 2016			
Valuation	425,299	5,452	430,751
Cost	560,019	203,224	763,243
Total	985,318	208,676	1,193,994
Depreciation			
At 1 October 2015	229,846	173,896	403,742
Less accumulated depreciation on disposals	(10,194)	(857)	(11,051)
Depreciation for year	33,634	11,016	44,650
Reclassification from investment property	(484)	-	(484)
At 30 September 2016	252,802	184,055	436,857
Net Book Value at 1 October 2015	730,898	25,569	756,467
Net Book Value at 30 September 2016	732,516	24,621	757,137

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 University 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.

The University has included in land and buildings a building for which the related liabilities of €59,181,000 (2014/15: €59,300,462) are included in payables due after one year. The net book value of this building was €53,280,000 at 30 September 2016 (2014/15: €54,720,000).

Land and buildings include assets in the course of construction of €17,972,632 (2014/15: €13,769,097).



Notes to the Funding Statements (cont'd)

18. Investment Properties

	2016 €'000	2015 €'000
At beginning of year	56,255	46,369
Net appreciation of investment properties	11,590	9,886
Additions in year	1,962	-
Net transfer to fixed assets	(19,787)	-
At end of year	50,020	56,255

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2016 at open market value in accordance with the Royal Institution of Chartered Surveyors valuation standards. The gains on revaluation of investment properties in the year totalled €11.6m, for further details please see note 14 to the consolidated financial statements.

37 Fenian Street was purchased during 2016 at a cost of €1.96m and valued at €2.0m as at 30 September 2016 resulting in a revaluation gain in 2016 of €0.04m.

Oisín House (€14.5m) and the second floor of the Biosciences building (€6.3m) were reclassified to fixed assets in 2016 following a review of the intended future use of these properties. TTEC (€1.0m) was reclassified from fixed assets during 2016.

19. Receivables and Prepayments

	2016 €'000	2015 €'000
Contract research grants and projects recoverable	42,715	25,755
Staff house loans	54	65
Stocks and Shares	185	-
Internal balances	11,240	9,105
Trade receivables	5,113	3,066
Other receivables and prepayments	30,652	31,037
	89,959	69,028

20. Payables and Accrued Expenditure

	2016 €'000	2015 €'000
Contract research grants and projects unexpended	77,760	53,684
Trade payables	3,089	3,992
State grants for recurrent expenditure received in advance	4,949	6,247
Academic fees received in advance	52,800	46,827
PAYE/PRSI	5,179	5,095
Internal balances	53,132	47,688
Other payables and accruals	75,090	77,794
	271,999	241,327



Notes to the Funding Statements (cont'd)

21. Retirement benefit Control Account

	2016 Funded Scheme €'000	2016 Model Scheme €'000
Opening Balance-Grant receivable from/(payable to) the HEA	45,598	(45,135)
<i>Income</i>		
Employer Contributions	(7,689)	(2,664)
Employer Contributions - 20%*	(610)	(3,080)
Employee Contributions	(2,220)	(2,726)
Retirement benefit transfers in	(55)	(166)
Supplementation income	(6,323)	-
Funding from HEA	(1,769)	-
Other	-	-
Total Income	(18,666)	(8,636)
<i>Expenditure</i>		
Retirement benefits in payment (including supplementation)	29,529	127
Lump sum payments on retirement	2,494	111
Death in service payments	396	-
Retirement benefit transfer out (cash payments)	-	-
Refunds of contributions	-	16
Administration & other costs	506	341
Total Expenditure	32,925	595
Deficit/(surplus) in year	14,259	(8,041)
Closing Balance-Grant receivable from/(payable to) the HEA**	59,857	(53,176)

* 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 retirement benefit contributions at a rate of 20% to cover the deferred cost to the Exchequer associated with the future retirement benefit 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 grant receivable from the HEA amounting to €6.68m is included in other receivables and prepayments (note 19). This comprises grant receivable from the HEA for the Funded Scheme of €59.86m (2015: €45.6m) offset by grant payable to the HEA for the Model Scheme of €53.18m (2015: €45.13m).

Single Public Service Pension Scheme

Separately, the Single Public Service Pension Scheme applies to all new staff who joined the public sector as new entrants on or after 1 January 2013. It is a defined benefit retirement benefit scheme. All employee retirement benefit contributions for the Single scheme are paid to a State retirement benefit account. This scheme operates on a pay-as-you-go basis from the University's core funding.



Notes to the Funding Statements (cont'd)

22. Payables Due after more than one year	2016 €'000	2015 €'000
Obligations under finance lease	59,181	59,300
Bank Loan	145,000	75,000
	204,181	134,300

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 payables due after one year.

The University has a €145 million loan facility with the European Investment Bank, all of which was drawn down at 30 September 2016.

23. General Reserve	Total to 30 September 2015 €'000	Movement in year €'000	Total to 30 September 2016 €'000
Valuation – fixed assets*	429,715	(1,101)	428,614
Revaluation - investment properties	2,105	10,119	12,224
State capital grants - HEA	263,429	2,939	266,368
Recurrent funding transfer	64,967	6,417	71,384
Capital donations	194,250	5,327	199,577
Other (includes transfer of surplus on ancillary services - Note 16)	179,566	5,179	184,745
	1,134,032	28,880	1,162,912
Disposals	(66,502)	(857)	(67,359)
Amortisation			
Amortisation at 1 October 2015	(408,169)		
Accumulated amortisation on disposals		857	
Amortisation in line with depreciation		(44,650)	
Amortisation at 30 September 2016			(451,962)
	659,361	(15,770)	643,591

*Valuation – fixed assets reserves includes interest paid on the €145m loan facility with the European Investment Bank (note 22). In addition, transactions associated with the capitalisation of equipment are also included under this heading.

24. Revenue Reserve	2016 €'000	2015 €'000
Opening balance	150	(1,517)
Surplus for year	346	1,667
Closing balance	496	150



Notes to the Funding Statements (cont'd)

25. Reconciliation of Income and Expenditure Account Surplus to Net Cash Inflow from Operating Activities	2016 €'000	2015 €'000
Surplus for year	346	1,667
Interest received (net)	(406)	(371)
Depreciation of fixed assets	(44,650)	(26,577)
Amortisation of general reserves	44,650	26,577
Movement in inventories	(95)	(173)
Movement in shares	(185)	-
Increase in receivables and prepayments (excl. research and internal balances and movement in shares)	(1,651)	(6,149)
Increase in academic fees paid in advance	5,973	6,144
Decrease in State grants received in advance	(1,298)	(1,099)
Movement in internal balances	3,309	(1,800)
Movement in research balances	7,116	1,061
(Decrease)/increase in other payables and accruals	(3,523)	24,144
Movement in ancillary services	5,179	(104)
Net cash inflow from operating activities	14,765	23,320

Analysis of Net Funds	At 1 October 2015 €'000	Cash Flow €'000	Non Cash Movement €'000	At 30 September 2016 €'000
Cash	13,432	74,414	-	87,846
Bank overdraft	(504)	254	-	(250)
	12,928	74,668	-	87,596
Liquid resources	140,000	(5,000)	-	135,000
Obligations under finance leases	(59,300)	-	119	(59,181)
Bank loan	(75,000)	(70,000)	-	(145,000)
	18,628	(332)	119	18,415



Notes to the Funding Statements (cont'd)

26. Related Party Disclosures

For related party disclosure details please see note 28 to the consolidated financial statements (Page 41-42).

27. Retirement Benefits

In 2009, prior to the Transfer Order outlined below, the University funded a Master Pension Scheme, which provided the retirement benefit entitlements of certain employees, based on final pensionable pay and secured by contributions by the University and the employees, to a separately administered retirement benefit 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 retirement benefit assets transferred to the National Pension Reserve Fund;
- the University 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 retirement benefit scheme remains an obligation of the University in relation to the scheme;
- if the aggregate of the members and employers' contributions paid or withheld above are insufficient to meet the University's obligations to pay those benefits in accordance with the Scheme, the Minister for Finance shall make good the deficiency by payments to the University from funds provided by the Oireachtas for this purpose. Hence the payments of retirement benefit 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 University is required to account for both employee and employer retirement benefit contributions on behalf of the State.

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

The Single Public Service Pension Scheme applies to all new staff that joined the public sector as new entrants on or after 1 January 2013. It is a defined benefit retirement benefit scheme. All employee retirement benefit contributions for the Single scheme are paid to a state retirement benefit account. This scheme operates on a pay-as-you-go basis from the University's core funding.

The disclosure requirements of the accounting standard FRS 102 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 retirement benefit 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 26 to the consolidated financial statements (Page 40).

29. Events after the reporting period

No events that require disclosure have occurred after the end of the reporting period.

30. Approval of Funding Statements

The Board of the University approved the Funding Statements on 22 March 2017.

RECONCILIATION OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TO HEA FUNDING STATEMENTS

	Consolidated Financial statements	Unincorporated ancillary activities (1)	FRS 102 adjustment		HEA funding statements
	€'000	€'000	€'000		€'000
Income					
State grants	44,045	-	(92)	(2)	43,953
Academic fees	133,698	-	(2,002)	(3)	131,696
Research grants and contracts	92,246	-	(14,060)	(4)	78,186
Other income	50,579	(42,621)	20,761	(5)	28,719
Investment income	7,447	-	(7,041)	(6)	406
Amortisation	10,276	-	(10,276)	(7)	-
Total income before donations and endowments	338,291	(42,621)	(12,710)		282,960
Donations and endowments	11,667	-	(11,667)	(8)	-
Total income	349,958	(42,621)	(24,377)		282,960
Expenditure					
Staff costs	234,713	(6,744)	(29,164)	(9)	198,805
Other operating expenses	95,932	(30,698)	18,575	(10)	83,809
Interest and other finance costs	5,221	-	(5,221)	(11)	-
Depreciation	28,016	-	(28,016)	(12)	-
Impairment of property	16,657	-	(16,657)	(12)	-
Total expenditure	380,539	(37,442)	(60,483)		282,614
Surplus/(Deficit) before other gains and losses	(30,581)	(5,179)	36,106		346
Gain on revaluation of investment properties	11,590	-	(11,590)	(13)	-
Gain on investments	9,570	-	(9,570)	(14)	-
Surplus/(Deficit) before tax	(9,421)	(5,179)	14,946		346

RECONCILIATION OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TO HEA FUNDING STATEMENTS

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 FRS 102, ancillary activities are included in the statement of comprehensive income 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 FRS 102 supplementary grant income is recorded in the statement of comprehensive income 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 statement of financial position. Under GAAP, application fee income is reported under academic fees. In the Funding Statements block grant income is included in student fee income. Under FRS 102, block grant income is reported under other income.

4. Research grants

In the Funding Statements, research grants are included in the the income and expenditure account to the extent of expenditure (including capital expenditure) incurred in the year. Under FRS 102, capital expenditure on research projects is capitalised in the statement of financial position 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 the income and expenditure account. Under FRS 102 both the income and expenditure is recognised.

5. Other income

In the Funding Statements, certain activities are not recognised in the the income and expenditure account. These include income from self-financing courses and activities, non-academic service areas and other ancillary activities. Under FRS 102, this income has been included in the statement of comprehensive income.

6. Investment income

Under FRS 102, endowment income has been included in the statement of comprehensive income. The results of the Trinity Endowment Fund are not included in the Funding Statements.

In the Funding Statements, interest income is included in "other income" and shown net of charges. Under FRS 102 interest income is shown separately on the statement of comprehensive income, there is no netting of charges and notional interest income is eliminated from the accounts.

7. Amortisation

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 the income and expenditure account. Under FRS 102, 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.

8. Donations and endowments

The results of the Trinity Endowment Fund and Trinity Foundation are not included in the Funding Statements although the Trinity Endowment Fund have always been independently audited and approved by the Board as Trustees. Under FRS 102, donation and endowment income has been included in the statement of comprehensive income.

RECONCILIATION OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME TO HEA FUNDING STATEMENTS

9. Staff costs

In the Funding Statements, only core funded pay costs are recognised in the the income and expenditure account with the balance of staff costs recognised in the general reserve. Under FRS 102, all staff costs including self-financing activities, non-academic service areas and other ancillary activities are recognised in the statement of comprehensive income.

10. Other operating expenses

In the Funding Statements, capital projects funded from recurrent income are charged to the the income and expenditure account. Under FRS 102, this expenditure is excluded from the statement of comprehensive income and is included within additions to fixed assets.

As explained in Note 5 above, in the Funding Statements certain activities are not recognised in the 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 FRS 102 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 FRS 102 capital expenditure cannot be treated in this way.

11. Interest and other finance costs

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 FRS 102 interest payable is recognised in the statement of comprehensive income.

12. Depreciation

In the Funding Statements, depreciation is included directly in the general reserve in the balance sheet. Under FRS 102 depreciation is recognised in the statement of comprehensive income.

13. Revaluation of Investment properties

Under FRS 102, revaluation gains and losses on investment properties are recognised in the statement of comprehensive income. In the Funding Statements revaluation of investment properties is included directly in the general reserve in the balance sheet.

14. Investments

Under FRS 102, net appreciation/depreciation of endowment investments and other investments are included in the statement of comprehensive income. In the Funding Statements the results of the Trinity Endowment Fund and Trinity Education Endowment Fund are not included.