

**Trinity College Dublin,
the University of Dublin**
Consolidated Financial Statements
Year ended 30 September 2017



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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", "Trinity"), that were approved by Board on 28 March 2018. 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 2017.

The Consolidated Financial Statements include the University and its subsidiary undertakings Ghala Designated Activity Company, Trinity Online Services Company Limited By Guarantee, Trinity Brand Commercial Services Limited, Trinity Asia Services Limited, Trinity Foundation, Trinity College Dublin Education Endowment Fund and Trinity College Dublin Trust and Trinity College Dublin Association. The basis of preparation is explained in greater detail in the Statement of Accounting Policies on pages 22 to 25.

The summary results are set out in Table 1 below and the key movements between the 2016/17 Consolidated Financial Statements deficit of €4.9m and the 2015/16 deficit of €9.4m are detailed underneath.

Table 1 Summary Results		FRS102			Irish GAAP	
	5 year trend lines	2017 €m	2016 €m	2015 €m	2014 €m	2013 €m
State grants		44.5	44.0	44.5	47.3	54.5
Academic fees		136.9	130.5	128.9	122.2	116.1
Research grants and contracts		100.1	92.2	85.2	78.0	74.7
Other income		53.4	50.6	44.5	51.2	50.5
Investment income *		6.0	6.8	7.0	7.0	6.5
Donations and endowments		14.9	11.7	12.9	-	-
Total income **		355.8	335.8	323.0	305.7	302.3
Staff costs		245.9	234.7	231.1	225.7	221.8
Other operating expenses		99.4	92.7	94.5	89.4	85.0
Total operating expenses		345.3	327.4	325.6	315.1	306.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)		10.5	8.4	(2.6)	(9.4)	(4.5)
Less:						
Depreciation and impairment (net of amortisation)		(20.1)	(34.4)	(19.8)	(17.0)	(14.0)
Net Interest income / (payable)		(4.9)	(4.6)	(3.6)	(3.4)	(1.4)
Deficit before other gains and losses		(14.5)	(30.6)	(26.0)	(29.8)	(19.9)
Plus:						
Gain/(Loss) on revaluation of investment property		4.5	11.6	9.9	7.9	(2.6)
Gain on investments		5.1	9.6	2.1	-	-
Deficit for the year		(4.9)	(9.4)	(14.0)	(21.9)	(22.5)

*Investment income excludes interest income

** Total income excluding amortisation of capital grants and interest income

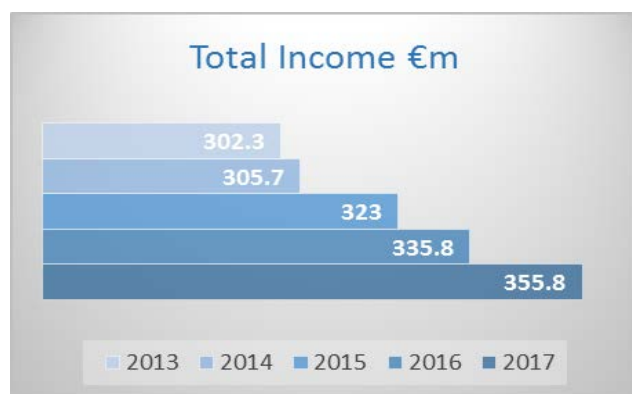


Fig 1

Consolidated income (excluding amortisation of capital grants and interest income) for 2016/17 of €355.8m (2015/16: €335.8m as restated) represents an increase of 6.0% on the prior year. The movement of €20m primarily relates to increases in academic fee income of €6.4m to €136.9m, research income of €7.9m to €100.1m and other income of €2.8m to €53.4m. The growth in academic fees and other income in 2016/17 reflects fee increases, growth in Non-EU student numbers (partially offset by a reduction in EU student numbers) and the University's investment in other non-Exchequer revenue generating 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 €345.3m (2015/16: €327.4m as restated). The movement of €17.9m primarily relates to an increase in staff costs of €11.2m as a result of increased activity (research and commercial) and accelerated pay restoration approved by the State. Whilst staff costs have increased in line with activity levels, they have reduced as a percentage of total income as set out in Fig 2. Other operating expenses increased 7.2% year on year, which mainly reflects the increased activity relating to growth in research and commercial revenue. During the year, an independent review of the useful economic life of a number of buildings was completed leading to a reduction in the annual depreciation charge of c.€3m. See notes 8 to 10 of the Consolidated Financial Statements for a further breakdown of expenses.

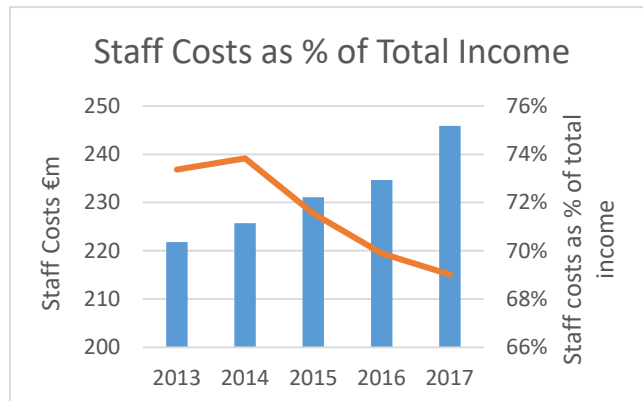


Fig 2

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased €2.1m (25%) to €10.5m in FY2016/17 which represents a strong performance in the year. However, including net interest payable of €4.9m, the provision for depreciation (net of amortisation) of €16.2m and a one-off impairment charge of €3.9m relating to the Biochemistry building, the University is reporting a deficit (before other gains and losses) of €14.5m (2015/16: €30.6m).

Research Activity

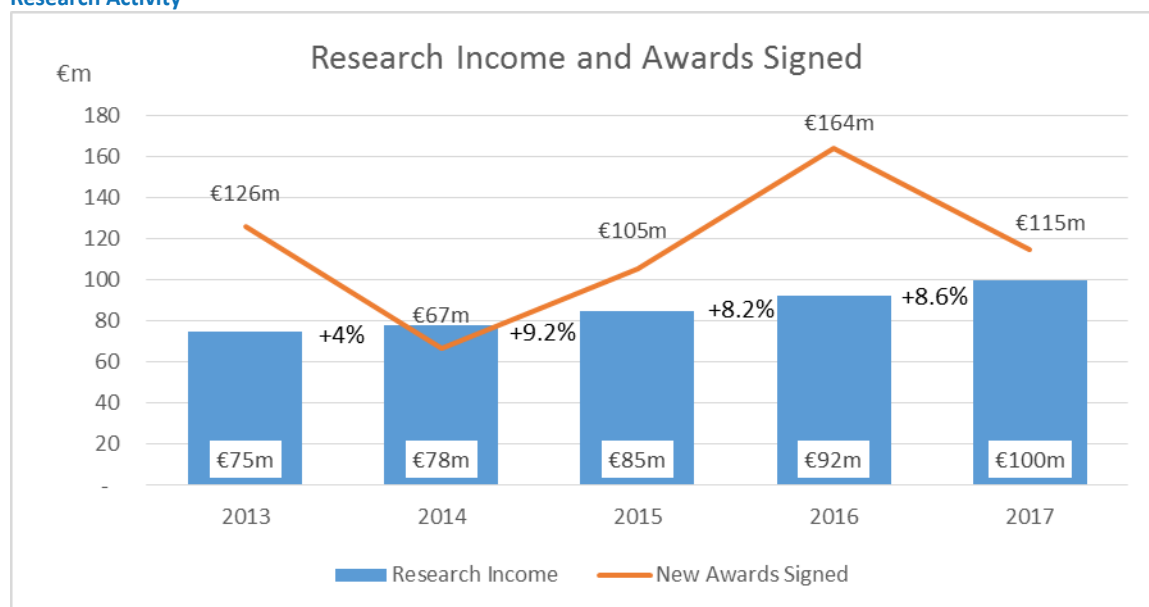


Fig 3

The level of research activity for 2016/17 recorded in the Consolidated Financial Statements (measured on the basis of research expenditure during the year and not grant income received) amounted to €100.1m, which exceeded €100m for the first time, an increase of 8.6% on the prior year (2015/16: €92.2m). This is the fourth consecutive year that the University has recorded an increase in research income with the current year 34% ahead of 2012/13 results. The value of new awards secured in the year amounted to €115m, a decrease of 29.9% on the prior year, however the total reported in 2015/16 of €164m included an award of €68m for the Global Brain Health Institute, the largest philanthropic donation ever made to an Irish University. New Awards in 2016/17 include a €10m grant from the Department of Health to support The Irish Longitudinal Study on Ageing (TILDA) and an €8m award from Enterprise Ireland to fund the Learnovate Technology Centre. Trinity's success in attracting EU funding has continued in 2016/17 with the value of awards funded under the Horizon 2020 programme amounting to €23.4m (2015/16: €24.8m) securing 27% of all Horizon 2020 funding awarded to the Higher Education sector. Trinity is now ranked 36th in Europe out of over 1,300 HEIs for Horizon 2020 funding. The University has also secured 48% of all European Research Council (ERC) awards to Ireland since 2014. In 2016/17 the Exchequer: non-Exchequer ratio of research income was 65:35 (2015/16: 64:36).

While the research environment remains competitive, the University continues to benefit from the success of its Research Diversification Strategy, which focuses on EU, Industry and other non-Exchequer funding. Current projections for research income are expected to be greater than €90m per year over the next 5 years. The relative low recovery rate of indirect costs when compared to



the Full Economic Cost (FEC) rate of 66.7% remains a cause for concern with the indirect cost rate recovered on direct expenditure decreasing to 17.4% (2015/16: 18.1%). Progress to narrow this funding gap is being addressed at a sectoral level.

Procurement

The Procurement Strategy is proceeding apace with savings of c.€3.3m achieved in 2016/17 (FY15/16: c.€2m) across the seven categories of spend (Lab & Research, ICT, Facilities, Travel, HR, Marketing, Professional Services). During the financial year, 99% of the University's expenditure remained fully compliant with national and EU procurement guidelines. The area of sustainability continues to grow in importance and a Sustainable Procurement Group is being set up to examine current and planned requirements for Goods, Services and Works across the entire set of spend categories. The Procurement function expanded its remit in 2016/17 with the full range of expenditure across the University now overseen by a single unit, improving co-ordination, governance and quality while lowering cost and risk.

Trinity Endowment Fund

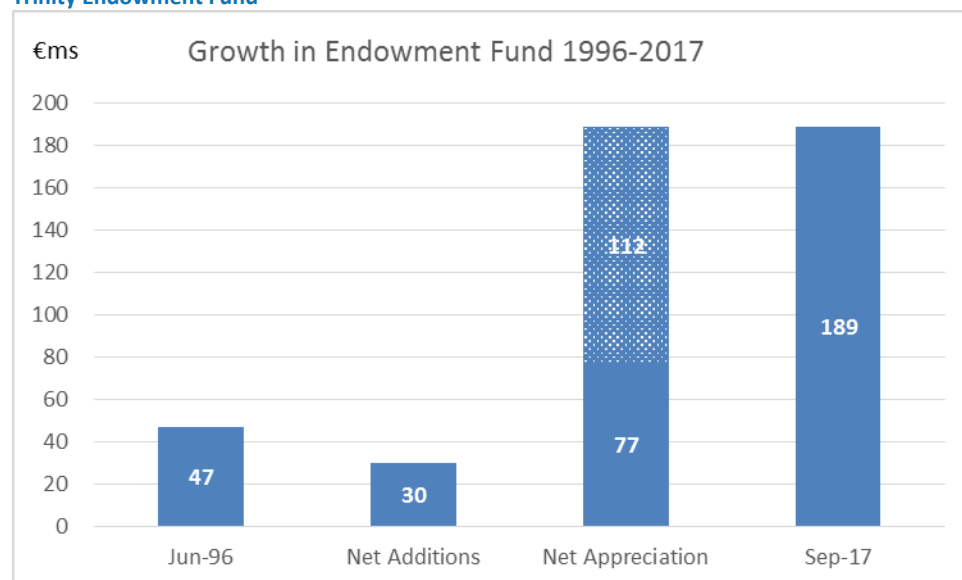


Fig 4

New
Endowments
€1.9m

Return
5.8%

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 €189m at 30 September 2017, exceeding the €180m target value set out in the University's Strategic Plan 2014-2019.

Table 2 – Investment Return

	*Actual Return	**Benchmark
2017	5.8%	4.8%
2016	10.0%	9.8%
2015	5.1%	6.2%
2014	15.3%	15.2%
2013	11.5%	8.7%

* Annualised Returns (net of management fees)

** Aggregate Benchmark Returns

The Fund achieved a net return of 5.8%, resulting in a gross income contribution to the University of €6.0m. Table 2 outlines the Endowment Fund actual performance against a benchmark aggregate return by year from 2013 to 2017. During the year, the University, in consultation with Student Union representatives and Fossil Fuel TCD, divested from companies whose primary function is extraction of fossil fuels. In addition, following a detailed review, the portfolio was significantly restructured to reduce our fixed income holding and reinvested in global equity funds (ex-Fossil Fuel). The University is planning further divestment from fixed income as well as moving to international infrastructure and property assets in 2017/18.

Statement of Financial Position

The University has a strong statement of financial position (balance sheet) with consolidated net assets amounting to €800.3m at 30 September 2017 (2016: €805.1m). Fixed asset capital additions during the year, reflecting the continued investment in the University's estate, amounted to €34.3m (2015/16: €25.6m). Building and fixtures and fittings additions accounted for €25.8m mainly relating to the new Business School (due to be completed in December 2018), Printing House Square student accommodation (due to open in September 2019) and the Campus Medium Voltage Project (completed in December 2017). Computer and Equipment additions account for €8.5m (2015/16: €10.1m).

As set out in Fig 5 below; the scale of investment in capital expenditure demonstrates a firm commitment to build a world leading campus for our students and staff and future development plans are well advanced for targeted growth in specific areas including the E3 Learning Foundry (Phase 1 of an ambitious and innovative project to integrate engineering, technology and science expertise) and further student accommodation.

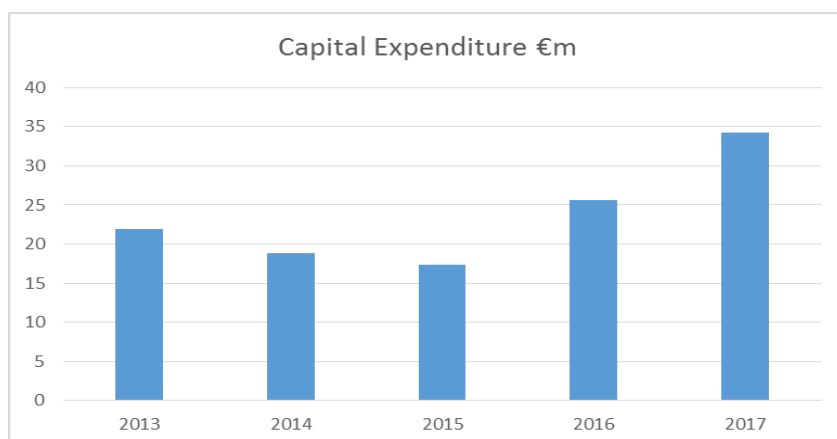


Fig 5

5 Year
Cumulative
Capital
Expenditure

€118m

Cash balances and current asset investments, which consist mainly of short term deposits, were €217.5m at 30 September 2017 (2016: €244.2m). The majority of the year-end accumulated cash balance is fully committed to funding the current capital programme and whilst the balance will reduce significantly over the next 18 months, an appropriate minimum level of cash will be maintained at all times for working capital purposes. The University has drawn down its €145.0m loan facility with the European Investment Bank to finance the Trinity Business School and Printing House Square projects. The University complied with all of its bank covenants at the year end. Table 3 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	
	2017	2016	2015	2014	2013
Debt as a % of net assets	26%	25%	17%	16%	15%

The University has a comprehensive treasury policy in place which is regularly reviewed by the Finance Committee to ensure that risk is minimised.

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 non-compliance with accounting and disclosure requirements of FRS 102 with regard to recognition of assets. 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. The HEA has indicated that it is appropriate for the University to account for pension assets on this basis. However, it is the opinion of KPMG that no formal obligation, underpinned by legislation, in relation to the Model Pension Scheme and Pension Supplementation was accepted by the State as at 30 September 2017 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 (DES) and the Department of Public Expenditure and Reform. At present the DES is undertaking the making of the Statutory Instrument and the University will continue to engage with the DES to finalise this matter in order to remove the qualification in respect of the Model Pension Scheme.

Contrary to the Board appointed auditors, the 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 4 – Key Performance Indicators (KPIs)

KPI's	FRS102					Irish GAAP	
	Target 2019	RAG status	2017	2016 restated	2015 restated	2014	2013
EBITDA ¹ as % of income	6%	A	3.0%	2.5%	-0.8%	-3.1%	-1.5%
Total Deficit % of income ²	3%	A	-1.4%	-2.8%	-4.3%	-7.1%	-7.4%
Exchequer / Non-Exchequer Income ³	40:60	A	41:59	43:57	44:56	45:55	48:52
Pay / Non Pay ratio ⁴	65:35	A	71:29	72:28	71:29	72:28	72:28
Pay as % of Operating Income	65%	A	69%	69%	72%	74%	73%
Net Assets	€800m	G	€800m	€805m	€815m	€909m	€916m
Endowment Fund Value	€180m	G	€189m	€181m	€169m	€165m	€147m

¹ Earnings before interest, tax, depreciation, once off impairments 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, once off impairments and interest costs

The mid-term review of the University's Strategic Plan was reported to the Board in September 2017 including progress against agreed KPIs (updated in Table 4). It has been an improved year financially for the University with actual results exceeding forecast and delivering EBITDA of €10.5m, an improvement of 25% on prior year. Given the financial challenges that the University has encountered over the last number of years, it is encouraging to see that the non-Exchequer income generating strategies (post-graduate and international students, commercialisation, philanthropy, research and industry engagement) are continuing to deliver with the University's Exchequer/Non-Exchequer income ratio reported as 41:59, as set out in Fig 6, compared to 49:51 in 2011/12 and 70:30 in 2007/08. However, whilst our EBITDA performance is strengthening, the University continues to report an overall deficit position (after net depreciation, interest and unrealised gains and losses) of €4.9m in 2016/17 and it is clear that momentum to return to financial sustainability (surplus of 3% of income) must be maintained. In this context the University continues to focus its efforts on key areas of non-Exchequer income generation to diversify and grow income streams along with enabling cost efficiencies where possible.

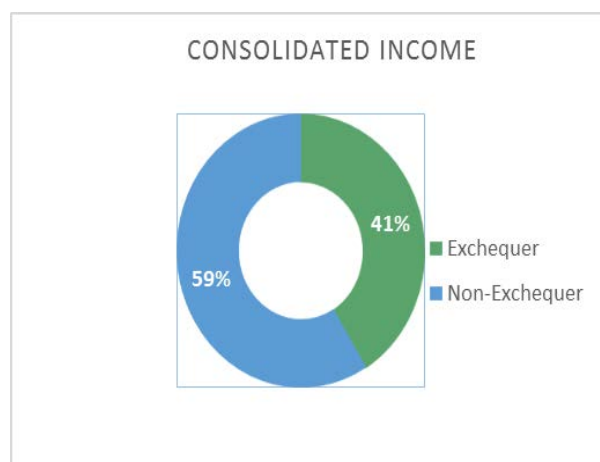


Fig 6

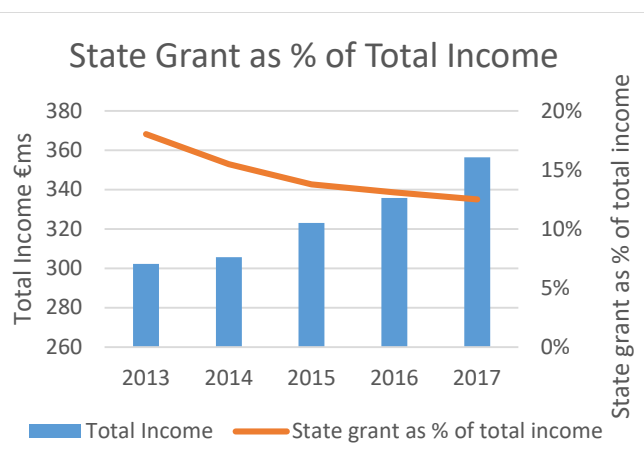


Fig 7

As we plan to return to an overall sustainable surplus in the coming years, the outlook for the sector remains uncertain in respect of the Government's commitment to the Cassells report recommendations and the establishment of a long-term funding model, along with the impact of potential Brexit outcomes. While there are significant opportunities available to the University to generate further revenue from non-Exchequer sources over and above that 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 the quality of the student experience.

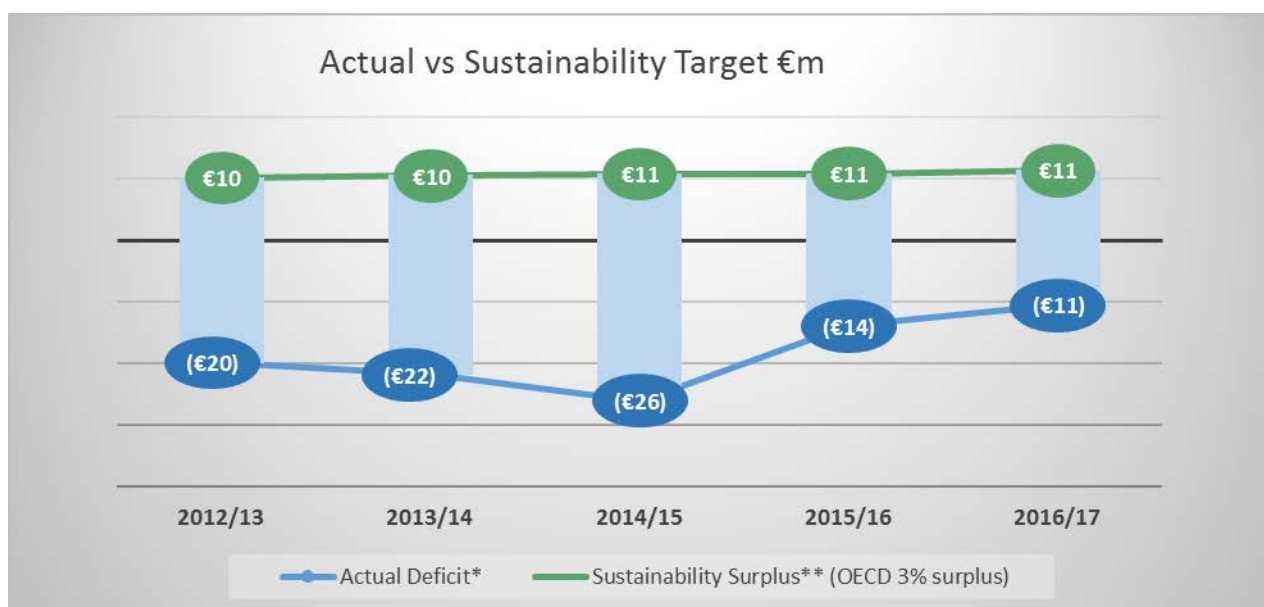


Fig 8

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

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

In this context, the financial situation of the University continues to need careful management going forward and whilst it is recognised that it will take a number of years to secure the income growth required to deliver a 3% surplus, the University has introduced in 2017/18 a new method of resource allocation which will provide a mechanism to deliver incentivised growth in new income across the University. In addition, Trinity continues to engage with the HEA and a number of meetings were held in 2017 to consider budgetary matters, during which the HEA was complimentary of the University's resilience in the prolonged period of austerity.

The University remains committed to addressing its financial position as a matter of priority and to do so must continue to generate significant cash surpluses from its operations to enable it to invest in both its capital infrastructure and other strategic priorities including promotion of the student experience.

Ian Mathews

Chief Financial Officer



Statement of Responsibilities

Trinity College Dublin, the University of Dublin 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

IAN MATHEWS
CHIEF FINANCIAL OFFICER

28 March 2018



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 the Board are responsible.

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

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. Management of risk has always been an integral part of the management of the 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 are the key control procedures in place to ensure that there is an appropriate and effective 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;
 - 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;
 - 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;
 - 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 Risk Management Group, the Executive Officers' Group, Board and the Audit Committee and is currently being reviewed and updated;
 - 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;
 - 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 university's Fraud Policy has taken place and the revised policy will be presented to the Board for final approval in 2018.
 - Procedural manuals and guidelines on University activities 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 Risk Management Group considers and reviews the High Level Risk Register for the University;
 - 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. The University is also in the process of recruiting a Chief Risk Officer;
 - 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.
- (iii) 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;
- The University has established a base-line budgeting model 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 along with quarterly re-forecasting for the University and are presented to Finance Committee and Planning Group as part of the quarterly Financial and Performance Highlights reporting pack. Monthly reports are available and training and support has been provided to budget-holders at their request.
- (iv) 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/Division;
 - 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.
 - Trinity established a Programme Management Office ('PMO') which developed and implemented standard University-wide governance processes for capital projects. The University's standard comprehensive project governance process views the lifecycle of a capital project as a series of sequential Stages which allows for constant monitoring of projects. Each Stage is separated by a Gate at which a formal review takes place to determine if the project is to progress, and what funding is to be provided. Stage Gate approval is one of a number of mandatory processes in place which each capital project must follow including project approval and prioritisation process and review management process. These processes support the management, monitoring and control of projects to maintain them within University-wide capital project governance. Each capital project is required to have an academic Project Sponsor, an Executive Officer champion and a steering committee with an external Chair and independent monitor where appropriate.
- The business cases for all projects with a value of €50,000 or more are reviewed by the Capital Review Group (CRG) comprising the Chief Operating Officer (COO), Chief Financial Officer (CFO), Bursar and Head of PMO and the progress of each Capital Project is reviewed monthly by the CRG. The CRG is responsible for approving progress through the Stage Gates, release of next budget tranches, changes in scope etc. with material budgetary considerations being referred for approval to the College's Executive Officers Group. The CRG also reviews the individual Capital Project's risk register monthly in addition to monitoring the dependencies between ongoing projects.
- (v) 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;
 - 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 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 and on a risk basis review controls across various functions in the University. The Audit Committee, in addition to providing minutes from



all its meetings to the Board, 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. A six-month update is also provided by the Executive Officer Group to Board;

- Reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee and Finance Committee;
- A new policy on 'Externally Contracted Services' was approved by Board in January 2017 to provide control with regard to the sourcing and governance of same.

(vi) Confirmation of Review of the Effectiveness of the System of Internal Control:

- Trinity confirms that the above monitoring and review processes (Section (v)) have been in place throughout the financial year ended 30 September 2017 and that no material issues relating to the effectiveness of the system of internal control have been identified which require disclosure in this statement with the exception of the incident in Trinity Foundation (the Foundation) as outlined below.
- 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, with the exception of the incident in the Foundation as outlined below.
- In the financial year under review, the Foundation fell victim to a computer based fraud. The total cost of the fraud, including investigation costs and legal advice, amounted to €974,781 and will be funded by the University out of its commercial revenues. The University is continuing its efforts to recover the funds through legal action and liaison with its insurers and with Police and State authorities in Ireland, the UK and Germany.
- In response to the computer based fraud, the Foundation immediately transferred control of its payment processes to the University's Financial Services Division (FSD). The Foundation is continuing its review of internal controls and processes with new policies to be implemented in Financial Year 2017/18. FSD retains control of the payment processes pending the introduction of a longer term solution.
- The system of internal controls in the University is reviewed by the Comptroller and Auditor General to confirm that it is consistent with the information of which they are aware from their audit work on the financial statements. When this is not the case the Comptroller and Auditor General should report on this in the audit report on the relevant financial statements.
- During the year ended 30 September 2017, in excess of 99% of the University's total expenditure was fully compliant with current procurement legislation and used the services and frameworks of the Office of Government Procurement and of the Education Procurement Service, whenever applicable. The University continues to work towards full compliance with all relevant guidelines.
- The risk management system is continuously under review and being refined. The University risk register is a live document which is reviewed by the University's Executive Officers Group, Audit Committee and Board. Updates to the risk register have come via representatives from the academic, research, operational and finance areas. Substantial progress is being made in embedding risk at a local unit level i.e. in the schools and divisions and demonstrating the value of risk management as a valuable tool in optimising performance.

In accordance with paragraph 2.11 of our Code of Governance which conforms fully with the HEA-issued code of 2012, 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 into force on 3 March 2016.

- (ii) **Code of Governance and Codes of Conduct:** The Board, at its meeting of 19 June 2013, adopted a code of Governance in respect of the Governance of the University, and a code of conduct for Board members and staff of the University. The University remains compliant with the Governance of Universities Code 2012 and is actively engaged through the IUA with the Higher Education Authority in respect of the development of a revised Code of Governance for the Sector.
- (iii) **Financially Significant Developments:** See Chief Financial Officer's Report on pages 2 to 7 for detail on financially significant developments. While the level of funding from the State appears to have stabilised, the University continues to focus on key non-Exchequer income generating strategies.
- (iv) **Government Policy on Pay:** The University is committed to full compliance with the Public Pay Policy and the relevant frameworks under the Universities Act 1997. In any instances of non-compliance, the University engages with the HEA and the Department of Education and Skills to resolve the issue.

Where payment is in excess of the top of the scale, the Departures Framework has been utilised and notified to the HEA with discussions on-going as required. For any cases falling outside of the Departures Framework, discussion with the Department of Education and Skills is pursued, as appropriate. We are compliant with the terms of the Haddington Road, Lansdowne Road and Public Sector Stability 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.
 - (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 that reports directly to it.
 - (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. 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 dedicated 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. In addition, for very large projects the Board appoints an Independent Board Monitor whose sole role is to report to the Board. The University adheres to the Capital Works Management Framework, a best practice model overseen by the Government Contracts Committee for Construction.
- (vii) **Travel Policy:** The University has a travel policy and associated procedures in place. The policy and procedures are available to all staff on the University website. Training on this policy is included in the HR staff induction training day for new staff members. The policy and procedures have been developed having regard to the requirements of the Department of Finance travel circulars



Consolidated Financial Statements Year ended 30 September 2017

and the requirements of the Revenue Commissioners in relation to employee expenses. Material 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 full 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 and is updating its policies and procedures in the light of more recent legislative developments. 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 in the financial year 2016/17.

The Provost was paid a salary of €191,626 in the period 1 October 2016 to 30 September 2017. Pursuant to University Statutes the Provost is required by the terms of his contract of employment to live on campus in the Provost's House. He resides in No. 1 Grafton Street for his 10 year tenure and receives an additional taxable benefit for utilities that are incurred for personal use.

- (xii) **Subsidiary Companies:** We confirm that the Board of Directors of trading subsidiaries include senior College Officers. Each subsidiary company produces financial statements which are independently audited and included in these consolidated financial statements. The subsidiary companies' audited financial statements are presented to Finance Committee and Board.
- (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 and other relevant staff is currently being delivered on a phased basis.
- (xiv) **Governing Authority Meetings:** confirmation of the number of Board (Governing Authority) meetings held during the financial year 2016/17 and the attendance records of members is outlined below.

There were 11 meetings of the Board in the financial year 2016/17, attendance noted below.

Ex-officio members:

Provost (Dr Patrick Prendergast) (11), Vice-Provost/Chief Academic Officer (Professor Chris Morash) (10), Senior Lecturer/Dean of Undergraduate Studies (Professor Gillian Martin) (11), Registrar (Professor Paula Murphy) (11), Bursar/Director of Strategic Innovation (Professor Veronica Campbell) (11).

Elected members:

Professor Deirdre Ahern (10), Professor Sarah Alyn Stacey (10), Professor Sylvia Draper (9), Ms Sheila Dunphy (10), Ms Stephanie Farrell (9), Dr Darren Fayne (10), Professor Robert Gilligan (9), Mr James Keogh (9), Professor Claire Laudet (10), Professor Brian Lucey (9), Professor Catherine McCabe (10), Professor Rachel Moss (10), Professor Eunan O'Halpin (11), Professor Diarmuid R. Phelan (10), Professor Aiden Seery (10), Professor Richard Timoney (11).

External Members:

Dr Olive Braiden (10), Mr Tony Keohane (6).

Student Members:

Mr Shane Collins (11), Mr Kieran McNulty (11), Ms Aoibhinn Ní Lochlainn (9), Mr Dale Whelehan (8).

Among others, and in addition to the policies mentioned above, the following policies were approved by Board during the financial year 2016/17: Policy and Procedure on Engaging Externally Contracted Service Providers and Campus Tours Policy.



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- (xv) **Audit Committee Meetings:** Confirmation of the number of Audit Committee meetings held in the financial year 2016/17 and the attendance record of members is outlined below.

There were 5 meetings of the Audit Committee in the financial year 2016/17, attendance noted below.

External Members:

Julie O'Neill (Outgoing Chair) (4)*, Oliver Cussen (Incoming Chair) (5), Ann Duffy (5).

Members Attendance:

Professor Joe Barry (5), Professor Ruth Byrne (2), Professor Robbie Gilligan (3).

*of a possible 4 meetings

- (xvi) **Finance Committee Meetings:** Confirmation of the number of Finance Committee meetings held in the financial year 2016/17 and attendance record of members is outlined below.

There were 8 meetings of the Finance Committee in the financial year 2016/17, attendance noted below.

Members Attendance:

Provost (Dr Patrick Prendergast) (Chair) (7), Vice-Provost/Chief Academic Officer (Professor Chris Morash) (7), Chief Financial Officer (Mr Ian Mathews) (8), Chief Operating Officer (Ms Geraldine Ruane) * (6), Bursar/Director of Strategic Management (Professor Veronica Campbell) (7), Registrar (Professor Paula Murphy) (6), Professor Robbie Gilligan ** (1), Professor Brian Lucey*** (6), Students Union President (8), Dean of Arts, Humanities and Social Sciences (Professor Darryl Jones) (7).

External Members:

Ms Caroline Curtis (6), Mr Jon Gorringer (6), Mr. Liam Kavanagh**** (6).

*1 meeting by phone, ** 1 of possible 1 – stood down September 2016, *** 6 of possible 7, took up role in October 2016 and 1 meeting by phone, **** 6 of possible 7, took up role October 2016.

- (xvii) **Review of Governing Authority performance:** A self-evaluation process of the Board (Governing Authority) was completed in 2015 and another will be conducted in 2018.

On behalf of Trinity College Dublin, the University of Dublin

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER



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

1. Report on the audit of the financial statements

Qualified opinion

We have audited the consolidated and University financial statements ("financial statements") of Trinity College Dublin, the University of Dublin for the year ended 30 September 2017 on pages 18 to 47 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, including the summary of significant accounting policies set out in note 1. 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".

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 below, the Group and University financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Group and University as at 30 September 2017 and of the deficit 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".

Basis for qualified opinion

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 2017 and 30 September 2016.

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 2017 should be reduced by €623,940,000 and (ii) the total comprehensive loss in the Consolidated statement of comprehensive income for the year ended 30 September 2017 should be restated to a loss of €44,085,000.

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 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.

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the University in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Board is responsible for the other information presented in the financial statements. The other information comprises the information included in the Chief Financial Officer's Report, the Statement of Responsibilities, the Statement of Governance and Internal Control, and the statement on Management of and accountability for grants from Exchequer funds, and is information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Other matters on which we are required to report under the terms of our agreement

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.

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 9 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. We have nothing to report in this regard.

2. Respective responsibilities and restrictions on use

Responsibilities of the Board for the financial statements

As explained more fully in the Statement of Responsibilities set out on page 8, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf



The purpose of our audit work and to whom we owe our responsibilities

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

28 March 2018



Consolidated Financial Statements Year ended 30 September 2017

Statement of Comprehensive Income

		Year ended 30 Sep 2017		Year ended 30 Sep 2016	
				Restated (Notes: 3/9)	
	Notes	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Income					
State grants	2	44,489	44,489	44,045	44,045
Academic fees	3	136,846	136,846	130,474	130,474
Research grants and contracts	4	100,073	100,073	92,246	92,246
Other income	5	53,418	55,593	50,579	56,146
Investment income	6	6,208	6,206	7,447	7,410
Amortisation of capital grants	21	9,578	9,578	10,276	10,276
Total income before donations and endowments		350,612	352,785	335,067	340,597
Donations and endowments	7	14,945	6,859	11,667	13,857
Total income		365,557	359,644	346,734	354,454
Expenditure					
Staff costs	8	245,893	242,313	234,713	231,804
Other operating expenses	9	99,362	101,248	92,708	93,683
Interest and other finance costs	10	5,101	5,101	5,221	5,221
Depreciation	12	25,773	25,752	28,016	27,993
Impairment of property	12	3,868	3,868	16,657	16,657
Total expenditure		379,997	378,282	377,315	375,358
Deficit before other gains and losses		(14,440)	(18,638)	(30,581)	(20,904)
Gain on revaluation of investment properties	14	4,495	4,495	11,590	11,590
Gain on investments	17/22	5,085	4,975	9,570	9,447
(Deficit)/surplus before tax		(4,860)	(9,168)	(9,421)	133
Taxation	11	-	-	-	-
(Deficit)/surplus for the year		(4,860)	(9,168)	(9,421)	133
Actuarial gain in respect of retirement benefit	29	49,971	49,971	29,630	29,630
Movement on retirement benefit receivable	29	(49,971)	(49,971)	(29,630)	(29,630)
Total comprehensive (loss)/income for the year		(4,860)	(9,168)	(9,421)	133
Represented by:					
Endowment comprehensive income for the year	22	7,251	7,251	12,572	12,572
Restricted comprehensive income/(loss)	23	4,534	(2,533)	(9,081)	2,985
Unrestricted comprehensive loss		(16,645)	(13,886)	(12,912)	(15,424)
Total comprehensive (loss)/income for the year		(4,860)	(9,168)	(9,421)	133

All items of income and expenditure relate to continuing activities.



Consolidated Financial Statements Year ended 30 September 2017

Consolidated and University Statement of Changes in Reserves

Consolidated	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2015 – restated (note 23)	168,737	21,368	106,471	517,993	814,569
Surplus/(deficit) from the income and expenditure statement	12,572	8,358	(30,351)	-	(9,421)
Release of restricted funds spent in year	-	(17,439)	17,439	-	-
Total comprehensive income/(loss) for the year	12,572	(9,081)	(12,912)	-	(9,421)
Balance at 30 September 2016 – restated (note 23)	181,309	12,287	93,559	517,993	805,148
Surplus/(deficit) from the income and expenditure statement	7,251	12,083	(24,194)	-	(4,860)
Release of restricted funds spent in year	-	(7,549)	7,549	-	-
Total comprehensive income/(loss) for the year	7,251	4,534	(16,645)	-	(4,860)
Balance at 30 September 2017	188,560	16,821	76,914	517,993	800,288

University	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2015	168,737	-	101,886	517,993	788,616
Surplus/(deficit) from the income and expenditure statement	12,572	2,985	(15,424)	-	133
Release of restricted funds spent in year	-	-	-	-	-
Total comprehensive income/(loss) for the year	12,572	2,985	(15,424)	-	133
Balance at 30 September 2016	181,309	2,985	86,462	517,993	788,749
Surplus/(deficit) from the income and expenditure statement	7,251	-	(16,419)	-	(9,168)
Release of restricted funds spent in year	-	(2,533)	2,533	-	-
Total comprehensive income/(loss) for the year	7,251	(2,533)	(13,886)	-	(9,168)
Balance at 30 September 2017	188,560	452	72,576	517,993	779,581



Consolidated Financial Statements Year ended 30 September 2017

Statement of Financial Position

	Note	Year ended 30 Sep 2017		Year ended 30 Sep 2016 Restated (Note 23)	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Non-current assets					
Tangible fixed assets	12	938,427	938,399	933,736	933,694
Endowment and investment assets	13	188,271	188,271	176,368	176,368
Investment property	14	54,515	54,515	50,020	50,020
		1,181,213	1,181,185	1,160,124	1,160,082
Current assets					
Trade and other receivables	15	68,277	68,592	67,317	67,440
Inventories	16	599	591	588	588
Investments	17	32,166	30,269	149,090	135,000
Cash and cash equivalents	25	185,331	166,487	95,148	92,365
		286,373	265,939	312,143	295,393
Less: Payables – amounts falling due within one year	18	(217,729)	(218,074)	(204,056)	(203,663)
Net current assets		68,644	47,865	108,087	91,730
Total assets less current liabilities		1,249,857	1,229,050	1,268,211	1,251,812
Payables – amounts falling due after more than one year	19	(449,569)	(449,469)	(463,063)	(463,063)
Provisions					
Retirement benefit provisions	29	(1,701,923)	(1,701,923)	(1,743,816)	(1,743,816)
Retirement benefit receivable	29	1,701,923	1,701,923	1,743,816	1,743,816
Total net assets		800,288	779,581	805,148	788,749
Restricted reserves					
Income and expenditure – endowment	22	188,560	188,560	181,309	181,309
Income and expenditure – restricted	23	16,821	452	12,287	2,985
Unrestricted reserves					
Income and expenditure – unrestricted		76,914	72,576	93,559	86,462
Revaluation reserve	24	517,993	517,993	517,993	517,993
Total reserves		800,288	779,581	805,148	788,749

The financial statements on pages 18 to 47 were approved by the Board of the University on 28 March 2018 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

IAN MATHEWS
CHIEF FINANCIAL OFFICER

28 March 2018



Consolidated Financial Statements Year ended 30 September 2017

Consolidated Statement of Cashflows

	Note	2017 €'000	2016 €'000
Cashflow from operating activities			
Deficit for the year		(4,860)	(9,421)
Adjustment for non-cash items			
Depreciation	12	25,773	28,016
Impairment of property	12	3,868	16,657
Amortisation of deferred capital grants	21	(9,578)	(10,276)
Gain on revaluation of investment properties	14	(4,495)	(11,590)
Gain on investments	17/22	(5,085)	(7,830)
Adjustment for working capital items			
Increase in inventories		(11)	(96)
Increase in receivables		(5,663)	(17,370)
Increase in payables		7,161	32,686
Adjustment for investing or financing activities			
Investment income	6	(6,208)	(7,447)
Interest payable	10	5,101	5,221
New endowments received	22	(1,943)	(2,767)
Net cash inflow from operating activities		4,060	15,783
Cashflows from investing activities			
Capital grants received		7,573	2,221
Investment income		6,208	7,447
Disposals of non-current asset investments		16,500	-
Payments made to acquire non-current asset investments		(23,697)	(4,914)
Payments made to acquire other investments		(344)	-
Payments made to acquire fixed assets		(34,332)	(25,564)
Transfers from/(to) deposits *		117,647	(40,245)
New endowment cash received		1,943	2,767
Net cash inflow/(outflow) from investing activities		91,498	(58,288)
Cashflows from financing activities			
Interest paid		(1,601)	(1,711)
Capital element of finance lease rental payments		(274)	(119)
Interest element of finance lease rental payments		(3,500)	(3,510)
New unsecured loans drawn down		-	70,000
Net cash (outflow)/inflow from financing activities		(5,375)	64,660
Increase in cash and cash equivalents in the year		90,183	22,155
Cash and cash equivalents at beginning of the year	25	95,148	72,993
Cash and cash equivalents at end of the year	25	185,331	95,148

*Prior year classification of investments was strictly over 90 days, FY16/17 classification revised to 3 months



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.

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 Designated Activity Company, Trinity Online Services Limited, Trinity Brand Commercial Services Limited, Trinity Asia Services Limited, Trinity Foundation, Trinity Education Endowment Fund and Trinity College Dublin Trust, and Trinity College Dublin 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.

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.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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 2017 are as follows:

1. 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.

2. Property, Plant and Equipment

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

During the year ended 30 September 2017, the useful economic lives of certain of the University's buildings were revised with effect from 01 October 2016, based on external professional advice received (see note 12 for further details).

3. Investment Property

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

4. Impairments

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

5. Recoverability of Debtors

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.

6. Employee Benefits

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

Tangible fixed assets

1. Land and buildings

The University revalued its land on a fair value basis as at 1 October 2014 (the transition date to FRS102) 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 less accumulated depreciation. Buildings are depreciated over their expected useful economic life to the University of between 25 and 87 years. During the year an external professional property valuer completed a review of the remaining useful lives of a number of significant buildings. They considered the expected economic life over which the buildings are to be used by the University and also noted that the buildings were primarily used for either academic, educational or research use or associated uses including student accommodation.

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.

2. Fixtures and fittings 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
Fixtures and Fittings	10 years
Other Equipment	5 years
Computer software	5 years
Computer equipment	3 years



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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 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 valuers and are not depreciated or amortised.

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 non-current 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 holds tax-exempt status, it is not liable for Corporation Tax or Income Tax on any of its charitable activities.

Certain commercial activities undertaken by the University are administered through a number of its subsidiary companies, which are liable to corporation tax.

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 useful life of the related asset if there is reasonable certainty that the University will obtain ownership by the end of the lease term. Otherwise they are depreciated over the shorter of the lease term and the useful life.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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. A deposit qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition. Other deposits with longer maturities are classified as investments.

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.

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 is of the opinion 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 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 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 grants

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Recurrent grants				
State grants	44,489	44,489	44,045	44,045
Reconciliation of grant received to income recognised				
Received in respect of current year	44,859	44,859	42,747	42,747
Deferred from prior accounting year	1,417	1,417	2,715	2,715
Deferred to subsequent accounting years	(1,787)	(1,787)	(1,417)	(1,417)
Total	44,489	44,489	44,045	44,045

3. Academic fees

	Consolidated 2017 €'000	University 2017 €'000	Restated Consolidated 2016 €'000	Restated University 2016 €'000
Academic fee income	131,924	131,924	125,806	125,806
Other academic fee income	2,882	2,882	2,848	2,848
Miscellaneous fee income	2,040	2,040	1,820	1,820
Total	136,846	136,846	130,474	130,474

The academic fee income is analysed as follows:

Undergraduate EU	70,910	70,910	70,773	70,773
Undergraduate Non-EU	24,759	24,759	23,464	23,464
Postgraduate Research EU	7,007	7,007	6,904	6,904
Postgraduate Research Non-EU	3,554	3,554	2,841	2,841
Postgraduate Taught EU	15,722	15,722	15,756	15,756
Postgraduate Taught Non-EU	9,972	9,972	6,068	6,068
Total	131,924	131,924	125,806	125,806

A total of €37,323,307 (2016: €37,312,563) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €3,725,945 (2016: €3,841,913).

Following consultation with other universities in the sector and to ensure a consistent approach, prior year academic fee income and other academic fee income have been reduced by €3.1m and €0.1m respectively to reflect the revised treatment of free fees (fee waivers and scholar fees). Free fees were previously shown in fee income and the related deemed expenditure was shown in other expenses (see Note 9). These amounts are now excluded from both income and expenses in the restated comparative figures presented for 2016.



Notes to the Consolidated Financial Statements

4. Research grants and contracts

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
State and semi-state	57,912	57,912	57,217	57,217
European Union	19,511	19,511	16,503	16,503
Industry	4,234	4,234	2,747	2,747
SFI overheads	7,063	7,063	7,398	7,398
Other	11,353	11,353	8,381	8,381
Total	100,073	100,073	92,246	92,246

5. Other Income

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Academic schools and faculty offices income	5,902	6,024	5,369	6,181
Service areas	3,905	3,907	3,155	3,155
Catering	3,048	3,048	3,198	3,198
Residences income	11,328	11,328	10,677	10,677
Other ancillary services	1,444	1,468	1,074	1,074
Rental income	7,465	7,465	8,264	8,264
Library income	13,874	13,874	11,998	12,000
Concession income	4,115	4,115	4,250	4,250
Non-academic other activities	216	991	525	3,333
Science Gallery	1,323	1,323	1,545	1,521
Other income	798	2,050	524	2,493
Total	53,418	55,593	50,579	56,146

6. Investment income

		Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
	Note				
Interest income		178	176	443	406
Income from permanent endowments	22	5,812	5,812	6,205	6,205
Income from expendable endowments	22	218	218	245	245
Interest from short term investments		-	-	185	185
Net return on retirement benefit scheme	29	-	-	369	369
Total		6,208	6,206	7,447	7,410

7. Donations and endowments

		Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
	Note				
Unrestricted donations		919	4,916	787	8,105
Donations with restrictions	23	12,083	-	8,113	2,985
New endowments	22	1,943	1,943	2,767	2,767
Total		14,945	6,859	11,667	13,857



Notes to the Consolidated Financial Statements

8. Staff costs

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Wages and salaries	203,824	200,723	193,149	190,639
Social security costs	16,863	16,565	15,620	15,371
Other retirement benefit costs	25,206	25,025	25,944	25,794
Total	245,893	242,313	234,713	231,804

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 2017 amounted to €2.2m (2016: €2.0m).

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 2017 Number of employees	University 2017 Number of employees	Consolidated 2016 Number of employees	University 2016 Number of employees
€60,000 – €69,999	253	251	284	284
€70,000 – €79,999	252	250	240	238
€80,000 – €89,999	219	215	188	187
€90,000 – €99,999	77	76	87	84
€100,000 – €109,999	58	55	49	47
€110,000 – €119,999	20	19	13	13
€120,000 – €129,999	8	5	33	31
€130,000 – €139,999	56	56	29	29
€140,000 – €149,999	3	3	2	2
€150,000 – €159,999	2	2	2	2
€160,000 – €169,999	2	2	6	6
€170,000 – €179,999	1	1	4	4
€180,000 – €189,999	7	7	4	4
€190,000 – €199,999	4	4	6	6
€200,000 – €210,000	2	2	3	3
€210,000 – €220,000	3	3	4	4
€220,000 – €230,000	7	7	8	8
€230,000 – €240,000	1	1	1	1
€240,000 – €250,000	1	1	1	1
€260,000 – €270,000	1	1	1	1
€270,000 – €280,000	1	1	1	1
Total	978	962	966	956



Notes to the Consolidated Financial Statements

8. Staff costs (cont'd)

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

	Consolidated 2017 FTE	University 2017 FTE	Consolidated 2016 FTE	University 2016 FTE
Teaching and Research	2,285	2,285	2,119	2,119
Technical	139	139	138	138
Support services	1,077	1,077	1,019	1,019
Other	820	775	801	763
Total	4,321	4,276	4,077	4,039

9. Other operating expenses

	Consolidated 2017 €'000	University 2017 €'000	Restated Consolidated 2016 €'000	Restated University 2016 €'000
Telephone and related communications	691	688	655	655
Consumables	10,455	10,480	11,530	11,537
Cost of goods sold	3,913	3,913	3,837	3,837
Computer and other equipment	10,234	10,122	8,639	8,639
Heat, light, water and power	6,808	6,808	7,116	7,116
Books and periodicals, printing & stationery	4,858	4,856	4,927	4,926
Repairs and general maintenance	5,438	5,437	3,731	3,731
Insurance	1,366	1,365	1,289	1,289
Professional services	8,834	8,881	9,881	9,881
Rent, rates & property tax	3,561	3,561	2,924	2,924
Travel and subsistence	6,426	6,423	5,754	5,754
Hospitality and entertainment	888	887	802	802
Recruitment	860	851	886	886
Capitation	1,125	1,125	1,147	1,147
Scholars and Fellows costs	376	376	289	289
Student related costs and awards	7,239	7,239	7,696	7,696
Employee related costs	2,110	2,065	1,794	1,794
Advertising & PR costs	1,551	1,495	1,674	1,674
Bank charges	621	620	640	640
Quality & Risk assessment	391	391	442	442
Service contracts	9,328	9,328	7,968	7,968
Subscriptions & Membership fees	1,578	1,577	1,592	1,592
Trinity Foundation direct expenditure	2,290	-	2,150	-
Endowment fund direct expenditure	1,171	1,171	1,332	1,332
Other expenses	7,250	11,589	4,013	7,132
Total	99,362	101,248	92,708	93,683

Prior year Scholars and Fellows costs and Student related costs and awards have been reduced by €1.1m and €2.1m respectively to reflect the revised treatment of free fees. Previously, the deemed cost of free fees was shown within these cost categories. As further detailed in Note 3, following consultation with other universities in the sector and to ensure a consistent approach, these amounts are now excluded from both income and expenditure.



Notes to the Consolidated Financial Statements

9. Other operating expenses (cont'd)

Other operating expenses include:

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Auditor's remuneration (including VAT)	187	144	202	170
C&AG Auditor fee	37	37	35	35
Total	224	181	237	205

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

10. Interest and other finance costs

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Loan interest	1,601	1,601	1,711	1,711
Finance lease interest	3,500	3,500	3,510	3,510
Total	5,101	5,101	5,221	5,221

11. Taxation

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

No corporation tax was charged in any of the University's commercial subsidiary companies in the current year as there were no taxable profits.



Consolidated Financial Statements Year ended 30 September 2017

Notes to the Consolidated Financial Statements

12. Tangible fixed assets

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
	€'000	€'000	€'000	€'000	€'000
Consolidated					
Cost or valuation					
At 1 October 2016	1,154,235	9,200	20,756	186,535	1,370,726
*Reclassification at 1 October 2016	(1,864)	1,864	-	-	-
Additions	19,458	6,357	1,205	7,312	34,332
Disposals	(6,891)	-	-	(1,894)	(8,785)
At 30 September 2017	1,164,938	17,421	21,961	191,953	1,396,273
Depreciation					
At 1 October 2016	252,085	355	18,604	165,946	436,990
Depreciation for year	13,253	1,376	1,297	9,847	25,773
Impairment charge	3,868	-	-	-	3,868
Disposals	(6,891)	-	-	(1,894)	(8,785)
At 30 September 2017	262,315	1,731	19,901	173,899	457,846
Net book value					
At 30 September 2016	902,150	8,845	2,152	20,589	933,736
At 30 September 2017	902,623	15,690	2,060	18,054	938,427

*The reclassification at 1 October 2016 between Land and Buildings and Fixtures and Fittings relate to the fit-out costs of the Santry sports centre development

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
	€'000	€'000	€'000	€'000	€'000
University					
Cost or valuation					
At 1 October 2016	1,152,371	11,064	20,219	186,535	1,370,189
Additions	19,458	6,357	1,198	7,312	34,325
Disposals	(6,891)	-	-	(1,894)	(8,785)
At 30 September 2017	1,164,938	17,421	21,417	191,953	1,395,729
Depreciation					
At 1 October 2016	252,085	355	18,109	165,946	436,495
Depreciation for year	13,253	1,376	1,276	9,847	25,752
Impairment charge	3,868	-	-	-	3,868
Disposals	(6,891)	-	-	(1,894)	(8,785)
At 30 September 2017	262,315	1,731	19,385	173,899	457,330
Net book value					
At 30 September 2016	900,286	10,709	2,110	20,589	933,694
At 30 September 2017	902,623	15,690	2,032	18,054	938,399

Notes to the Consolidated Financial Statements

12. Tangible fixed assets (cont'd)

The University 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. At 30 September 2017, land and buildings included €202m 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, as adjusted for subsequent additions, disposals, depreciation and impairment.

During the year, GVA Donal O Buachalla completed a review of the remaining useful lives of a number of the University's properties. The result of this review was a reduction of €3.1m in the actual depreciation charge for the year ended 30 September 2017, compared to the rates of depreciation applied in previous years, and a net reduction of €2.1m including the related impact of €1.0m on amortisation of capital grants.

Land and buildings include assets in the course of construction at 30 September 2017 of €39.1m (at 30 September 2016: €17.9m).

The University has included in land and buildings a building for which the related liabilities of €58.9m (at 30 September 2016: €59.1m) are included in payables (see notes 18/19). The net book value of this building was €52.3m at 30 September 2017 (at 30 September 2016: €53.3m).

An annual impairment review of building assets is undertaken within the University to identify assets showing signs of impairment. As a result of this impairment review, Estates and Facilities confirmed that the Biochemistry building is effectively derelict and is no longer fit for academic use but it currently being used for storage. This building is not expected to be in used past 30 September 2018. Accordingly an impairment charge of €3.9m has been reflected for this building in the statement of comprehensive income for the year ended 30 September 2017.

Following on from an impairment adjustment in the prior year where the net book value of Oisín House and the Printing House extensions were written down to €Nil, these buildings have been demolished in the current year. The Pearse St. Gate Lodge was also demolished during the year with a loss on disposal of €0.02m reflected in the statement of comprehensive income.

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:

The University 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 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 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 €0.6m, summarised below, were donated to the University between 1 October 2013 and 30 September 2017. These have not been capitalised in the financial statements as each individual item is valued at less than the €0.15m threshold per the University's accounting policies. There were no disposals of heritage assets in the period.

	2013	2014	2015	2016	2017
Value of acquisitions by donation	€0.07m	€0.12m	€0.06m	€0.05m	€0.25m

13. Non-current investments

Consolidated and University

Endowment

	Assets €'000	Other €'000	Total €'000
At beginning of year	176,183	185	176,368
Additions	23,697	-	23,697
Disposals	(16,500)	-	(16,500)
Transfer to current investments	-	(185)	(185)
Net appreciation of investment portfolio	4,891	-	4,891
Total	188,271	-	188,271

Endowment assets

Represented by:

	2017 €'000	2016 €'000
Bonds	35,888	55,005
Equities	107,533	79,217
Property	26,951	25,074
Diversified alternatives	9,040	8,941
Infrastructure/Other	8,859	7,946
Total endowment assets	188,271	176,183

14. Investment properties

Consolidated and University

	2017 €'000	2016 €'000
At beginning of year	50,020	56,255
Additions	-	1,962
Gain on revaluation of investment properties	4,495	11,590
Net transfer to fixed assets	-	(19,787)
Total	54,515	50,020



Notes to the Consolidated Financial Statements

14. Investment properties (cont'd)

GVA Donal O Buachalla, Chartered Surveyors, independently valued all investment properties at 30 September 2017 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 and The Tower at Trinity Technology & Enterprise Campus (TTEC) were updated at 30 September 2017 resulting in revaluation gains of €0.9m, €0.1m and €0.4m respectively. Trinity Biomedical Sciences Institute (commercial element) was valued at €38.0m as at 30 September 2017 resulting in a revaluation gain in 2017 of €3.1m.

15. Trade and other receivables

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Trade receivables	6,040	3,785	4,474	4,700
Research grants and contracts receivable	39,296	39,296	39,653	39,653
State capital grants receivable	3,993	3,993	9,026	9,026
Non State capital funding receivable	1,885	1,885	1,555	1,555
Prepayments and other receivables	17,063	17,387	12,609	12,506
Amounts due from subsidiary undertakings	-	2,246	-	-
Total	68,277	68,592	67,317	67,440

16. Inventories

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Raw materials and consumables	168	160	179	179
Finished goods for resale	431	431	409	409
Total	599	591	588	588

17. Current investments

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Short term deposits	30,000	30,000	147,647	135,000
Short term investments	2,166	269	1,443	-
Total	32,166	30,269	149,090	135,000

Short term investments

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
At 1 October	1,443	-	1,320	-
Additions	529	185	-	-
Net appreciation of investments	194	84	123	-
At 30 September	2,166	269	1,443	-

These short term investments include 3,554 shares in Spark Therapeutics valued at €0.3m and an Irish Life equity portfolio held in Trinity Education Endowment Fund valued at €1.9m at 30 September 2017.



Notes to the Consolidated Financial Statements

18. Payables: amounts falling due within one year

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Trade payables	5,372	4,580	3,351	2,423
Contract research grants and projects unexpended	79,977	79,977	77,756	77,756
Academic fees received in advance	60,293	60,293	52,798	52,798
State recurrent grants received in advance	1,786	1,786	1,417	1,417
Capital funding received in advance	3,354	3,354	488	488
Accruals and deferred income	37,181	35,007	37,740	37,596
Obligations under finance lease	444	444	274	274
Unsecured bank loans	374	374	379	379
PAYE/PRSI	5,643	5,611	5,198	5,198
Other payables	23,305	23,221	24,655	24,821
Amounts due to subsidiary undertakings	-	3,427	-	513
Total	217,729	218,074	204,056	203,663

Accruals and deferred income

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Accruals	15,539	13,365	15,156	15,012
Concession income deferred	4,563	4,563	4,553	4,553
Deferred income – Govt capital grants (note 21)	9,578	9,578	10,276	10,276
Other deferred income	7,501	7,501	7,755	7,755
Total	37,181	35,007	37,740	37,596

19. Payables: amounts falling due after more than one year

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Unsecured bank loans	145,000	145,000	145,000	145,000
Obligations under finance leases	58,463	58,463	58,907	58,907
Deferred income - Govt capital grants (note 21)	238,586	238,586	247,461	247,461
Concession income deferred	5,944	5,944	9,969	9,969
Other deferred income	1,576	1,476	1,726	1,726
Total	449,569	449,469	463,063	463,063

Notes to the Consolidated Financial Statements

20. Borrowings

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Unsecured bank loans are repayable as follows:				
Amounts due within one year	374	374	379	379
Due between two and five years	17,330	17,330	9,942	9,942
Due after more than five years	127,670	127,670	135,058	135,058
Total	145,374	145,374	145,379	145,379

Unsecured bank loans repayable includes €0.4m of accrued interest at 30 September 2017, which is payable within one year (30 September 2016: €0.4m).

Obligations under finance leases are due as follows :

Amounts due within one year	444	444	274	274
Due between two and five years	3,813	3,813	2,960	2,960
Due after more than five years	54,650	54,650	55,947	55,947
Total	58,907	58,907	59,181	59,181

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 2017 were as follows:

Lender	Amount €'000	Capital repayable	Interest rate %	Borrower
European Investment Bank	20,013	2019 - 2029	0.7% above base	University
European Investment Bank	20,005	2020 - 2040	0.6% above base	University
European Investment Bank	20,009	2020 - 2040	0.6% above base	University
European Investment Bank	15,017	2021 - 2041	0.8% above base	University
European Investment Bank	70,330	2021 - 2046	1.904%	University
Total	145,374			

The unsecured bank loans are concessionary loans with interest below the prevailing market rate. The capital element is repayable between 2019 and 2046 by quarterly instalment. There are no undrawn bank loan facilities available at 30 September 2017.

21. Deferred Capital Grants

Consolidated and University	Buildings €'000	Equipment €'000	Total €'000
Balances at 1 October 2016	252,062	5,675	257,737
Capital grants received/receivable	-	1,032	1,032
Transfer to non-state capital funding receivable	(1,027)	-	(1,027)
Released to statement of comprehensive income	(5,905)	(3,673)	(9,578)
Balances at 30 September 2017	245,130	3,034	248,164



Notes to the Consolidated Financial Statements

Deferred Capital Grants (cont'd)

Consolidated and University

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

Deferred capital grants can be analysed as follows:

Consolidated and University

	2017 €'000	2016 €'000
Creditors falling due within one year	9,578	10,276
Creditors falling due after one year	238,586	247,461
Balances at 30 September	248,164	257,737

22. Endowment Reserves

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 (formerly the Office of the Commissioners of Charitable Donations and Bequests for Ireland) under Section 46 of the Charities Act 1961. When this office was dissolved all its 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.

Consolidated and University

	Notes	Restricted Permanent €'000	Restricted Expendable €'000	2017 Total €'000	2016 Total €'000
Capital		162,311	7,005	169,316	157,103
Accumulated income		11,636	357	11,993	11,634
Balances at 1 October		173,947	7,362	181,309	168,737
New endowments	7	1,943	-	1,943	2,767
Increase in market value of investments		4,704	187	4,891	9,447
Investment income for the year	6	5,812	218	6,030	6,450
Expenditure for the year		(5,582)	(31)	(5,613)	(6,092)
Total endowment comprehensive income for the year		6,877	374	7,251	12,572
Balances at 30 September		180,824	7,736	188,560	181,309
Represented by:					
Capital		168,958	7,192	176,150	169,316
Accumulated income		11,866	544	12,410	11,993
Balances at 30 September		180,824	7,736	188,560	181,309



Notes to the Consolidated Financial Statements

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

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 at 30 Sept 2017	Opening Balance	Income	Expenditure	Income transfer To capital	Closing Balance	
	€'000	€'000	€'000	€'000	€'000	€'000	
Hitachi	1,891	22	59	11	-	70	1991
Chetwood-Aiken	1,900	28	59	-	50	37	1969
Brown Animal	2,108	4	66	66	-	4	1973
O'Sullivan Manuscripts	2,255	188	70	30	-	228	2002
Early Irish Studies	2,555	-	79	79	-	-	1996
Smurfit	2,633	-	82	82	-	-	1989
Provost's Academic Development Fund	3,425	1	106	-	-	107	1992
Nunn	3,538	856	110	200	-	766	1994
Coca Cola	3,640	9	113	122	-	-	1993
Loyola	3,871	88	121	150	-	59	2013
Reid Entrance Exhibitions	4,246	188	132	192	-	128	1888
Childhood Research	4,491	250	140	130	-	260	2005
Faculty Funds	7,006	357	218	31	-	544	2009
Iona Technologies	8,192	230	255	280	-	205	1997
Endowment Capital Development Fund	48,233	520	1,502	1,914	-	108	1995
	99,984	2,741	3,112	3,287	50	2,516	

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.

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.



Notes to the Consolidated Financial Statements

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

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.

Faculty Funds

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

Iona Technologies

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

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.

23. Restricted reserves

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Balances at 1 October - restated	12,287	2,985	21,368	-
New donations	12,083	-	8,358	2,985
Expenditure	(7,549)	(2,533)	(17,439)	-
Restricted comprehensive income/(loss)	4,534	(2,533)	(9,081)	2,985
Balances at 30 September	16,821	452	12,287	2,985
Closing reserves comprise the following funds:				
Funds held with Trinity Foundation	16,821	-	12,287	-
Funds held with the University	-	452	-	2,985
Balances at 30 September	16,821	452	12,287	2,985



Notes to the Consolidated Financial Statements

23. Restricted reserves (cont'd)

The Trinity Education Endowment Fund and Trinity College Dublin Trust reserves as at 1 October 2016 and 1 October 2015 have been reclassified as unrestricted reserves on the basis that the donors have not designated a specific purpose. The impact on the consolidated reserves balance at 1 October 2016 was to reduce the income and expenditure - restricted reserve from €14.501m to €12.287m and to increase the income and expenditure – unrestricted reserve by €2.214m from €91.435m to €93.559m.

24. Revaluation reserve

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'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 2016 €'000	Cash flows €'000	30 Sept 2017 €'000
Cash and cash equivalents	95,148	90,183	185,331

University

	1 Oct 2016 €'000	Cash flows €'000	30 Sept 2017 €'000
Cash and cash equivalents	92,365	74,122	166,487

Cash and cash equivalents includes €9.3m (2016 €15.2m) of restricted cash in relation to joint research projects with other institutions.

26. Capital commitments

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Contracted for but not provided	84,751	5,607	4,025	4,025
Authorised but not contracted	-	-	928	928
Total	84,751	5,607	4,953	4,953

Consolidated capital commitments include €79.1m for Ghala development projects (Trinity Business School and Printing House Square residences).



Notes to the Consolidated Financial Statements

27. Lease obligations

	Consolidated 2017 €'000	University 2017 €'000	Consolidated 2016 €'000	University 2016 €'000
Total rentals payable under operating leases				
Future minimum lease payments due:				
Not later than one year	735	735	735	735
Later than one year and not later than five years	1,837	1,837	2,572	2,572
Total	2,572	2,572	3,307	3,307
Total rental income due under operating leases				
Future minimum lease income due:				
Not later than one year	3,416	3,416	3,564	3,564
Later than one year and not later than five years	14,374	14,374	11,811	11,811
Later than five years	10,101	10,101	15,113	15,113
Total	27,891	27,891	30,488	30,488

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 other deferred income within payables: amounts falling due after more than one year.

28. Related Parties

Subsidiary undertakings

Ghala Designated Activity Company: 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 the University.

Trinity Asia Services Limited: The company is limited by shares and was incorporated on 25 April 2017. The principal activity is the teaching of University students in Singapore. The University owns 100% of the share capital of this company.

Trinity Brand Commercial Services Limited: The company was incorporated on 12 July 2016. The principal activity of the company is the commercialisation of the Trinity brand and intellectual properties. The University owns 100% of the share capital of this company.

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.

Trinity Foundation: Charity Trust established with the objective of raising funds to support the development of the University.

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: Trinity College Dublin 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.

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

Notes to the Consolidated Financial Statements

28. Related Parties (cont'd)

Transactions with other related parties

The Haughton Institute is a related limited company. The main objectives of the Institute are to facilitate the development, on a combined basis with hospitals, of medical postgraduate education and training and the management and funding of research. Trinity College holds a 33.3% interest in the share capital of the Haughton Institute. The Haughton Institute is due to be dissolved in March 2018. During the period, Trinity College made payments of €43,049 (2015/16: €88,635) to the Haughton Institute and received €100,441 (2015/16: €120,157) for services provided to the Haughton Institute. All transactions were conducted at an arm's length basis. At 30 September 2017, there was an amount of €Nil (2015/16: €100) due from Trinity College to the Haughton Institute and an amount of €9,432 (2015/16: €8,415) due from The Haughton Institute. The net liabilities of the Haughton Institute per their audited Financial Statements at 31 December 2016 were €31,143 (2015: net assets of €2,643) and the deficit for the year amounted to €33,786 (2015: €57,622).

Clinical Research Development Ireland (formally 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 Trinity. During the period Trinity College made payments of €Nil (2015/16: €49,008) to MMI and received €Nil (2015/16: €Nil). At 30 September 2017 there was an amount of €Nil (2015/16: €Nil) due to MMI and an amount of €Nil (2015/16: €Nil) due from MMI. All transactions were conducted on an arm's length basis. The net assets of MMI per their audited 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 received €Nil (2015/16: €Nil). At 30 September 2017 there was an amount of €Nil (2015/16: €Nil) due from NDRC Limited. The net assets per their audited financial statements as at 31 December 2016 were €1,990,049 (2015: €1,530,365) and the surplus for the year amounted to €459,684 (2015: €799,470).

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 a nominal annual rent of €10. At 30 September 2017 there was an amount of €159,767 (2015/16: €447,677) due from The Lir. The net assets of The Lir per their draft Financial Statements at 30 September 2017 were €16,080 (2016: net liabilities of €271,859) and the surplus for the year amounted to €287,940 (2016: €17,400).

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, the University made payments of €87,266 (2015/16: €131,173) to SGI and received €554,978 (2015/16: €265,308) for services provided to SGI. All transactions were conducted at an arm's length basis. At 30 September 2017 there was an amount of €116,338 (2016: €138,536) due from SGI and an amount of €9,359 (2016: €Nil) due to SGI. The net assets of SGI per its draft management accounts at 30 September 2017 were €232,255 (2016: €160,904) and the surplus for the year amounted to €76,061 (2016: deficit of €3,661).

The Douglas Hyde Gallery is a company limited by guarantee and does not have a share capital. The main objectives of the company are to promote the study and improve the understanding of fine arts, to maintain a permanent centre for 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. During the financial year to 31 December 2017, Trinity made payments of €106,735 (2015: €50,004) to the Douglas Hyde Gallery and received payments for €36,083 (2015: €41,048) in respect of rent and other costs associated with the provision of office and exhibition space in the University. At 30 September 2017, there was an amount of €1,600 (2015: €Nil) due from the Douglas Hyde Gallery. The net assets of the Douglas Hyde Gallery per their audited financial statements as at 31 December 2016 were €49,350 (2015: €72,664) and the deficit for the year amounted to €23,316 (2015: €12,481).



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 €0.10m (2016: €0.09m).

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. 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 (2016: €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.

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 join 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.



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 universities 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 is of the opinion 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 all 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	2017 €'000	2016 €'000
Present value of plan liabilities	(1,701,923)	(1,743,816)
Retirement benefit receivable (reimbursement rights)	1,701,923	1,743,816
	-	-

Analysis of retirement benefit liability	2017 €'000	2016 €'000
Master Pension Scheme	(1,054,774)	(1,136,704)
Model Scheme and Pension Supplementation	(623,940)	(590,805)
Single Public Service Pension Scheme	(23,209)	(16,307)
Present value of unfunded obligations	(1,701,923)	(1,743,816)

Changes in the present value of defined benefit retirement obligations	2017 €'000	2016 €'000
Defined benefit obligation at start of period	1,743,816	1,395,218
Current service cost	74,932	55,165
Interest cost	27,631	37,231
Contributions by scheme participants	2,222	2,220
Effect of experience adjustments on defined benefit retirement obligation	40,869	(39,656)
Changes in financial assumptions	(153,755)	326,249
Benefit payments from reimbursement rights	(33,792)	(32,611)
Defined benefit retirement benefit obligations at end of period	1,701,923	1,743,816

Changes in fair value of reimbursement rights	2017 €'000	2016 €'000
Fair value of reimbursement rights at start of period	1,743,816	1,395,218
Interest income	27,846	37,600
Return on reimbursement rights	(62,915)	316,223
Employer contributions	25,026	25,425
Contributions by scheme participants	2,222	2,220
Benefit payments from reimbursement rights	(33,792)	(32,611)
Administration expenses paid from reimbursement rights	(280)	(259)
Fair value of reimbursement rights at end of period	1,701,923	1,743,816



Notes to the Consolidated Financial Statements

29. Retirement benefits (cont'd)

Consolidated and University

2017
€'000

2016
€'000

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

Amount included in staff costs

Current service costs	74,932	55,165
Total	74,932	55,165

Amount included in investment income

Net interest income	-	(369)
Total	-	(369)

Amount recognised in Other Comprehensive Income

Return on retirement benefit reimbursement rights	62,915	(316,223)
Experience adjustments	40,869	(39,656)
Changes in assumptions underlying the present value of plan	(153,755)	326,249
Total	(49,971)	(29,630)

Net retirement benefit liability

The valuation of the defined benefit retirement benefit obligations of the University 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 2017 were as follows:

Financial assumptions:

	2017	2016
Valuation method	Projected Unit	Projected Unit
Discount rate	2.25%	1.60%
Inflation rate	1.75%	1.50%
Salary increases	3.25%	3.00%
Pension supplementation	2.25%	2.00%

The discount rate of 2.25% 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	2017	2016
Member aged 65 (current life expectancy)	23.0	22.9
Member aged 40 (Life expectancy at age 65)	25.8	25.7

The estimated employer contributions for the 2018 financial year are €25.5m. Employer contributions for the 2017 financial year were €25m.

30. Events after the reporting period

The purchase of the Iveagh grounds for a consideration of €1.9m was completed on 29 November 2017 and will be included within fixed assets in the 2017/18 financial statements.

Other than the event above no other events that require disclosure have occurred after the end of the reporting period.

31. Approval of the Consolidated Financial Statements

The Board of the University approved the Consolidated Financial Statements on 28 March 2018.



Consolidated Financial Statements Year ended 30 September 2017

32. Grants from Exchequer Funds

Research Grants

Grantor	Government Funding Department/Office	Grant Deferred/ (Due) 1/10/16	Cash Received 2016/17	Taken to Income 2016/17	Grant Deferred/ (Due) 30/9/17
Science Foundation Ireland	Dept of Jobs Enterprise and Innovation	13,074	44,263	44,139	13,198
HRB	Dept of Health	1,036	9,394	7,928	2,502
Irish Research Council	Dept of Education and Skills	(491)	8,863	6,219	2,153
Enterprise Ireland	Dept of Business, Enterprise and Innovation	(838)	6,422	4,505	1,079
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	(644)	786	716	(574)
Higher Education Authority	Dept of Education and Skills	(505)	210	537	(832)
HSE	Dept of Health	223	306	447	82
Other Irish Government/State Agencies	Various Departments	(22)	428	434	(28)
Dept of Agriculture, Food and the Marine	Dept of Agriculture, Food and the Marine	(284)	482	314	(116)
Geological Survey of Ireland	Dept of Communications, Climate Action and Environment	36	207	190	53
Dept of Health and Children	Dept of Health and Children	456	52	183	325
An Roinn Ealain	Dept of Arts, Heritage, Regional, Rural and Gaelacht Affairs	(174)	163	176	(187)
City of Dublin Education and Training Board	Dept of Education and Skills	(11)	124	149	(36)
Teagasc	Dept of Agriculture, Food and the Marine	(110)	199	124	(35)
Road Safety Authority	Dept of Transport, Tourism and Sport	71	19	73	17
Dublin City Council	Dept of Housing, Planning, Community and Local Govt	1	50	68	(17)
Nursing & Midwifery Planning & Development	Dept of Health	70	36	66	40
An Chomhairle Um Oideachas Gaeltachta agus Gaelscola	Dept of Culture, Heritage and the Gaeltacht	76	37	44	69
Irish Aid	Dept of Foreign Affairs and Trade with responsibility for Brexit	9	-	10	(1)
Ordnance Survey Ireland	Dept of Communications, Climate Action and Environment	27	125	3	149
The Marine Institute	Dept of Agriculture, Food and the Marine	(3)	-	-	(3)
Houses of the Oireachtas	Dept of the Taoiseach	-	129	-	129
Total Exchequer Research Grants		11,997	72,295	66,325	17,967
Total Non-Exchequer Research Grants		14,391	40,823	35,875	19,339
Total per Research accounts		26,388	113,118	102,200	37,306
Other Adjustments		11,715	(10,467)	(2,127)	3,375
Research grants and contracts per Financial Statements		38,103	102,651	100,073	40,681

Capital grants

The University received grant income of €3.0m (FY15/16: €2.8m) under the programme for research in Third Level Institutions (PRTL I V) in the period. Returns are made to the HEA by Trinity 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.



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





Finance Services Division

Trinity College Dublin, the University of Dublin
College Green
Dublin 2
Ireland

T 01 896 1000
E financial.services@tcd.ie

For further information, please
Contact the University's
Financial Services Division.



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Trinity College Dublin, The University of Dublin

Opinion on financial statements

I have audited the financial statements of Trinity College Dublin for the year ending 30 September 2017 as required under the provisions of the Universities Act 1997. The financial statements comprise

- the consolidated and University statement of comprehensive income,
- the consolidated and University statement of changes in reserves,
- the consolidated and University statement of financial position,
- the consolidated statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the University and of the University group at 30 September 2017 and of the income and expenditure of the University and the University group for the year then ended in accordance with *Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Emphasis of matter – deferred pension funding

Without qualifying my opinion on the financial statements, I draw attention to Note 29 Retirement Benefits.

The recognition of deferred pension funding assets in respect of the Master Pension Scheme (€1,056 million) and the Single Public Service Pension Scheme (€23 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of an asset of €624 million in respect of the Model Scheme and Pension Supplementation anticipates that funding will be provided by the State to meet pension liabilities as they fall due. Inherent in this accounting treatment is an assumption that any income generated by the University will in the first instance be applied towards current expenses and that State funding will meet any shortfall in resources required to meet future pension liabilities.

Basis of opinion

I conduct my audit of the financial statements in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the appendix to this report. In conducting my audit, I seek to rely on evidence from an audit of the financial statements by auditors engaged by the University.

I am independent of the University and I have fulfilled my other ethical responsibilities in accordance with the *Code of Ethics of the International Organisation of Supreme Audit Institutions*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The University has presented certain other information together with the financial statements. This comprises the Chief Financial Officer's report, the statement of responsibilities and the statement on governance and internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Fraud incident

The University refers, on page 11 of the statement on governance and internal control, to a cyber fraud that affected the Trinity Foundation between February and April 2017. The net loss to the University as a result of the fraud, including investigation and other related costs, was €975,000.

Procurement non-compliance

The audit noted that the University made payments totalling €981,000 to 18 suppliers in the year under review in respect of goods and services for which the procurement procedures employed did not comply with public procurement guidelines.

I have nothing to report in regard to other matters upon which reporting is by exception.

Seamus McCarthy
Comptroller and Auditor General

12 April 2018