

Trinity College Dublin, the University of Dublin

Consolidated Financial Statements
Year ended 30 September 2018



Contents

	Page
Interim Chief Financial Officer's Report	2 – 7
Statement of Responsibilities	8
Statement of Governance and Internal Control	9 – 15
Independent Auditor's Report to the Board of Trinity College Dublin, the University of Dublin on the Consolidated Financial Statements	16 – 18
Consolidated Financial Statements:	
Consolidated and University Statement of Comprehensive Income	19
Consolidated and University Statement of Changes in Reserves	20
Consolidated and University Statement of Financial Position	21
Consolidated Statement of Cashflows	22
Notes to the Consolidated Financial Statements	23 – 50
Circular 13/2014 – management of and accountability for grants from Exchequer funds	51





















Interim Chief Financial Officer's Report

I present the Consolidated Financial Statements of Trinity College Dublin, the University of Dublin ("the University", "Trinity"), as approved by Board on 27 March 2019. 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 as at 30 September 2018.

The Consolidated Financial Statements include the University and its subsidiary undertakings as outlined in note 28. The basis of preparation is explained in greater detail in the Statement of Accounting Policies on pages 23 to 27.

The summary results for 2017/2018 are set out in Table 1 below, which also shows a comparison to prior years and trends over the last 5 years. The University reported a modest surplus of €0.9m in 2017/18, which compares to a deficit of €3.5m in 2016/17 and deficits of €9.4m, €14m and €21.9m in the preceding 3 years respectively. Excluding investment gains and losses, the University recorded a deficit of €6.2m in 2017/18 which compares to a deficit before other gains and losses of €13.1m in 2016/17. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €13.7m in 2017/18, which represents an increase of 26% on EBITDA of €10.9m recorded in the prior year.

Table 1 Summary Results		FRS102				Irish GAAP
	5 year trend lines	2018 €m	2017 €m	Restated 2016 €m	2015 €m	2014 €m
State grants		48.7	44.5	44.0	44.5	47.3
Academic fees		149.0	137.3	130.5	128.9	122.2
Research grants and contracts		99.7	100.1	92.2	85.2	78.0
Other income		59.8	53.4	50.6	44.5	51.2
Investment income *		7.0	6.0	6.8	7.0	7.0
Donations and endowments		15.0	14.9	11.7	12.9	-
Total income**		379.2	356.2	335.8	323.0	305.7
Staff costs		263.0	245.9	234.7	231.1	225.7
Other operating expenses		102.5	99.4	92.7	94.5	89.4
Total operating expenses		365.5	345.3	327.4	325.6	315.1
Earnings before interest, tax, depreciation and amortisation (EBITDA)		13.7	10.9	8.4	(2.6)	(9.4)
Less:						
Depreciation and impairment (net of amortisation)		(15.8)	(20.1)	(34.4)	(19.8)	(17.0)
Net interest income / (payable)		(4.0)	(3.9)	(4.6)	(3.6)	(3.4)
Taxation		(0.1)	-	-	-	-
Deficit before other gains and losses		(6.2)	(13.1)	(30.6)	(26.0)	(29.8)
Plus:						
(Loss)/Gain on revaluation of investment property		(0.3)	4.5	11.6	9.9	7.9
Gain on investments		7.4	5.1	9.6	2.1	-
Surplus/(deficit) for the year		0.9	(3.5)	(9.4)	(14.0)	(21.9)

*Investment income excludes interest income

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

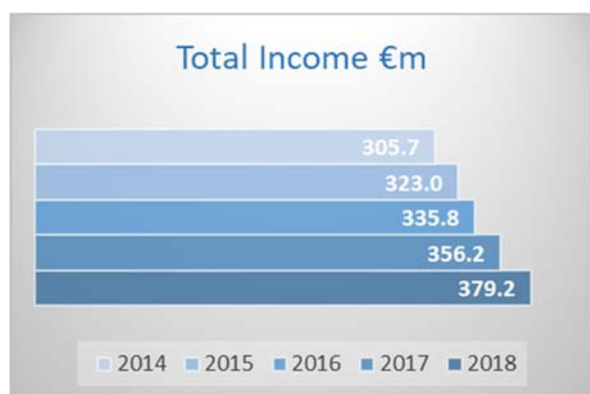


Fig 1

Consolidated income (excluding amortisation of capital grants and interest income) of €379.2m (2016/17: €356.2m) represented an increase of €23m or 6.5% in the year, reflecting Trinity's continued success in attracting students and in diversifying its non-Exchequer income base.

Academic fee income of €149m in 2017/18 represented an increase of €11.7m in the year, reflecting a 2.6% growth in student numbers from 17,630 in 2016/17 to 18,081 in 2017/18, and an increase in the mix of non EU students from 13% to 15% of the total student base.

Research income remained stable at €99.7m (2016/17: €100.1m) while other income of €59.8m increased by €6.4m on the prior year, driven by continued growth in commercial revenues.



Year	EU	Non-EU	Total
2017/18	85%	15%	18,081
2016/17	87%	13%	17,630
2015/16	89%	11%	17,511
2014/15	90%	10%	17,080

Table 2

Donations and endowment income was stable at €15m in 2017/18 (2016/17: €14.9m) and state grants of €48.7m increased by €4.2m year on year.

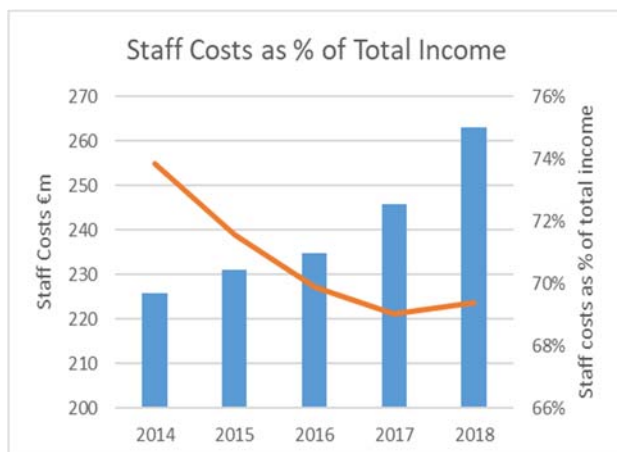


Fig 2

Consolidated expenditure (excluding depreciation and interest payable) for the year amounted to €365.5m (2016/17: €345.3m), an increase of €20.2m in the year. This was driven mainly by increased staff costs of €17.1m resulting from higher headcount (academic, research and commercial) and accelerated pay restoration approved by the State under the Lansdowne Road Agreement (where the pay increment of 1% took place in October 2017). Staff costs have increased broadly in line with activity levels representing 69.4% of total income (2016/17: 69.0%). Other operating expenses increased 3.1% year on year, which was mainly due to increased activity relating to growth in commercial revenue. See notes 8 and 9 of the Consolidated Financial Statements for a further breakdown of expenses.

Capital Expenditure and Cashflow

In 2017/18 the University invested €68m in capital expenditure on key infrastructure projects such as the Trinity Business School and Printing House Square, along with continued investment in existing campus facilities. The scale of investment demonstrates a firm commitment to building 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 (an ambitious and innovative project to integrate engineering, technology and science expertise), the Grand Canal Innovation District and further student accommodation.

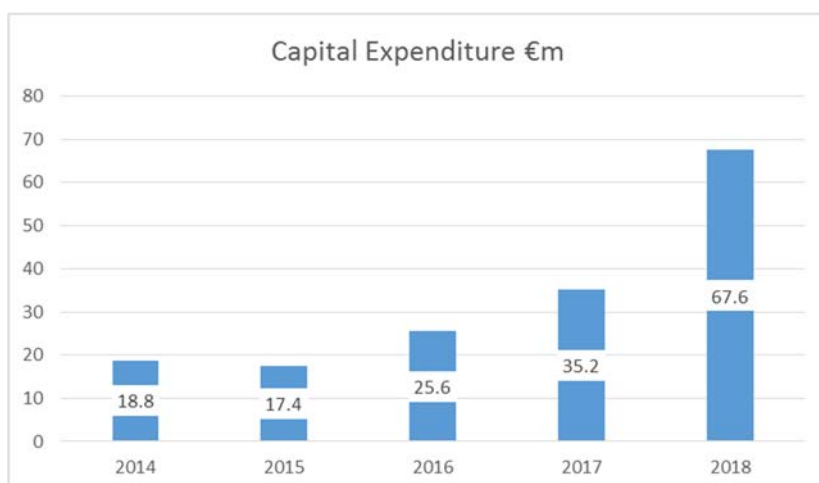


Fig 3



Cash balances and current asset investments amounted to €187.3m at 30 September 2018 (2017: €217.8m) which represented a cash outflow of €30.4m in the year. We remain in a strong position to fund the current capital programme and to re-invest in endowment assets in line with approved investment strategies. The University has a comprehensive Treasury Policy in place, which is regularly reviewed by the Finance Committee to ensure that risk is minimised.

As at 30 September 2018, bank debt amounted to €145m, relating to loans from the European Investment Bank to finance infrastructure projects such as Trinity Biomedical Sciences Institute, Trinity Business School and Printing House Square. A further €100m loan facility with the EIB was signed on 5 October 2018. No drawdowns have yet taken place on this facility, which will be used to finance future infrastructure projects.



Consolidated Financial Statements Year ended 30 September 2018

The University complied with all of its bank covenants at the year-end and 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
	2018	2017	2016	2015	2014
Debt as a % of net assets	25%	25%	25%	17%	16%

Research Grants and Contracts

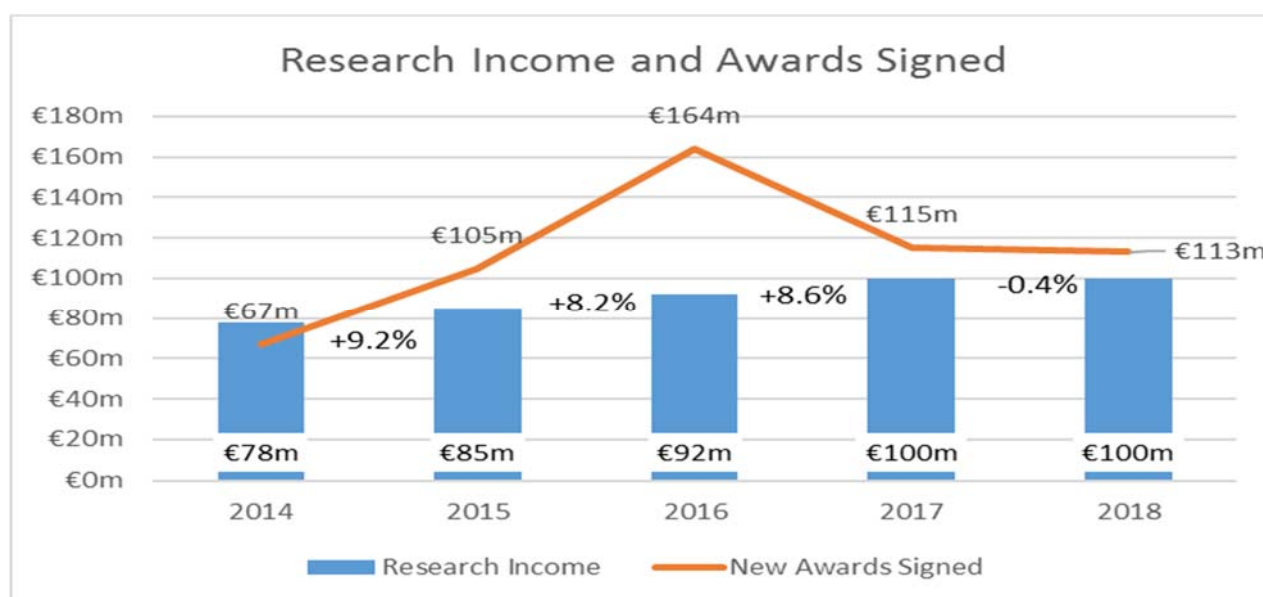


Fig 4

The level of research income for 2017/18 recorded in the Consolidated Financial Statements (measured on the basis of research expenditure during the year and not grant income received) remained consistent with prior year at c.€100m. The value of new awards secured in the year amounted to €113m (2016/17: €115m). New Awards in 2017/2018 included a €4.6m grant from Science Foundation Ireland supporting Smart Grid and Smart City Research and €3.6m from the Health Research Board to support Clinical Research Activity. In 2017/18 the Exchequer: non-Exchequer ratio of research income was 55:45 (2016/17: 59:41).

Trinity's success in attracting EU funding has continued in 2017/18 with the value of new awards funded under the Horizon 2020 programme amounting to €24m (2016/17: €23m). Trinity continues to lead out nationally in H2020 and has now secured a total of €89m in funding since 2014, which exceeds its total drawdown from the previous Framework 7 Programme. As a result, the University is ranked 34th in Europe across all Higher Education Institutions (HEIs) for value of contracts signed. The University has also secured 48% of all European Research Council (ERC) awards to Ireland since 2014. Maximising the opportunities for excellent research through EU programmes is central to our research strategy, as is linking in with other European universities through membership of academic networks. On foot of these successes, last year we were invited to join the League of European Research Universities, or LERU, which is an association of 23 European research-intensive universities, committed to the values of high-quality teaching within an environment of internationally competitive research. As a member of LERU, the University contributes to influencing policy at European Union and Member State level as a prestigious network rather than individually, and develops best practices between members and agrees collaborative actions.

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. The relatively low recovery rate of indirect costs achieved in 2017/18 of 17.9% when compared to the Full Economic Cost (FEC) rate of 59% remains a cause for concern. If the University is to continue producing research at a world-class level, this funding gap will need to be addressed.

Trinity Endowment Fund

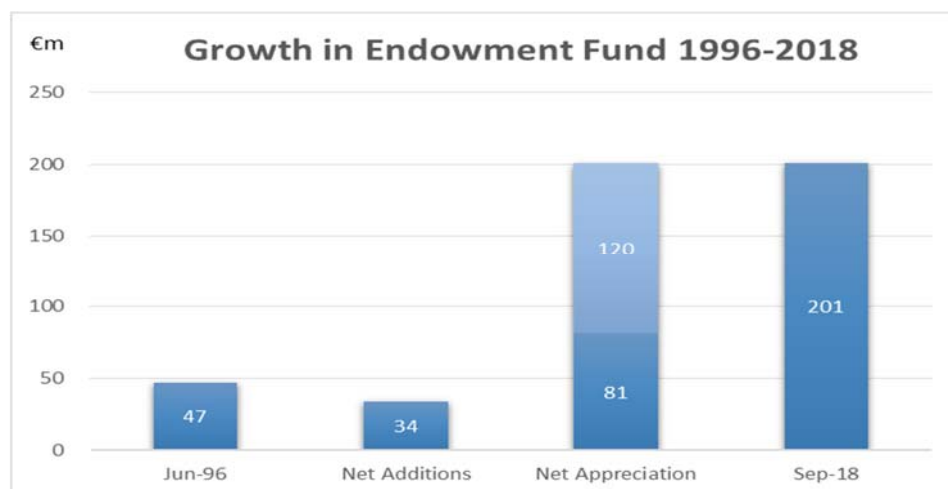


Fig 5

The Trinity Endowment Fund comprises permanent individual funds which 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 €201m at 30 September 2018, well in excess of the €180m target value set out in the University's Strategic Plan 2014-2019.

Since 1996 the fund has received €34m in new endowments (€3.3m in 2017/18) and has delivered €120m in net appreciation, excluding yields which have been used to fund income contribution to the University's activities.

Table 4 – Investment Return

	*Actual Return	**Benchmark
2018	7.5%	9.2%
2017	5.8%	4.8%
2016	10.0%	9.8%
2015	5.1%	6.2%
2014	15.3%	15.2%

* Annualised Returns (net of management fees)

** Aggregate Benchmark Returns

The Fund achieved a net return of 7.5% in 2017/2018, resulting in a gross income contribution to the University of €7m. Table 4 outlines the Endowment Fund's actual performance against a benchmark aggregate return by year from 2014 to 2018. In 2017, following a detailed review, the portfolio was significantly restructured to reduce our fixed income holding and reinvested in global equity funds (ex-Fossil Fuel). At 30 September 2018 the portfolio had completely divested from Fixed Income with these funds held in cash at year end. The University will reinvest these funds into international infrastructure and property assets in 2018/19.

Procurement

Delivery of the Procurement Strategy continues, with savings of c.€1.3m achieved in 2017/18 (FY16/17: c.€3.3m) across all categories of spend including Capital Works. Factors influencing the lower savings figure include a lower number of large-scale tenders from research programmes, tenders awaiting award in a new fiscal year and diminished opportunities due to contracts having previously been tendered. Activity across the other categories of Laboratory & Research, ICT, Facilities, Travel, HR, Marketing and Professional Services grew last year with 92 separate competitions being run. Of particular note was the delivery of a 3 year Multi-Annual Procurement Plan (MAPP) to the Education Procurement Service and HEA. This agency-driven requirement to log all current contracts and co-ordinate all tenders in excess of €25k (excluding capital projects), will mean a greater level of central collaboration and mandatory take-up of government contracts.

Audit Qualification

As in previous years, I draw your attention to the qualified audit opinion issued by the Board appointed auditors, KPMG. 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 2018 and they have qualified the audit opinion on this basis. It should



Consolidated Financial Statements Year ended 30 September 2018

be noted that in 2018, the passing of Statutory Instrument 393 of 2018 placed the Model Scheme on a statutory basis, adopting the rules for pre-existing Public Service Pension Scheme Members Regulation 2014 (SI 582 of 2014) as the rules of the Model Scheme, subject to certain modifications as specified in SI 393 of 2018. Therefore the University, on advice from our legal advisors, consider it reasonable, to refer to the State providing a “de facto” guarantee in respect of the Model Scheme. The University will, once again, seek further clarification from the HEA with regard to the audit qualification issued by KPMG relating to the Model Scheme.

It should also be noted that 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.

Key Performance Indicators (KPIs)

The following table sets out a summary of key performance indicators (KPIs) and shows performance against the 2019 targets as set out in the University’s 5-year strategic plan 2014-2019.

FRS102							Irish GAAP
KPI's	Target 2019	RAG Status	2018	2017 restated	2016 restated	2015 restated	2014
EBITDA ¹ as % of income	6.0%	A	3.6%	3.1%	2.5%	-0.8%	-3.1%
Total Surplus as % income ²	3.0%	A	0.2%	-1.0%	-2.8%	-4.3%	-7.1%
Exchequer/Non Exchequer Income ³	40:60	G	40:60	41:59	43:57	44:56	45 : 55
Pay/Non Pay Ratio ⁴	65 : 35	A	72:28	71:29	72:28	71 : 29	72 : 28
Pay as % of Operating Income	65%	A	69%	69%	69%	72%	74%
Net Assets	€800m	G	€812m	€811m	€805m	€815m	€909m
Endowment Fund Value	€180m	G	€201m	€189m	€181m	€169m	€165m

Table 5

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

Conclusion

In the financial year 2017/18 we saw continued improvements in the financial position of the University with the achievement of a surplus for the first time in many years. Given the financial challenges that the University has encountered over the last number of years, it is satisfying to see that the non-Exchequer income generating strategies (post-graduate and international students, commercialisation, philanthropy, research and industry engagement) have continued to deliver improvements. However, while our financial performance is strengthening, there are still significant challenges in achieving longer term financial sustainability. The outlook for the sector remains uncertain in respect of the Government’s commitment to the Cassells report recommendations (which remain outstanding with no timeline to resolution) and the establishment of a long-term funding model. State grants now comprise just 13% of total income and it still remains a fact that significant additional funding is required from the State to meet anticipated forecasted growth in demographic and participation rates and to maintain the quality of the student experience.

The University will continue to focus on income generating strategies and delivering further returns from our ongoing investment in capital programmes. In July 2018, in partnership with Government and Dublin’s other universities, Trinity launched its plan for the creation of a globally competitive Innovation District for Ireland, centred on a new Trinity campus to be developed at Grand Canal Quay. Whilst this large-scale project is at an early stage of planning, the vision is hugely exciting and ambitious for Ireland. In February 2019, the University launched its third global relations strategy, which will drive further income growth into the future, and later in 2019 the University will launch its first ever comprehensive philanthropic campaign focusing on investment in staff and students through a series of transformative professorships and scholarships and investment in major capital development and research infrastructure projects. A new Trinity Business School building opens in May 2019, which will help to build on the strong growth in Business School student numbers and reputation. We continue to invest in student accommodation, with completion of the Printing House Square development scheduled for late 2019.



Consolidated Financial Statements Year ended 30 September 2018

We remain committed to improving the financial position of the University while remaining completely focused on the University's mission to deliver quality student experience, quality teaching and quality research. We will look to invest strategically in the University's infrastructure to underpin our growth and to drive future success.

Peter Reynolds
Interim 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

27 March 2019

PETER REYNOLDS
INTERIM CHIEF FINANCIAL OFFICER



Statement of Governance and Internal Control

On behalf of the Board of Trinity College Dublin, the University of Dublin, we acknowledge that it has overall responsibility for the University's system of internal control; covering all material controls including financial, operational and compliance controls and risk management systems, that support the achievement of the University's policies, aims and objectives while safeguarding the public and other funds and assets for which 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 bi-annual basis. Actions are agreed 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 was conducted in 2017/18 and the revised policy was formally approved by the Board on 30 January 2019.
 - 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 updated policy is being implemented involving 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 appointed a Chief Risk Officer in July 2018;
 - All major proposals being presented to Board include a project risk assessment which includes associated financial risks;
 - A sectoral approach by inter-institutional bodies of which the University is a member and Trinity subsidiary companies has been agreed. 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 (Faculty/Division Financial Advisors) 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 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 then prepared for onward consideration. A twice yearly update is also provided by the Executive Officer Group to Board;



Consolidated Financial Statements Year ended 30 September 2018

- Reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee and Finance Committee;

(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 2018 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 items outlined below.
 - During the year under review, an analysis of all aged outstanding debt within the Student Finance system was completed. The findings indicated that due to incomplete reconciliation in prior periods, €1.7m was incorrectly classified as SUSI debt when this debt should have been transferred to the students' accounts. The bad debt provision relating to Academic Fees has been increased by €1m relating to students who have left the University as this debt was considered to be more difficult to recover. The University is actively pursuing the students affected to recoup all outstanding fees. Also identified during this review, was outstanding external sponsor debt of €10m. The bad debt provision relating to Academic Fees was increased by €0.2m relating to cases where the University does not have an ongoing active relationship with the relevant external sponsor. The University is actively pursuing all debt and has issued invoices and statements for amounts owed. The University has enhanced controls in the area to prevent any further breakdown in the process including the introduction of monthly reconciliations and quarterly debt reporting.
 - During the year under review, there were eight breaches of information security processes deemed reportable to the Data Protection Commission (DPC) based on the criteria for reporting. These breaches were reported to DPC. The DPC has acknowledged and closed all breach reports. There is no current legal action against the University in respect of data breaches. In response to information security breaches, the planned Unified Communications II Project, which is sponsored by IT Services, will address a number of the information security weaknesses identified in the personal data breaches. Additional measures in place, such as training in IT security for all staff and training in the effective use of data sharing tools such as Microsoft SharePoint, will reduce the risk of personal data being disclosed erroneously.
 - During the year ended 30 September 2018 a review of total tenderable expenditure, €114m, was undertaken. Following the review €18.9m of the University's total expenditure was deemed exempt and €1.9m deemed non-compliant with current procurement legislation in relation to public tendering requirements. During the year, the University engaged 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 interim 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 recognises the value of procurement and the need for full compliance and continues to minimise the relevant risks.
 - i. **Procurement procedures:**
Trinity complies with procurement procedures and has maintained a set of approved Procurement Policies & Procedures since 2000. The compliance elements are derived from Government rules and guidelines. An updated version is being prepared at present and will make direct reference to the OGP's 'Public Procurement Guidelines for Goods and Services' Version 2, January 2019.
 - ii. **Procurement non-compliance:**
All Purchase Requisitions for Goods and Services over €5,000 ex VAT are automatically routed to Procurement for approval. At this point, it can be very quickly determined as to whether an expenditure has been properly tendered and appropriate measures put in place where required. In addition, the expenditure levels per supplier are monitored on a regular basis to check spend-to-date values. This is particularly relevant to cumulative, standalone purchases i.e. where no known non-compliant action is taking place. Finally, the Financial Services Division runs training in Procurement for all staff.
 - iii. **Non-competitive procurement:**
While compliance is accorded the highest priority, it can on occasion be impacted by engagement with the OGP's processes and frameworks. The University understands and accepts that the OGP and related agencies are recent additions to the compliance landscape and that aligning tendering and contract activities will take time.

To this end, 47% of our non-competitive procurement is linked with our involvement in two OGP sourcing processes. The first, covering Legal Services (€0.7m), necessitated contracts being extended beyond their original valid dates and the second, Recruitment Services (€0.2m), saw a planned OGP process being terminated. Both processes will be worked on in FY18/19.
The remaining balance of €1.0m is comprised of unplanned, cumulative low-value expenditure with nine separate vendors. We plan to address these via OGP and local tender processes in the current financial year.
 - iv. **Corporate procurement plan (CPP):**



Consolidated Financial Statements Year ended 30 September 2018

A Procurement Strategy has been agreed and monitored since 2015. In addition, a CPP conforming to a specified template has been developed and submitted for approval.

- v. Office of Government Procurement (OGP):
It is our policy to fully interact with the various agencies offering services to us, including the OGP and Education Procurement Service (EPS). This policy also includes the utilisation of every suitable framework.
 - vi. 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 Interim 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 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 per annum. No other expenses were claimed by Board members in the financial year 2017/18.
- The Provost was paid a salary of €195,604 in the period 1 October 2017 to 30 September 2018. 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 scheduled basis.
- (xiv) **Governing Authority Meetings:** Confirmation of the number of Board (Governing Authority) meetings held during the financial year 2017/18 and the attendance record of members is outlined below.



Consolidated Financial Statements Year ended 30 September 2018

There were 11 meetings of the Board in the financial year 2017/18, attendance noted below.

Ex-officio members:

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

Elected members:

Professor Deirdre Ahern (11), Professor Sarah Alyn Stacey (8), Professor Sylvia Draper (8), Ms Sheila Dunphy (3)*, Ms Stephanie Farrell (9), Dr Darren Fayne (10), Professor Robert Gilligan (9), Mr James Keogh (9), Professor Claire Laudet (11), Professor Brian Lucey (6), Professor Catherine McCabe (11), Professor Rachel Moss (10), Professor Eunan O'Halpin (8), Professor Diarmuid R. Phelan (9), Professor Aiden Seery (11), Professor Richard Timoney (10), Mrs. Mary Foody (3)**.

External Members:

Dr Olive Braiden (9), Mr Tony Keohane (1)***.

Student Members:

Mr Kevin Keane (11), Mr Damien McClean (10), Ms Alice MacPherson (10), Mr Shane Collins (11).

Among others, and in addition to the policies mentioned above, the following policies were approved by Board during the financial year 2017/18:

- Absence Management Policy
- Revised Campus Tour Policy
- Fire safety Policy
- Paternity policy

*3 of 6 as resigned March 2018, ** 3 of 4 as appointed March 2018, *** 1 of 5 as resigned February 2018

(xv) **Audit Committee Meetings:** Confirmation of the number of Audit Committee meetings held in the financial year 2017/18 and the attendance record of members is outlined below.

There were 8 meetings of the Audit Committee in the financial year 2017/18, attendance noted below.

External Members:

Oliver Cussen (Chair) (7), Ann Duffy (7) Dermot McCarthy (4)*.

Members Attendance:

Professor Joe Barry (8), Professor Ruth Byrne (8), Professor Robbie Gilligan (7).

*of a possible 4 meetings

(xvi) **Finance Committee Meetings:** Confirmation of the number of Finance Committee meetings held in the financial year 2017/18 and attendance record of members is outlined below.

There were 6 meetings of the Finance Committee in the financial year 2017/18, attendance noted below.

Members Attendance:

Provost (Dr Patrick Prendergast) (Chair) (6), Vice-Provost/Chief Academic Officer (Professor Chris Morash) (5), Chief Financial Officer (Mr Ian Mathews) (6), Chief Operating Officer (Ms Geraldine Ruane) (5), Bursar/Director of Strategic Management (Professor Veronica Campbell) (5), Registrar (Professor Paula Murphy) (3), Professor Brian Lucey (2), Students Union President (Kevin Keane)(5), Incoming Student Union President (1)*, Dean of Arts, Humanities and Social Sciences (Professor Darryl Jones) (5).

External Members:

Ms. Caroline Curtis (6), Mr. Jon Gorringer (6), Mr. Liam Kavanagh (5).

In Attendance



Consolidated Financial Statements Year ended 30 September 2018

Deputy Chief Financial Officer (Ms. Louise Ryan) (5), Director of Financial Planning and Risk Management (Deirdre Savage) (6), GSU President (6), Incoming GSU President (1)*.

* attended last meeting of the year Jul 18

(xvii) **Review of Governing Authority performance:** A self-evaluation process of the Board (Governing Authority) was conducted in 2018 and the recommendations from this are currently being considered or implemented.

On behalf of Trinity College Dublin, the University of Dublin

DR PATRICK PRENDERGAST
PROVOST

PETER REYNOLDS
INTERIM CHIEF FINANCIAL OFFICER

27 March 2019



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 2018 on pages 19 to 50 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 2018 and of the surplus of the Group and University for the year then ended; and
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland".

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 2018 and 30 September 2017.

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 2018 should be reduced by €623,838,000 and (ii) the total comprehensive income/(loss) in the Consolidated Statement of Comprehensive Income for the year ended 30 September 2018 should be restated to a loss of €4,901,000.

Also, in relation to the prior year (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 €42,701,000.

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 Interim 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 report that except for the consequential effects of the matter described in the *Basis for Qualified Opinion* section of our report 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 Interim 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 15, 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 and University'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 and University 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.

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

27 March 2019



Consolidated Financial Statements Year ended 30 September 2018

Statement of Comprehensive Income

	Notes	Year ended 30 Sep 2018		Year ended 30 Sep 2017	
		Consolidated	University	Consolidated	University
		€'000	€'000	Restated (note 31)* €'000	€'000
Income					
State grants	2	48,660	48,660	44,489	44,489
Academic fees	3*	148,950	146,244	137,323	137,323
Research grants and contracts	4	99,680	99,680	100,073	100,073
Other income	5	59,846	63,957	53,418	55,593
Investment income	6	7,048	7,060	6,208	6,206
Amortisation of capital grants	21	8,751	8,751	9,578	9,578
Total income before donations and endowments		372,935	374,352	351,089	353,262
Donations and endowments	7	14,974	16,389	14,945	6,859
Total income		387,909	390,741	366,034	360,121
Expenditure					
Staff costs	8	263,048	258,707	245,893	242,313
Other operating expenses	9	102,481	106,710	99,362	101,248
Interest and other finance costs	10*	3,936	3,936	4,194	4,194
Depreciation	12	24,587	24,564	25,773	25,752
Impairment of property	12	-	-	3,868	3,868
Total expenditure		394,052	393,917	379,090	377,375
Deficit before other gains and losses		(6,143)	(3,176)	(13,056)	(17,254)
(Loss)/gain on revaluation of investment properties	14	(285)	(285)	4,495	4,495
Gain on investments	17/22	7,436	7,350	5,085	4,975
Surplus/(deficit) before tax		1,008	3,889	(3,476)	(7,784)
Taxation	11	(125)	-	-	-
Surplus/(deficit) for the year		883	3,889	(3,476)	(7,784)
Actuarial gain in respect of retirement benefit	29	42,974	42,974	49,971	49,971
Movement on retirement benefit receivable	29	(42,974)	(42,974)	(49,971)	(49,971)
Total comprehensive income/(loss) for the year		883	3,889	(3,476)	(7,784)
Represented by:					
Endowment comprehensive income for the year	22	12,727	12,727	7,251	7,251
Restricted comprehensive (loss)/income	23	(6,855)	(237)	4,534	(2,533)
Unrestricted comprehensive loss	*	(4,989)	(8,601)	(15,261)	(12,502)
Total comprehensive income/(loss) for the year		883	3,889	(3,476)	(7,784)

All items of income and expenditure relate to continuing activities.

* See note 31 for prior year adjustments



Consolidated Financial Statements Year ended 30 September 2018

Consolidated and University Statement of Changes in Reserves

	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
Consolidated	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2016 – restated	181,309	12,287	103,120	517,993	814,709
Surplus/(deficit) from the income and expenditure statement	7,251	12,083	(22,810)	-	(3,476)
Release of restricted funds spent in year	-	(7,549)	7,549	-	-
Total comprehensive income/(loss) for the year	7,251	4,534	(15,261)	-	(3,476)
Balance at 30 September 2017 – restated	188,560	16,821	87,859	517,993	811,233
Surplus/(deficit) from the income and expenditure statement	12,727	9,613	(21,457)	-	883
Release of restricted funds spent in year	-	(16,468)	16,468	-	-
Total comprehensive income/(loss) for the year	12,727	(6,855)	(4,989)	-	883
Balance at 30 September 2018	201,287	9,966	82,870	517,993	812,116

	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
University	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2016 - restated	181,309	2,985	95,738	517,993	798,025
Surplus/(deficit) from the income and expenditure statement	7,251	-	(15,035)	-	(7,784)
Release of restricted funds spent in year	-	(2,533)	2,533	-	-
Total comprehensive income/(loss) for the year	7,251	(2,533)	(12,502)	-	(7,784)
Balance at 30 September 2017 – restated	188,560	452	83,236	517,993	790,241
Surplus/(deficit) from the income and expenditure statement	12,727	-	(8,838)	-	3,889
Release of restricted funds spent in year	-	(237)	237	-	-
Total comprehensive income/(loss) for the year	12,727	(237)	(8,601)	-	3,889
Balance at 30 September 2018	201,287	215	74,635	517,993	794,130

Prior year adjustments restating the opening reserves are set out in note 31



Consolidated Financial Statements Year ended 30 September 2018

Statement of Financial Position

		Year ended 30 Sep 2018		Year ended 30 Sep 2017	
				Restated (note 31)*	
	Note	Consolidated €'000	University €'000	Consolidated €'000	University €'000
Non-current assets					
Tangible fixed assets	12*	991,553	991,458	940,005	939,977
Endowment and investment assets	13	168,015	168,015	188,271	188,271
Investment property	14	45,730	45,730	54,515	54,515
		1,205,298	1,205,203	1,182,791	1,182,763
Current assets					
Trade and other receivables	15	79,680	82,816	68,277	68,592
Inventories	16	569	555	599	591
Investments	17	32,150	30,167	32,166	30,269
Cash and cash equivalents	25	155,171	135,014	185,615	166,487
		267,570	248,552	286,657	265,939
Less: Payables – amounts falling due within one year	18*	(219,402)	(219,167)	(208,646)	(208,992)
Net current assets		48,168	29,385	78,011	56,947
Total assets less current liabilities		1,253,466	1,234,588	1,260,802	1,239,710
Payables – amounts falling due after more than one year	19	(441,350)	(440,458)	(449,569)	(449,469)
Provisions					
Retirement benefit provisions	29	(1,674,748)	(1,674,748)	(1,701,923)	(1,701,923)
Non-current retirement benefit receivable	29	1,674,748	1,674,748	1,701,923	1,701,923
Total net assets		812,116	794,130	811,233	790,241
Restricted reserves					
Income and expenditure – endowment	22	201,287	201,287	188,560	188,560
Income and expenditure – restricted	23	9,966	215	16,821	452
Unrestricted reserves					
Income and expenditure – unrestricted	*	82,870	74,635	87,859	83,236
Revaluation reserve	24	517,993	517,993	517,993	517,993
Total reserves		812,116	794,130	811,233	790,241

* See note 31 for prior year adjustments

The financial statements on pages 19 to 50 were approved by the Board of the University on 27 March 2019 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

PETER REYNOLDS
INTERIM CHIEF FINANCIAL OFFICER

27 March 2019



Consolidated Financial Statements Year ended 30 September 2018

Consolidated Statement of Cashflows

	Note	2018 €'000	Restated 2017 €'000
Cashflow from operating activities			
Surplus/(deficit) for the year		883	(3,476)
Adjustment for non-cash items			
Depreciation	12	24,587	25,773
Impairment of property	12	-	3,868
Amortisation of deferred capital grants	21	(8,751)	(9,578)
(Loss)/gain on revaluation of investment properties	14	285	(4,495)
Gain on investments	17/22	(7,436)	(5,085)
Adjustment for working capital items			
Decrease/(increase) in inventories		30	(11)
Increase in receivables		(14,580)	(5,663)
Increase in payables		8,002	6,684
Adjustment for investing or financing activities			
Investment income	6	(7,048)	(6,208)
Interest payable	10	3,936	4,194
New endowments received	22	(3,341)	(1,943)
Net cash (outflow)/inflow from operating activities		(3,433)	4,060
Cashflows from investing activities			
Capital grants received		6,907	7,573
Investment income		7,048	6,208
Disposals of non-current asset investments		43,638	16,500
Payments made to acquire non-current asset investments		(15,930)	(23,697)
Payments made to acquire other investments		-	(344)
Payments made to acquire fixed assets		(66,493)	(34,332)
Transfers from deposits		-	117,647
New endowment cash received		3,341	1,943
Net cash (outflow)/inflow from investing activities		(21,489)	91,498
Cashflows from financing activities			
Interest paid		(1,597)	(1,601)
Capital element of finance lease rental payments		(444)	(274)
Interest element of finance lease rental payments	10	(3,481)	(3,500)
Net cash outflow from financing activities		(5,522)	(5,375)
(Decrease)/increase in cash and cash equivalents in the year		(30,444)	90,183
Cash and cash equivalents at beginning of the year	25	185,615	95,432
Cash and cash equivalents at end of the year	25	155,171	185,615

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 Company Limited By Guarantee, Trinity Brand Commercial Services Limited, Trinity Asia Services Pte. Limited, Trinity Foundation, Trinity Education Endowment Fund and Trinity College Dublin Trust, Trinity College Dublin Association and University of Dublin Fund. 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.

Academic fee income is recognised on the accruals basis evenly over a year from the commencement of the academic year which is the first day of Michaelmas term each year. As the Michaelmas term generally commences in late August the financial year reflects elements of academic fees relating to two separate academic years.

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 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.

Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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

Accounting estimates and judgements

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

The principal estimates, judgements and assumptions used in the financial statements for the year ended 30 September 2018 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.

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. In 2017 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.

Borrowing costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

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

Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

Other Equipment	5 years
Computer software	5 years
Computer equipment	3 years

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the expected useful economic life of the related equipment. The cost of routine corrective maintenance is charged to the Statement of Comprehensive Income in the period that it is incurred.

Heritage assets

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

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

Heritage assets acquired subsequent to 1 October 2006 which are not held for the core purpose of teaching and research are capitalised 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 €150,000 or less 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.

In subsidiary companies, who do not hold a charitable status and are therefore liable to corporate tax, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

A net deferred tax asset is regarded as recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) the University has a present (legal or constructive) obligation as a result of a past event;
- b) it is probable that a transfer of economic benefit will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation

The amount recognised as a provision is determined by discounting the expected future cash flow at a pre-tax rate that reflects risks specific to the liability.

Contingent liabilities arise from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resource will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes when required.

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.

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 the Statement of Comprehensive Income 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.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

Retirement benefits

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

Trinity Foundation operates a defined contribution scheme. The amount charged to the Statement of Comprehensive Income represents the contribution payable to the scheme in respect of the accounting period.

Retirement benefit costs

For defined benefit retirement schemes, the difference between the market value of the scheme's assets (if any) and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed in 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 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Recurrent grants				
State grants	48,660	48,660	44,489	44,489
Reconciliation of grant received to income recognised				
Received in respect of current year	45,234	45,234	44,859	44,859
Deferred from prior accounting year	1,787	1,787	1,417	1,417
Deferred to subsequent accounting years	-	-	(1,787)	(1,787)
Receivable at year end	1,639	1,639	-	-
Total	48,660	48,660	44,489	44,489

3. Academic fees

	Consolidated 2018 €'000	University 2018 €'000	Restated Consolidated 2017 €'000	Restated University 2017 €'000
Academic fee income	144,146	141,440	132,401	132,401
Other academic fee income	2,983	2,983	2,882	2,882
Miscellaneous fee income	1,821	1,821	2,040	2,040
Total	148,950	146,244	137,323	137,323

The academic fee income is analysed as follows:

Undergraduate EU	72,551	72,551	71,387	71,387
Undergraduate Non-EU	30,567	27,861	24,759	24,759
Postgraduate Research EU	7,721	7,721	7,007	7,007
Postgraduate Research Non-EU	3,775	3,775	3,554	3,554
Postgraduate Taught EU	16,293	16,293	15,722	15,722
Postgraduate Taught Non-EU	13,239	13,239	9,972	9,972
Total	144,146	141,440	132,401	132,401

A total of €37,690,597 (2017: €37,323,307) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €3,832,951 (2017: €3,725,945).

Prior year adjustments restating academic fee income are set out in note 31.

4. Research grants and contracts

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
State and semi-state	57,516	57,516	57,912	57,912
European Union	18,377	18,377	19,511	19,511
Industry	4,102	4,102	4,234	4,234
SFI overheads	7,987	7,987	7,063	7,063
Other	11,698	11,698	11,353	11,353
Total	99,680	99,680	100,073	100,073

Notes to the Consolidated Financial Statements

5. Other Income

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Academic schools and faculty offices income	3,429	7,205	5,902	6,024
Service areas	3,450	3,455	3,905	3,907
Catering	2,704	2,704	3,048	3,048
Residences income	13,034	13,034	11,328	11,328
Other ancillary services	1,508	1,554	1,444	1,468
Rental income	7,163	7,163	7,465	7,465
Library income	16,525	16,525	13,874	13,874
Concession income	4,125	4,125	4,115	4,115
Non-academic other activities	4,667	4,952	216	991
Science Gallery	1,464	1,464	1,323	1,323
Other income	1,777	1,776	798	2,050
Total	59,846	63,957	53,418	55,593

6. Investment income

		Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
	Note				
Interest income		67	79	178	176
Income from permanent endowments	22	6,758	6,758	5,812	5,812
Income from expendable endowments	22	223	223	218	218
Total		7,048	7,060	6,208	6,206

7. Donations and endowments

		Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
	Note				
Unrestricted donations		2,020	13,048	919	4,916
Donations with restrictions	23	9,613	-	12,083	-
New endowments	22	3,341	3,341	1,943	1,943
Total		14,974	16,389	14,945	6,859

8. Staff costs

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Wages and salaries	218,604	214,804	203,824	200,723
Social security costs	18,183	17,976	16,863	16,565
Other retirement benefit costs	26,261	25,927	25,206	25,025
Total	263,048	258,707	245,893	242,313

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 2018 amounted to €2.3m (2017: €2.2m).

Notes to the Consolidated Financial Statements

8. Staff costs (cont'd)

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 2018 Number of employees	University 2018 Number of employees	Consolidated 2017 Number of employees	University 2017 Number of employees
€60,000 – €69,999	159	157	253	251
€70,000 – €79,999	258	254	252	250
€80,000 – €89,999	274	270	219	215
€90,000 – €99,999	121	118	77	76
€100,000 – €109,999	72	71	58	55
€110,000 – €119,999	55	54	20	19
€120,000 – €129,999	13	10	8	5
€130,000 – €139,999	32	32	56	56
€140,000 – €149,999	34	34	3	3
€150,000 – €159,999	2	1	2	2
€160,000 – €169,999	5	5	2	2
€170,000 – €179,999	2	2	1	1
€180,000 – €189,999	3	3	7	7
€190,000 – €199,999	7	7	4	4
€200,000 – €210,000	2	2	2	2
€210,000 – €220,000	3	3	3	3
€220,000 – €230,000	4	4	7	7
€230,000 – €240,000	6	6	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	1,055	1,036	978	962

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

	Consolidated 2018 FTE	University 2018 FTE	Consolidated 2017 FTE	University 2017 FTE
Teaching and Research	2,331	2,331	2,285	2,285
Technical	137	137	139	139
Support services	1,135	1,135	1,077	1,077
Other	834	780	820	775
Total	4,437	4,383	4,321	4,276

Notes to the Consolidated Financial Statements

9. Other operating expenses

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Telephone and related communications	599	599	691	688
Consumables	11,159	11,230	10,455	10,480
Cost of goods sold	4,120	4,120	3,913	3,913
Computer and other equipment	8,699	8,615	10,234	10,122
Heat, light, water and power	7,694	7,694	6,808	6,808
Books and periodicals, printing & stationery	5,065	5,064	4,858	4,856
Repairs and general maintenance	4,829	4,829	5,438	5,437
Insurance	1,530	1,529	1,366	1,365
Professional services	7,599	8,421	8,834	8,881
Rent, rates & property tax	3,993	3,993	3,561	3,561
Travel and subsistence	6,029	6,027	6,426	6,423
Hospitality and entertainment	1,032	1,032	888	887
Recruitment	1,607	1,606	860	851
Capitation	1,151	1,151	1,125	1,125
Scholars and Fellows costs	480	480	376	376
Student related costs and awards	8,505	8,505	7,239	7,223
Employee related costs	2,463	2,435	2,110	2,065
Advertising & PR costs	1,748	1,810	1,551	1,495
Bank charges	784	774	621	620
Quality & Risk assessment	329	329	391	391
Service contracts	11,488	11,479	9,328	9,328
Subscriptions & Membership fees	2,098	2,098	1,578	1,577
Trinity Foundation direct expenditure	1,791	-	2,290	-
Endowment fund direct expenditure	1,100	1,100	1,171	1,171
Other expenses	6,589	11,790	7,250	11,605
Total	102,481	106,710	99,362	101,248

Other operating expenses include:

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Auditor's remuneration (including VAT)	194	156	187	144
C&AG Auditor fee	36	36	37	37
Total	230	192	224	181

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 2018 €'000	University 2018 €'000	Restated Consolidated 2017 €'000	Restated University 2017 €'000
Loan interest	1,597	1,597	1,601	1,601
Loan interest capitalised	(1,142)	(1,142)	(907)	(907)
Finance lease interest	3,481	3,481	3,500	3,500
Total	3,936	3,936	4,194	4,194

Prior year adjustments restating interest and other finance costs are set out in note 31.



Notes to the Consolidated Financial Statements

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.

Corporation tax arises in the current year on profits earned by the University's subsidiary Trinity Asia Services Pte. Limited. This tax of €125,000 on profits of a foreign subsidiary is payable to the Singapore taxation authorities.



Consolidated Financial Statements Year ended 30 September 2018

Notes to the Consolidated Financial Statements

12. Tangible fixed assets

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
Consolidated	€'000	€'000	€'000	€'000	€'000
Cost or valuation					
At 1 October 2017 – Restated*	1,166,516	17,421	21,961	191,953	1,397,851
Additions	51,719	6,482	517	8,917	67,635
Transfer from Investment Property (Note 14)	8,500	-	-	-	8,500
Disposals	-	-	-	(906)	(906)
At 30 September 2018	1,226,735	23,903	22,478	199,964	1,473,080
Depreciation					
At 1 October 2017	262,315	1,731	19,901	173,899	457,846
Depreciation for year	13,200	1,951	1,449	7,987	24,587
Disposals	-	-	-	(906)	(906)
At 30 September 2018	275,515	3,682	21,350	180,980	481,527
Net book value					
At 30 September 2017 – Restated*	904,201	15,690	2,060	18,054	940,005
At 30 September 2018	951,220	20,221	1,128	18,984	991,553

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
University	€'000	€'000	€'000	€'000	€'000
Cost or valuation					
At 1 October 2017 – Restated*	1,166,516	17,421	21,417	191,953	1,397,307
Additions	51,719	6,480	455	8,891	67,545
Transfer from Investment Property (Note 14)	8,500	-	-	-	8,500
Disposals	-	-	-	(906)	(906)
At 30 September 2018	1,226,735	23,901	21,872	199,938	1,472,446
Depreciation					
At 1 October 2017	262,315	1,731	19,385	173,899	457,330
Depreciation for year	13,200	1,949	1,428	7,987	24,564
Disposals	-	-	-	(906)	(906)
At 30 September 2018	275,515	3,680	20,813	180,980	480,988
Net book value					
At 30 September 2017 – Restated*	904,201	15,690	2,032	18,054	939,977
At 30 September 2018	951,220	20,221	1,059	18,958	991,458

*Prior year adjustments restating fixed assets are set out in note 31

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 2018, land and buildings included €203m in respect of land which is not depreciated (at 30 September 2017: €202m).

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.

Land and buildings include assets in the course of construction at 30 September 2018 of €79.1m (at 30 September 2017: €39.1m).

Fixed asset additions include €1.1m of capitalised borrowing costs (2017: €0.9m) relating to EIB loan at 1.90% interest per annum.

The University has included in land and buildings a building for which the related liabilities of €58.5m (at 30 September 2017: €58.9m) are included in payables (see notes 18/19). The net book value of this building was €51.4m at 30 September 2018 (at 30 September 2017: €52.3m).

An annual impairment review of building assets is undertaken within the University to identify assets showing signs of impairment. No assets were required to be written down in the current financial year as a result of this review. Included in land and buildings is the purchase of the Iveagh grounds for a consideration of €1.9m completed on 29 November 2017. Included within additions are capitalised borrowing costs of €1.1m relating to an EIB loan specifically funding the development of the Trinity Business School and Printing House Square student residences projects. During the year the second floor of Trinity Biomedical Sciences institute (TBSI) carried at €8.5m was transferred from commercial to academic use, the impact of which has also been reflected in note 14 - Investment properties.

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, 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 €0.94m, summarised below, were donated to the University between 1 October 2014 and 30 September 2018. 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.

	2018	2017	2016	2015	2014
Value of acquisitions by donation	€0.46m	€0.25m	€0.05m	€0.06m	€0.12m

13. Non-current investments Consolidated and University

Endowment

	Assets €'000	Total €'000
At beginning of year	188,271	188,271
Additions	15,930	15,930
Disposals	(43,638)	(43,638)
Net appreciation of investment portfolio	7,452	7,452
Total	168,015	168,015

Endowment assets

Represented by:

	2018 €'000	2017 €'000
Bonds	5	35,888
Equities	131,792	107,533
Property	27,772	26,951
Diversified alternatives	-	9,040
Infrastructure/Other	8,446	8,859
Total endowment assets	168,015	188,271

14. Investment properties

Consolidated and University

	2018 €'000	2017 €'000
At beginning of year	54,515	50,020
Net appreciation of investment properties	(285)	4,495
Net transfer to fixed assets (Note 12)	(8,500)	-
Total	45,730	54,515

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 2018 at open market value in accordance with the Royal Institution of Chartered Surveyors valuation standards.

The valuations of 3&4 South Leinster Street/18-19 Lincoln Place and the Tower at Trinity Technology & Enterprise Campus (TTEC) were updated at 30 September 2018 resulting in revaluation gains of €0.1m and €0.1m respectively. The valuations of Trinity Biomedical Sciences Institute (commercial element), Lincoln House and 37 Fenian Street were updated at 30 September 2018 resulting in revaluation losses of €0.1m, €0.3m and €0.1m respectively.

15. Trade and other receivables

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Trade receivables	4,184	4,122	6,040	3,785
Research grants and contracts receivable	49,769	49,769	39,296	39,296
State recurrent grants receivable	1,639	1,639	-	-
State capital grants receivable	938	938	3,993	3,993
Non State capital funding receivable	1,763	1,763	1,885	1,885
Prepayments and other receivables	21,387	21,546	17,063	17,387
Amounts due from subsidiary undertakings	-	3,039	-	2,246
Total	79,680	82,816	68,277	68,592

16. Inventories

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Raw materials and consumables	142	128	168	160
Finished goods for resale	427	427	431	431
Total	569	555	599	591

17. Current investments

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Short term deposits	30,000	30,000	30,000	30,000
Short term investments	2,150	167	2,166	269
Total	32,150	30,167	32,166	30,269

Short term investments

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
At 1 October	2,166	269	1,443	-
Additions	-	-	529	185
Net appreciation of investments	(16)	(102)	194	84
At 30 September	2,150	167	2,166	269

Short term investments include 3,554 shares in Spark Therapeutics valued at €0.2m (2017: €0.3m) and an Irish Life equity portfolio held in Trinity Education Endowment Fund valued at €2.0m at 30 September 2018 (2017: €1.9m).



Notes to the Consolidated Financial Statements

18. Payables: amounts falling due within one year

	Consolidated	University	Restated Consolidated	Restated University
	2018	2018	2017	2017
	€'000	€'000	€'000	€'000
Trade payables	8,654	4,533	5,372	4,580
Contract research grants and projects unexpended	83,416	83,416	79,977	79,977
Academic fees received in advance	56,565	56,565	51,211	51,211
State recurrent grants received in advance	-	-	1,786	1,786
Capital funding received in advance	3,419	3,419	3,354	3,354
Accruals and deferred income	43,444	36,490	37,180	35,007
Obligations under finance lease	629	629	444	444
Unsecured bank loans	376	376	374	374
PAYE/PRSI	6,038	5,995	5,643	5,611
Other payables	16,861	17,033	23,305	23,221
Amounts due to subsidiary undertakings	-	10,711	-	3,427
Total	219,402	219,167	208,646	208,992

Accruals and deferred income

	Consolidated	University	Consolidated	University
	2018	2018	2017	2017
	€'000	€'000	€'000	€'000
Accruals	22,281	15,454	15,538	13,365
Concession income deferred	4,125	4,125	4,563	4,563
Deferred income – Govt capital grants (note 21)	8,751	8,751	9,578	9,578
Other deferred income	8,287	8,160	7,501	7,501
Total	43,444	36,490	37,180	35,007

Prior year adjustments restating academic fees received in advance are set out in note 31

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

	Consolidated	University	Consolidated	University
	2018	2018	2017	2017
	€'000	€'000	€'000	€'000
Unsecured bank loans	145,000	145,000	145,000	145,000
Obligations under finance leases	57,833	57,833	58,463	58,463
Deferred income - Govt capital grants (note 21)	234,330	234,330	238,586	238,586
Concession income deferred	1,719	1,719	5,944	5,944
Other deferred income and retentions	2,467	1,576	1,576	1,476
Total	441,349	440,458	449,569	449,469

Notes to the Consolidated Financial Statements

20. Borrowings

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Unsecured bank loans are repayable as follows:				
Amounts due within one year	376	376	374	374
Due between two and five years	24,718	24,718	17,330	17,330
Due after more than five years	120,282	120,282	127,670	127,670
Total	145,376	145,376	145,374	145,374

Unsecured bank loans repayable includes €0.4m of accrued interest at 30 September 2018, which is payable within one year (30 September 2017: €0.4m).

Obligations under finance leases are due as follows :

Amounts due within one year	629	629	444	444
Due between two and five years	4,744	4,744	3,813	3,813
Due after more than five years	53,089	53,089	54,650	54,650
Total	58,462	58,462	58,907	58,907

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 2018 were as follows:

Lender	Amount €'000	Capital repayable	Interest rate %	Borrower
European Investment Bank	20,014	2019 - 2029	0.7% above base	University
European Investment Bank	20,006	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	1.90%	University
Total	145,376			

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 2018.

21. Deferred Capital Grants

Consolidated and University	Buildings €'000	Equipment €'000	Total €'000
Balances at 1 October 2017	245,130	3,034	248,164
Capital grants received/receivable	310	3,358	3,668
Released to Statement of Comprehensive Income	(5,820)	(2,931)	(8,751)
Balances at 30 September 2018	239,620	3,461	243,081

Notes to the Consolidated Financial Statements

21. Deferred Capital Grants (cont'd)

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

Deferred capital grants can be analysed as follows:

Consolidated and University

	2018 €'000	2017 €'000
Creditors falling due within one year	8,751	9,578
Creditors falling due after one year	234,330	238,586
Balances at 30 September	243,081	248,164

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	2018 Total €'000	2017 Total €'000
Capital		168,958	7,192	176,150	169,316
Accumulated income		11,866	544	12,410	11,993
Balances at 1 October		180,824	7,736	188,560	181,309
New endowments	7	3,341	-	3,341	1,943
Increase in market value of investments		7,112	340	7,452	4,891
Investment income for the year	6	6,758	223	6,981	6,030
Expenditure for the year		(5,020)	(27)	(5,047)	(5,613)
Total endowment comprehensive income for the year		12,191	536	12,727	7,251
Balances at 30 September		193,015	8,272	201,287	188,560
Represented by:					
Capital		179,411	7,532	186,943	176,150
Accumulated income		13,604	740	14,344	12,410
Balances at 30 September		193,015	8,272	201,287	188,560

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 2018	Opening Balance	Income	Expenditure	Income transfer To capital	Closing Balance	
	€'000	€'000	€'000	€'000	€'000	€'000	
Hitachi	2,034	70	60	56	-	74	1991
Chetwood-Aiken	2,095	37	62	-	-	99	1969
Brown Animal	2,266	4	67	67	-	4	1973
O'Sullivan Manuscripts	2,425	228	72	-	-	300	2002
Early Irish Studies	2,747	-	82	82	-	-	1996
Smurfit	2,831	-	84	84	-	-	1989
Ellen Mayston Bates Fund	3,011	39	58	-	71	26	2016
Provost's Academic Development Fund	3,682	107	109	200	-	16	1992
Nunn	3,804	766	113	62	-	817	1994
Coca Cola	3,914	2	116	116	-	2	1993
Loyola	4,161	59	124	87	-	96	2013
Reid Entrance Exhibitions	4,565	128	136	95	-	169	1888
Childhood Research	4,828	260	143	137	-	266	2005
Faculty Funds	7,532	544	223	27	-	740	2009
Iona Technologies	8,808	205	262	-	-	467	1997
Endowment Capital Development Fund	51,857	108	1,541	1,649	-	-	1995
	110,560	2,557	3,252	2,662	71	3,076	

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)

Ellen Mayston Bates Fund

This restricted permanent endowment was established in 2016 to fund a Chair in Neurophysiology of Epilepsy.

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 scholarships. 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.

Notes to the Consolidated Financial Statements

23. Restricted reserves

		Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
	Note				
Balances at 1 October		16,821	452	12,287	2,985
New donations	7	9,613	-	12,083	-
Expenditure		(16,468)	(237)	(7,549)	(2,533)
Restricted comprehensive (loss)/income		(6,855)	(237)	4,534	(2,533)
Balances at 30 September		9,966	215	16,821	452

Closing reserves comprise the following funds:

Funds held with Trinity Foundation	9,966	-	16,821	-
Funds held with the University	-	215	-	452
Balances at 30 September	9,966	215	16,821	452

24. Revaluation reserve

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'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 2017 €'000	Cash flows €'000	30 Sept 2018 €'000
Cash and cash equivalents - restated	185,615	(30,444)	155,171

University

	1 Oct 2017 €'000	Cash flows €'000	30 Sept 2018 €'000
Cash and cash equivalents	166,487	(31,473)	135,014

Cash and cash equivalents includes €4.4m (2017: €9.3m) of restricted cash in relation to joint research projects with other institutions and Trinity Endowment Fund restricted cash of €33.1m (2017: €0.1m) which will be reinvested in property and infrastructure asset classes within the investment portfolio.

Prior year adjustment restating cash and cash equivalents is set out in note 31.

26. Capital commitments

	Consolidated 2018 €'000	University 2018 €'000	Consolidated 2017 €'000	University 2017 €'000
Contracted for but not provided	50,125	1,977	84,751	5,607
Total	50,125	1,977	84,751	5,607

Consolidated capital commitments include €48.1m (2017: €79.1m) for Ghala development projects (Trinity Business School and Printing House Square residences).

Notes to the Consolidated Financial Statements

27. Lease obligations

	Consolidated	University	Consolidated	University
	2018	2018	2017	2017
	€'000	€'000	€'000	€'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	1,103	1,103	1,837	1,837
Total	1,838	1,838	2,572	2,572
Total rental income due under operating leases				
Future minimum lease income due:				
Not later than one year	3,270	3,270	3,416	3,416
Later than one year and not later than five years	14,328	14,328	14,374	14,374
Later than five years	7,469	7,469	10,101	10,101
Total	25,067	25,067	27,891	27,891

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 of the company 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 Pte. Limited: The company is limited by shares and was incorporated on 25 April 2017. The principal activity of the company 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 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 four 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: A 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.

The University of Dublin Fund: This trust was established to support the educational purposes of the University both in Ireland and the United States. The Fund allows alumni and friends of Trinity, in the United States, to financially support the educational purposes of the University.

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 was a related limited company. The main objectives of the Institute were 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 held a 33.3% interest in the share capital of the Haughton Institute. The Haughton Institute was placed in liquidation on 26 February 2018. All remaining research funds and reserves transferred to St James's Foundation Limited as agreed with the members. Neither TCD nor any other member retain a shareholding in funds transferred. During the period, Trinity College made payments of €Nil (2016/17: €43,049) to the Haughton Institute and received €82,663 (2016/17: €100,441) for services provided to the Haughton Institute. All transactions were conducted at an arm's length basis. At 30 September 2018, there was an amount of €Nil (2016/17: €Nil) due from Trinity College to the Haughton Institute and an amount of €Nil (2016/17: €9,432) due from the Haughton Institute.

MMI 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 €378,895 (2016/17: €Nil) to MMI and received €Nil (2016/17: €Nil). At 30 September 2018 there was an amount of €Nil (2016/17: €Nil) due to MMI and an amount of €Nil (2016/17: €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 2017 were €Nil (2016: €Nil) and the surplus for the year amounted to €Nil (2016: €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 made payments of €35,363 (2016/17: €Nil) to NDRC and received €Nil (2016/17: €Nil). At 30 September 2018 there was an amount of €1,538 (2016/17: €Nil) due from NDRC Limited. The net assets per their audited financial statements as at 31 December 2017 were €1,726,191 (2016: €1,990,049) and the deficit for the year amounted to €263,858 (2016: surplus of €459,684).

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 2018 there was an amount of €126,072 (2016/17: €159,767) due from The Lir. The net assets of The Lir per their draft Financial Statements at 30 September 2018 were €238,306 (2017: €291,960) and the deficit for the year amounted to €53,655 (2017: surplus of €208,235).

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 €56,527 (2016/17: €87,266) to SGI and received €266,550 (2016/17: €554,978) for services provided to SGI. All transactions were conducted at an arm's length basis. At 30 September 2018 there was an amount of €271,581 (2017: €116,338) due from SGI and an amount of €61,500 (2017: €9,359) due to SGI. The net assets of SGI per its draft management accounts at 30 September 2018 were €157,501 (2017: €232,255) and the deficit for the year amounted to €91,471 (2017: surplus of €76,061).

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, Trinity made payments of €17,360 (2017: €106,735) to the Douglas Hyde Gallery and received payments for €4,192 (2017: €36,083) in respect of rent and other costs associated with the provision of office and exhibition space in the University. At 30 September 2018, there was an amount of €2,482 (2017: €1,600) due from the Douglas Hyde Gallery and an amount of €1,794 (2017: €Nil) due to the Douglas Hyde Gallery. The net assets of the Douglas Hyde Gallery per their audited financial statements as at 31 December 2017 were €34,557 (2016: €49,350) and the deficit for the year amounted to €14,793 (2016: €23,316).

The Irish Bioeconomy Foundation (IBF), incorporated in March 2017, is a company limited by guarantee. The individual founding members are from Trinity College Dublin, University College Dublin, Limerick IT, Tipperary County Council, CMP, and Glanbia Ireland.

Notes to the Consolidated Financial Statements

28. Related Parties (cont'd)

The purpose of the Irish Bioeconomy Foundation (IBF) is to promote the conversion of goods and services from Ireland's natural land and sea capital resources to high value products for the development of a sustainable bioeconomy that is globally competitive. During the period, Trinity made payments of €5,000 (2016/17: €Nil) to IBF. The net assets of the Irish Bioeconomy Foundation per their audited financial statements as at 31 December 2017 were €1,122 and the surplus for the year amounted to €1,122.

29. Retirement benefits

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

Trinity Foundation operates a defined contribution scheme within the meaning of the Pensions Act 1990. It is called the Trinity Foundation Retirement Solution Plan. The scheme commenced on 1 February 1999. The retirement benefit charge for the period represents contributions payable by Trinity Foundation to the scheme and amounted to €0.09m (2017: €0.10m).

In addition, and in compliance with the provisions of the Pensions Act 1990 (as amended), Trinity Online Services Company Limited by Guarantee has appointed Personal Retirement Savings Account (PRSA) providers. The retirement benefit charge for the period represents contributions payable by Trinity Online Services Company Limited by Guarantee on behalf of its employees and amounted to €0.04m (2017: €0.04m).

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. 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 until 31 December 2012. This scheme is an unfunded defined benefit retirement arrangement which operates on a pay-as-you-go basis. In 2018, the passing of SI 393 of 2018 placed the Model Scheme on a statutory basis, adopting the rules for pre-existing Public Service Pension Scheme Members Regulation 2014 (SI 582 of 2014) as the rules of the Model Scheme, subject to certain modifications as specified in SI 393 of 2018.

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.

In FY2018, the passing of SI 393 of 2018 placed the Model Scheme on a statutory basis. It adopts the Rules for Pre-Existing Public Service Pension Scheme Members Regulation 2014 (SI 582 of 2014) as the rules of the Model Scheme, subject to certain modifications as specified in SI 393 of 2018 and therefore the University, on advice from its legal advisors, considers it reasonable, to refer to the State providing a "de facto" guarantee in respect of the Model Scheme. The University will seek further clarification on this issue from the HEA.

Notes to the Consolidated Financial Statements

29. Retirement benefits (cont'd)

Consolidated and University	2018 €'000	2017 €'000
Present value of plan liabilities	(1,674,748)	(1,701,923)
Non-current retirement benefit receivable (reimbursement rights)	1,674,748	1,701,923
	-	-

Analysis of retirement benefit liability	2018 €'000	2017 €'000
Master Pension Scheme	(1,018,212)	(1,054,774)
Model Scheme and Pension Supplementation	(623,838)	(623,940)
Single Public Service Pension Scheme	(32,698)	(23,209)
Present value of unfunded obligations	(1,674,748)	(1,701,923)

Changes in the present value of defined benefit retirement obligations	2018 €'000	2017 €'000
Defined benefit obligation at start of period	1,701,923	1,743,816
Current service cost	69,284	74,932
Interest cost	38,293	27,631
Contributions by scheme participants	2,325	2,222
Effect of experience adjustments on defined benefit retirement obligation	8,927	40,869
Changes in financial assumptions	(110,660)	(153,755)
Benefit payments from reimbursement rights	(35,344)	(33,792)
Defined benefit retirement benefit obligations at end of period	1,674,748	1,701,923

Changes in fair value of reimbursement rights	2018 €'000	2017 €'000
Fair value of reimbursement rights at start of period	1,701,923	1,743,816
Interest income	38,293	27,846
Return on reimbursement rights	(58,759)	(62,915)
Employer contributions	26,597	25,026
Contributions by scheme participants	2,325	2,222
Benefit payments from reimbursement rights	(35,344)	(33,792)
Administration expenses paid from reimbursement rights	(287)	(280)
Fair value of reimbursement rights at end of period	1,674,748	1,701,923

Notes to the Consolidated Financial Statements

29. Retirement benefits (cont'd)

Consolidated and University	2018 €'000	2017 €'000
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Amounts recognised in the Statement of Comprehensive Income in respect of the plan are:

Amount included in staff costs

Current service costs	69,284	74,932
Total	69,284	74,932

Amount recognised in Other Comprehensive Income

Return on retirement benefit reimbursement rights	58,759	62,915
Experience adjustments	8,927	40,869
Changes in assumptions underlying the present value of plan	(110,660)	(153,755)
Total (gain)/loss	(42,974)	(49,971)

The above amounts exclude the impact of related movements on the retirement benefit receivable which are offset against amounts stated above.

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 2018 were as follows:

Financial assumptions:

	2018	2017
Valuation method	Projected Unit	Projected Unit
Discount rate	2.30%	2.25%
Inflation rate	1.75%	1.75%
Salary increases	3.25%	3.25%
Pension supplementation	2.25%	2.25%

The discount rate of 2.30% is based on the Mercer Yield Curve Index for high quality corporate bonds which is appropriate for the duration of the liabilities of the schemes.

The assumptions relating to longevity underlying the 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

Assumed life expectations on retirement at age 65	30 September 2018		30 September 2017	
	Male	Female	Male	Female
Retiring today (age 65)	22.4	24.3	23.0	25.0
Retiring in 25 years (age 40 today)	24.6	26.5	25.8	27.9

The estimated employer contributions for the 2019 financial year are €25.0m. Employer contributions for the 2018 financial year were €26.6m.

Notes to the Consolidated Financial Statements

30. Contingent Liability

In October 2017, the University entered into two short-term nomination agreements, whereby the University is liable for the shortfall in the letting of a number of student residences. The maximum value of the liability at 30 September 2018 is €17.6m. The University does not expect any liability to be incurred as a result of these contracts as it expects all residences will be fully let as per the nomination agreements.

A submission for additional payment under the the Sectoral Employment Order (Construction Sector) 2017 (SEO), was received from the main works contractor on a capital project. The claim has not been accepted by Ghala Designated Activity Company and in light of the uncertainties surrounding the claim, no provision for any liability in respect of this claim has been made in the financial statements.

31. Prior Year Adjustments

Academic Fee Income	As previously stated 2017 €'000	Adjustment 2017 €'000	Restated 2017 €'000
Academic fees income – note 3	136,846	477	137,323
Academic fees received in advance – note 18	60,293	(9,082)	51,211
Opening unrestricted reserves		8,605	

The University has revised its policy for recognition of academic fee income, which is now fully aligned to the financial year from 1 October to 30 September and includes elements of fees relating to two different academic years. Academic fees are earned from undergraduate students from the start of Michaelmas term in late August each year. Eligible undergraduate students can register and academic fees are payable from this date covering tuition, year round access to staff and facilities, correction of exam papers and repeat exams if required. Consequently, as a result of the change in policy Trinity has recognised a net additional €1.2m of academic fee income in the current year financial statements.

The impact on the prior year financial statements was to recognise a net additional €0.5m of academic fee income in 2016/17 (note 3). The opening unrestricted reserves balance as at 1 October 2016 was increased by €8.6m to reflect the recognition of additional academic fees prior to that date in accordance with the revised policy. Academic fees received in advance (note 18) as at September 2017 was reduced by €9.1m.

Loan Interest Capitalised	As previously stated 2017 €'000	Adjustment 2017 €'000	Restated 2017 €'000
Land and buildings (Net Book Value) – note 12	902,623	1,578	904,201
Interest and other finance costs – note 10	1,601	(907)	694
Opening unrestricted reserves		671	

The University has adopted a policy of capitalising borrowing costs in the current year on the basis that the revised accounting policy provides more relevant information on the financial position. The impact on the current year was to increase additions to fixed assets (note 12) by the amount of interest capitalised; €1.1m, and reduce interest payable (note 10) by the same amount.

The impact on the prior year financial statements was to increase the net book value of fixed assets (note 12) by €1.6m and reduce interest payable (note 10) by €0.9m. The impact prior to 2017 was to increase the fixed assets net book value and opening unrestricted reserves as at 1 October 2016 by €0.7m.



Notes to the Consolidated Financial Statements

31. Prior Year Adjustments (cont'd)

University of Dublin Fund consolidation	As previously stated 2017 €'000	Adjustment 2017 €'000	Restated 2017 €'000
Cash and cash equivalents - note 25	185,331	284	185,615
Opening unrestricted reserves		284	
<p>The University of Dublin Fund is a charitable trust established in 1954 in the United States for the purpose of supporting the educational purposes of Trinity in both Ireland and the United States. The University now considers the University of Dublin Fund to be a subsidiary undertaking in accordance with FRS102 and the SORP as the activities of the University of Dublin Fund are exclusively for the benefit of the University.</p> <p>The impact on the prior year financial statements was to increase cash and cash equivalents (note 25) by €0.3m and to increase opening unrestricted reserves as at 1 October 2016 by the same amount.</p>			

The overall impact on the FY2017 financial statements as a result of the prior year adjustments noted above was as follows:

	As previously stated 2017 €'000	Adjustment 2017 €'000	Restated 2017 €'000
Consolidated			
Deficit for the year	(4,860)	1,384	(3,476)
Net assets at 30 September 2017	800,288	10,945	811,233
Net assets at 30 September 2016	805,148	9,561	814,709
University			
Deficit for the year	(9,168)	1,384	(7,784)
Net assets at 30 September 2017	779,581	10,660	790,241
Net assets at 30 September 2016	788,749	9,276	798,025

32. Events after the reporting period

A loan agreement for €100m with the European Investment Bank was signed on 5 October 2018. The drawdown schedule is yet to be finalised.

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

33. Approval of the Consolidated Financial Statements

The Board of the University approved the Consolidated Financial Statements on 27 March 2019.



Consolidated Financial Statements Year ended 30 September 2018

34. Management of and Accountability for Grants from Exchequer Funds

Research Grants

Grantor	Government Funding Department/Office	Grant Deferred/ (Due) 1/10/17	Cash Received 2017/18	Taken to Income 2017/18	Grant Deferred/ (Due) 30/9/18
Science Foundation Ireland	Dept of Jobs Enterprise and Innovation	13,198	33,766	42,346	4,618
Higher Education Authority	Dept of Education and Skills	(832)	305	253	(780)
HRB	Dept of Health	2,502	7,569	8,215	1,856
Irish Research Council	Dept of Education and Skills	2,153	6,316	6,787	1,682
Enterprise Ireland	Dept of Business, Enterprise and Innovation	1,079	4,272	6,203	(852)
Environmental Protection Agency	Dept of Communications, Climate Action and Environment	(574)	738	913	(749)
The Marine Institute	Dept of Agriculture, Food and the Marine	(3)	134	26	105
HSE	Dept of Health	82	315	257	140
Other Irish Government/State Agencies	Various Departments	(28)	246	387	(169)
Dept of Agriculture, Food and the Marine	Dept of Agriculture, Food and the Marine	(116)	417	212	89
Geological Survey of Ireland	Dept of Communications, Climate Action and Environment	53	182	312	(77)
Dept of Health and Children	Dept of Health and Children	325	2,845	322	2,848
An Roinn Ealain	Dept of Arts, Heritage, Regional, Rural and Gaeltacht Affairs	(187)	235	193	(145)
City of Dublin Education and Training Board	Dept of Education and Skills	(36)	166	155	(25)
Teagasc	Dept of Agriculture, Food and the Marine	(35)	124	179	(90)
Road Safety Authority	Dept of Transport, Tourism and Sport	17	46	38	25
Dublin City Council	Dept of Housing, Planning, Community and Local Govt	(17)	87	97	(27)
Nursing & Midwifery Planning & Development	Dept of Health	40	(12)	17	11
An Chomhairle Um Oideachas Gaeltachta agus Gaelscola	Dept of Culture, Heritage and the Gaeltacht	69	-	12	57
Irish Aid	Dept of Foreign Affairs and Trade with responsibility for Brexit	(1)	-	-	(1)
Ordnance Survey Ireland	Dept of Communications, Climate Action and Environment	149	-	79	70
Houses of the Oireachtas	Dept of the Taoiseach	129	-	112	17
Total Exchequer Research Grants		17,967	57,751	67,115	8,603
Total Non-Exchequer Research Grants		19,339	36,880	36,302	19,917
Total per Research accounts		37,306	94,631	103,417	28,520
Other Adjustments		3,375	(1,985)	(3,737)	5,127
Research grants and contracts per Financial Statements		40,681	92,646	99,680	33,647

Capital grants

The University received grant income of €3.1m (FY16/17: €3.0m) 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:





Financial Services Division

Trinity College Dublin, the University of Dublin
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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 2018 as required under the provisions of the Universities Act 1997. The financial statements on pages 19 to 50 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 2018 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 asset

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 (€1,018 million) and the Single Public Service Pension Scheme (€33 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of a deferred pension funding 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 conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. 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*.

In conducting my audit, I seek to rely on evidence from an audit of the financial statements by auditors engaged by the University.

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, the statement of governance and internal control and (on page 51) the statement on management of and accountability for grants from Exchequer funds.

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.

Provision in respect of unpaid student fees

The statement on governance and internal control (page 11) discloses that due to incomplete reconciliation of student fees in prior periods, there was a failure to pursue outstanding amounts in certain circumstances. The 2017/18 financial statements include a provision of €1.2 million in respect of fees which the University has concluded will be difficult to recover. The statement sets out the steps being taken to recover the amounts outstanding and to address the weaknesses identified.

Non-compliance with procurement rules

The statement on governance and internal control (page 11) discloses that the University incurred significant expenditure on goods and services the procurement of which was not compliant with the relevant procedures.

Seamus McCarthy
Comptroller and Auditor General

29 March 2019

Appendix to the report

Responsibilities of Board members

The members are responsible for

- the preparation of financial statements in the form prescribed under the Universities Act 1997
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- 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.

Responsibilities of the Comptroller and Auditor General

I am required under the Universities Act 1997 to audit the financial statements of the University and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I

am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the University to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.