



Trinity College Dublin, the University of Dublin

Consolidated Financial Statements
Year ended 30 September 2020



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Consolidated Financial Statements Year ended 30 September 2020

Chief Financial Officer's Report

I am pleased to present the Consolidated Financial Statements of Trinity College Dublin, the University of Dublin (the University, Trinity), as approved by Board on 24 March 2021. 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 (2019), 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 2020.

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 25 to 30.

The summary results for 2019/2020 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 deficit of €25.6m in 2019/20, which compares to surpluses of €5.7m in 2018/19 and €0.9m in 2017/18 and deficits of €3.5m and €9.4m in the preceding 2 years respectively. Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to €8.6m in 2019/20, which represents a 38% decrease on prior year EBITDA of €13.8m. Excluding investment gains and losses and taxation, the University recorded a deficit of €16.4m in 2019/20 which compares to a deficit before other gains and losses and taxation of €7.2m in 2018/19.

Table 1 Summary Results					Restated***	
	5 year trend lines	2020 €m	2019 €m	2018 €m	2017 €m	2016 €m
State grants		50.5	50.4	48.7	44.5	44.0
Academic fees		163.7	153.1	149.0	137.3	130.5
Research grants and contracts		99.3	101.4	99.7	100.1	92.2
Other income		41.4	64.3	59.8	53.4	50.6
Investment income *		6.4	7.0	7.0	6.0	6.8
Donations and endowments		27.8	20.5	15.0	14.9	11.7
Total income**		389.1	396.7	379.2	356.2	335.8
Staff costs		279.7	271.5	263.0	245.9	234.7
Other operating expenses		100.8	111.4	102.5	99.4	92.7
Total operating expenses		380.5	382.9	365.5	345.3	327.4
Earnings before interest, tax, depreciation and amortisation (EBITDA)		8.6	13.8	13.7	10.9	8.4
Less:						
Depreciation and impairment (net of amortisation)		(19.7)	(16.8)	(15.8)	(20.1)	(34.4)
Net interest income / (payable)		(5.3)	(4.2)	(4.0)	(3.9)	(4.6)
Taxation		(0.0)	(0.2)	(0.1)	-	-
Deficit before other gains and losses		(16.4)	(7.4)	(6.2)	(13.1)	(30.6)
Plus:						
(Loss)/Gain on revaluation of investment property		(2.9)	0.9	(0.3)	4.5	11.6
(Loss)/Gain on investments		(6.3)	12.2	7.4	5.1	9.6
(Deficit)/Surplus for the year		(25.6)	5.7	0.9	(3.5)	(9.4)

*Investment income excludes interest income

** Total income excluding amortisation of capital grants and interest income – see Fig. 1

***Restatements of prior years are due to changes in accounting policies which have been applied retrospectively

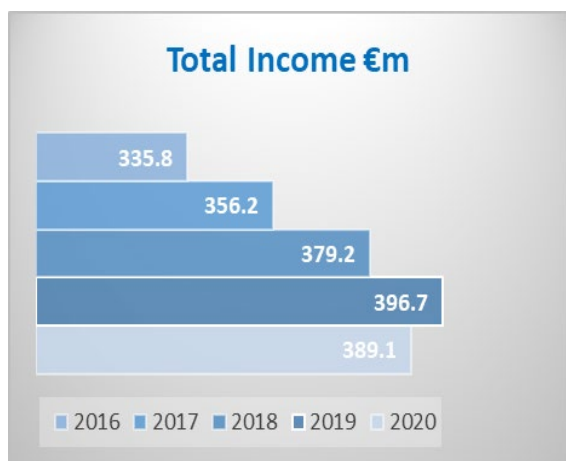


Fig 1

Consolidated income (excluding amortisation of capital grants and interest income) of €389.1m (2018/19: €396.7m) represented a decrease of €7.6m or 1.9% in the year, reflecting the significant impact of COVID-19 on Trinity's non-exchequer income streams.

Academic fee income of €163.7m in 2019/20 represented an increase of €10.6m in the year, reflecting a 2.9% growth in student numbers from 18,407 in 2018/19 to 18,941 in 2019/20, with non-EU students comprising 17% of the total student base.

Research income of €99.3m (2018/19: €101.4m) decreased by €2.1m. Other income of €41.4m decreased by €22.9m on the prior year, driven mainly by the impact of COVID-19 on Trinity's commercial revenues.

Year	EU	Non-EU	Total
2019/20	83%	17%	18,941
2018/19	83%	17%	18,407
2017/18	85%	15%	18,081
2016/17	87%	13%	17,630
2015/16	89%	11%	17,511
2014/15	90%	10%	17,080

Donations and endowment income increased in 2019/20 to €27.8m (2018/19: €20.5m) which represents an increase in new funding of €7.3m. State grant income, which remained constant at €50.5m (2018/19: €50.4m), is net of the removal of income for pension supplementation from January 2020 onwards reflecting the accounting treatment consistently applied across the sector.

Table 2 Student Mix and Student Numbers

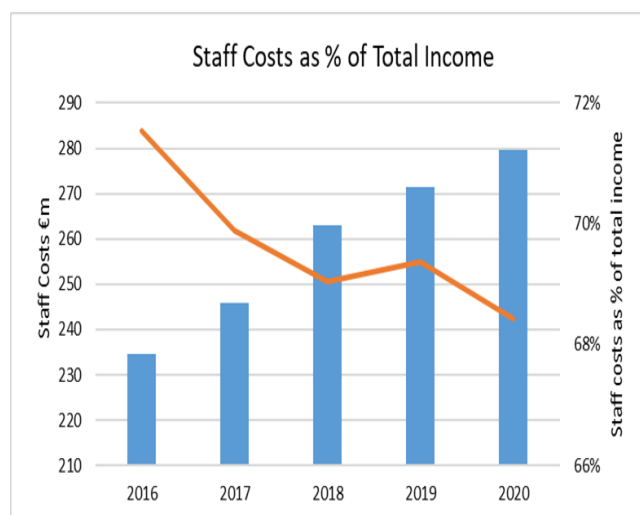


Fig 2

Consolidated expenditure (excluding depreciation and interest payable) for the year amounted to €380.5m (2018/19: €382.9m), a decrease of €2.5m in the year. Staff costs increased by €8.2m in the year driven by accelerated pay restoration approved by the State under the Lansdowne Road Agreement (pay increment of 1.75% effective from September 2019) and annual increments, partially offset by lower headcount (academic, research and commercial) and lower Pension Supplementation included for FY19/20. Staff costs represented 71.9% of total income (2018/19: 68.4%). Other operating expenses decreased by 9.6% year on year, which was mainly due to savings in operational costs across the university and lower costs due to reductions in commercial and research activity. See notes 8 and 9 of the Consolidated Financial Statements for a further breakdown of Staff Costs and Other Operating Expenses.

Capital Expenditure and Cashflow

In 2019/20 the University invested €67.3m in capital expenditure including €39.3m on strategic property acquisitions. The University continued to invest in key infrastructure projects, including Printing House Square student accommodation, E3 Learning Foundry (an ambitious and innovative project to integrate engineering, technology and science expertise) and Trinity East (development at Grand Canal Quay), albeit activity was curtailed given the impact of site closures due to COVID-19. The scale of investment demonstrates a continued commitment to build a world leading campus for our students and staff and future development plans continue to prioritise targeted growth in these areas.

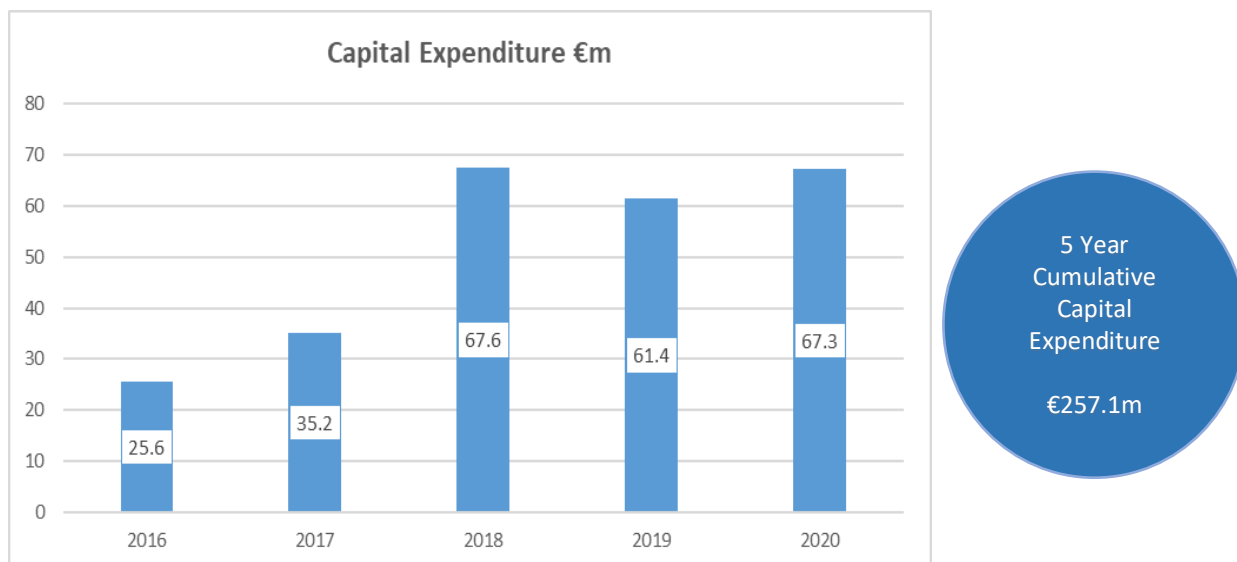


Fig 3

The University continues to maintain strong liquidity. Cash balances and short-term deposits amounted to €140.1m at 30 September 2020 (2019: €196.7m). This reduction of €56.6m in the year was driven by capital expenditure (partially offset by new debt financing) and lower working capital due to the later start date of the FY20/21 academic year (which had an impact on academic fees received by 30 September). We remain in a strong position to fund the current capital programme and complete the Endowment Fund portfolio restructuring in line with the approved investment strategy. The University has a comprehensive Treasury Policy in place, which is regularly reviewed by the Finance Committee to ensure that risk is minimised.

Borrowings of €21.5m were drawn down in the year to finance strategic property acquisitions. As at 30 September 2020, total University borrowings amounted to €226.8m (excluding finance leases), and the debt gearing ratio was at 36% of net assets, up from 32% at 30 September 2019.

The University complied with all its loan 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

	2020	2019	2018	2017	2016
Debt as a % of net assets	36%	32%	25%	25%	25%

Research Grants and Contracts

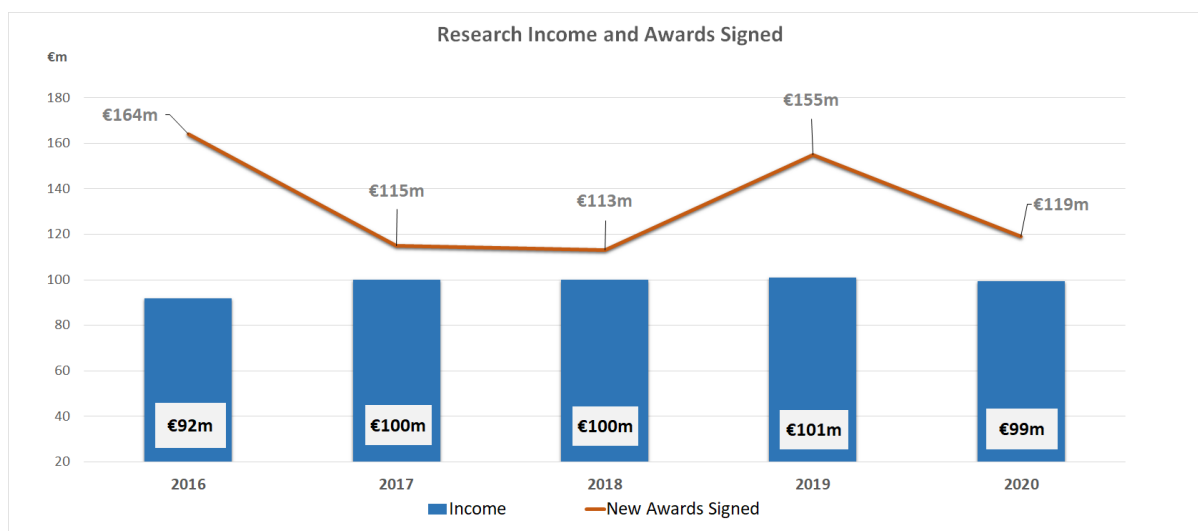


Fig 4

Consolidated Financial Statements Year ended 30 September 2020

The level of research income for 2019/20 recorded in the Consolidated Financial Statements (measured based on research expenditure during the year and not grant income received) of €99.3m is a decrease of €2.1m (2%) on prior year levels. The value of new awards secured in the year amounted to €119m (2018/19: €155m). New awards in 2019/20 were particularly impacted by limited availability of Science Foundation Ireland calls. In 2019/20 the Exchequer: non-Exchequer ratio of research income was 56:44 (2018/19: 54:46).

Trinity’s success in attracting EU funding has continued throughout 2019/20 with the value of new awards funded under the Horizon 2020 (H2020) programme amounting to €29m (2018/19: €27m). The University continues to lead out nationally in H2020 and has now secured a total of €141m in funding since 2014, which exceeds its total drawdown from the previous Framework 7 Programme. Trinity’s ranking in Europe, in terms of Horizon 2020 EU contribution across all organisations, is 54th out of almost 33,000 institutions from 158 territories and countries with a global ranking of 34th in terms of Europe HEIs. Trinity has also secured 50% 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. As a member of LERU (League of European Research Universities), the University contributes to influencing policy at European Union and Member State level as a prestigious network rather than individually and develops best practice between members and agrees collaborative actions. While the research environment remains competitive and Trinity is well positioned in terms of EU funding success rates, the challenge for the future will be to maintain our ranking in Europe whilst also positioning ourselves for Horizon Europe. (Horizon Europe, will, in line with the EU’s Multiannual Financial Framework extend from 2021-2027).

The rate of indirect costs (20%) compared to the Full Economic Cost (FEC) rate of 59% continues to challenge the University’s research support mechanisms and is an annually occurring funding gap that needs to be addressed.

Trinity Endowment Fund

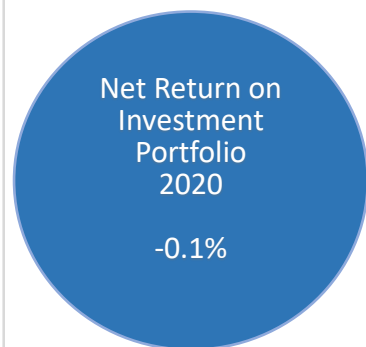
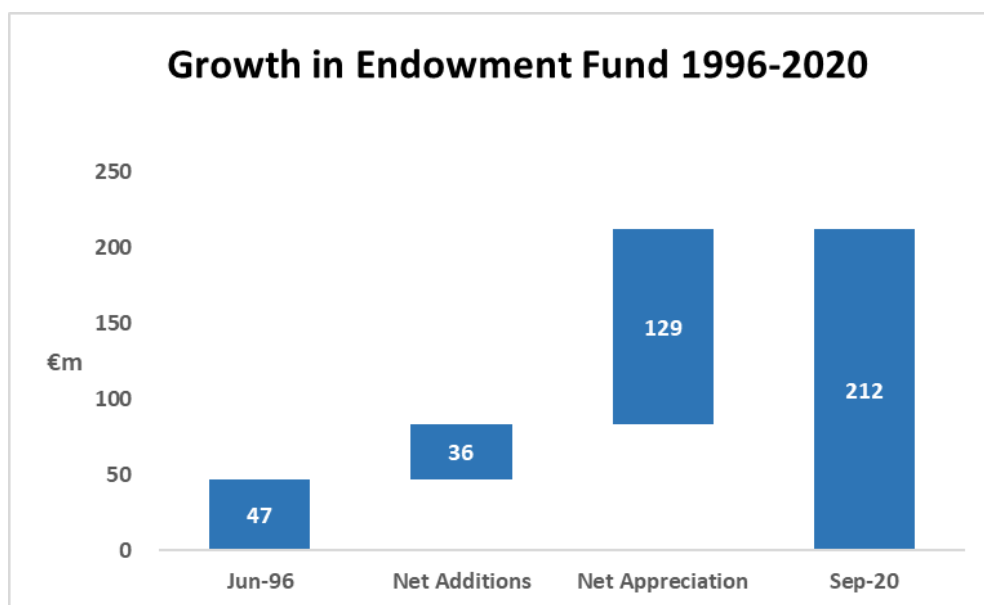


Fig 5

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 (net assets) held by the Endowment Fund amounted to €212m at 30 September 2020.

Since 1996 the Fund has received €36m in new endowments (€1.1m FY19/20) and has delivered €129m 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
2020	-0.1%	0.2%
2019	9.4%	10.2%
2018	7.5%	9.2%
2017	5.8%	4.8%
2016	10.0%	9.8%

* Annualised Returns (net of management fees)
** Aggregate Benchmark Returns

The Fund generated a near breakeven return of -0.1% in FY19/20, reflecting the volatile market returns due to the significant impacts of COVID-19 from March 2020 onwards. The net assets of the Fund were €212m at 30 September 2020 (2019: €216m) and have generated an income contribution to the University of €6.4m. Table 4 outlines the Endowment Fund’s actual performance against a benchmark aggregate return by year from 2016 to 2020. Following a detailed review in 2017, the Fund has been significantly restructured to divest its fixed income holding and invest in international infrastructure and international property assets. The Fund was fully divested from bond holdings in October 2019 and continued with investments of c€15m and c€12m in

international infrastructure and international property assets respectively, which had commenced in late 2018. At 30 September 2020 the Fund had invested €5.5m in international infrastructure funds with a remaining €9.5m committed and expected to be invested over the next 3-18 months. Similarly, at 30 September 2020, the Fund had invested €6m in a European Property Fund, with the remaining €6m committed to another international property fund and which was fully invested in December 2020.

Procurement

Delivery of the Procurement Strategy continues, with estimated savings of c.€0.9m achieved in 2019/20 (FY18/19: c.€2m) across all categories of spend. The year 2019/20 saw 130 separate tenders and competitive processes which is down from 144 in FY18/19 but still significant given the major disruption to standard onsite activities during the year due to COVID-19.

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 2020 and they have qualified the audit opinion on this basis. It should 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 has again sought further clarification from the HEA regarding 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 targets as set out in the University’s 5-year Strategic Plan 2020-2025. A number of KPIs were adversely impacted by COVID-19 in FY19/20, and we will continue to see negative impacts on the University finances in FY20/21, but we see strong resilience in the University’s medium to longer term position, and we maintain focus on delivering on all of our KPI targets by 2025.



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FRS102							
KPI's	2025 Target	RAG Status	2020	2019	2018	2017 restated	2016 restated
EBITDA ¹ as % of income ²	8.0%	R	2.2%	3.5%	3.6%	3.1%	2.5%
Total Surplus as % of income ²	1.0%	R	-6.6%	1.4%	0.2%	-1.0%	-2.8%
Exchequer/Non Exchequer Income ³	37:63	A	39:61	39:61	40:60	41:59	43:57
Net Assets	€800m	A	€792m	€818m	€812m	€811m	€805m

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)

Strategic Plan 2020-2025

In March 2020 the University published its new 5-year Strategic Plan 2020-2025 titled Community and Connection. In the new plan we remain committed to the University's mission to deliver research of international impact, and a student experience underpinned by quality teaching and access to excellent student services. We will continue to invest strategically in world class infrastructure and facilities which will underpin our growth and drive future success. These investments, funded mainly by philanthropic support and long-term financing from our partners in the European Investment Bank, will deliver financial returns in line with carefully planned and managed business cases. In addition, we are also committed to delivering longer term strategic investments such as the new Trinity East campus on the TTEC site at Grand Canal Quay and the Old Library redevelopment. We will continue to focus on our core strategy of growing non-exchequer income across four key engines – research income, global relations, commercial revenues and philanthropic income. We will also continue to focus strongly on improving efficiency in our operations and support functions and reducing operating costs through investment in best-in-class IT systems and processes.

While COVID-19 has had a short-term impact on the University finances, we remain absolutely committed to improving the quality of the student experience in the University and to maintaining Trinity's position as a world class centre of research.

We will continue to be flexible and adaptable to economic conditions in managing the finances of the University, and meeting opportunities to enhance the academic mission as they arise.

Conclusion

In the financial year 2019/20 we saw significant challenges arising from the impact of COVID-19 on University activities. While activities on the Campus were severely curtailed in March 2020 following the outbreak of the Pandemic, the University continued to operate successfully with the support of online technology. Throughout the year, the University played a major role in supporting the wider response to the pandemic, with a combination of direct support to frontline activities and world leading research activities.

While COVID-19 had a significant impact on the University's non exchequer revenue streams during the year, particularly in relation to commercial income, we have been able to partially mitigate these losses through prudent management of the University finances and with a strong focus on control of operating costs. While we expect the pandemic to continue to adversely impact the University's finances in FY20/21, we remain focused on our academic mission and the objectives in our 5-year Strategic Plan. It is very encouraging that we continue to see strong demand from students, both domestically and internationally. While overall student registrations increased by 2.9% in FY19/20 (pre COVID), we did not see a significant reduction in student registrations for the current academic year FY20/21.

However, while demand for Trinity education and research remains stronger than ever, there are still major challenges in achieving the income required for a globally competitive research University. While Government supports for COVID impacts in 2020 were greatly welcomed, significant additional funding will be required from the Government to address the shortfall in public funding per student (which is only 40% of 2008 levels) and to meet anticipated growth in demographic and participation rates. Exchequer income has declined from 70% of the University's total income in 2008 to 39% in 2020 and the financial outlook for the University will continue to remain uncertain unless the Government commits to long-term funding or lifts the cap on undergraduate student fees. Furthermore, a globally competitive research University needs a national Research & Development funding environment where its academic staff can compete for research contracts: Ireland's public funding of research has fallen by 21% since 2008.



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With the rollout of vaccines expected to deliver some return to normality by the end of 2021, we are confident that Trinity is well positioned to emerge strongly from this crisis and to continue to deliver on our strategic objectives. We will continue to invest strategically in the University's infrastructure to underpin our growth and to drive future success. As outlined in the University's Strategic Plan 2020-2025, we will continue to focus on income generating strategies on delivering further returns from our ongoing investment in capital programmes. 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.

Peter Reynolds
Chief Financial Officer

24 March 2021



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

24 March 2021

PETER REYNOLDS
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 response to the COVID-19 Pandemic the Major Emergency Management Team was invoked. New management structures were established and are being kept under constant review as the situation evolves. These groups focus on scenario planning, the continuation of research and teaching, the financial impact on the University, the supports for students; in particular international students, and the benefits that may be realised at a future time from the lessons learned in the Pandemic. The University continues to operate in keeping with Government directives and national public health guidelines with the majority of teaching moved online and all non-essential staff working remotely as appropriate. Management is satisfied that there has been no material impact on the control environment as a result of the pandemic. There have been some significant changes made to IT services to support the activities of the University as staff and students predominantly work and study from home including Microsoft Teams and Two Factor Authentication which were deployed to staff just prior to the onset of the pandemic. In addition, various supports were put in place to assist with remote and virtual working including the development of detailed guidelines on remote teaching and learning and tailored training sessions for staff in the use of technology. A COVID-19 Risk Register, which feeds into the University's High-Level Risk Register, has also been developed and is kept under review.

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:
 - Trinity operates in accordance with the Universities Act 1997 and the Trinity College Dublin (Charters and Letters Patent Amendment) Act, 2000; and the meetings of the Board are held in accordance with Consolidated Statutes 2010. Formally, the Board is responsible for the adoption of the University's Strategic Plan, approval and oversight of key strategic initiatives and policies, oversight of major Capital Projects, and the adoption of Annual Financial Statements. The implementation of the strategy and day to day decisions are conducted by the Provost and other Officers and by the Executive Officer Group (chaired by the Provost) and the Planning Group (chaired by the Vice-Provost/Chief Academic Officer).
 - 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 profiles of major projects supported by the Capital Review Group (CRG) and available risk registers for specific high impact projects prior to and during, the implementation of these major projects;
 - Control Exception Reports are compiled by the Financial Services Division and considered by the Finance Committee on a bi-annual basis;
 - 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 on an annual basis 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, a further review is also planned; and
 - Procedural manuals and guidelines on University activities are available to all staff.



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- (ii) The following processes are used to identify organisational risks and to evaluate their financial implications:
- A revised Risk Management Policy was adopted by Board in May 2019. This updated policy is being implemented as part of the Risk Management Framework, which was approved by the Risk Management Group, presented to the Audit Committee for information and noting prior to approval by the Board. The Risk Management Policy is clear with respect to ownership and responsibility for implementation of its requirements across all areas of the University, both academic and administrative. The Policy clearly outlines the process and responsibility for the assessment and management of risk, including the financial implications thereof, in a structured manner;
 - The Risk Management Group, is a sub-committee of the Executive Officers Group which considers and reviews the High-Level Risk Register for the University on a regular basis;
 - The Board is made aware of the University's material High Risks and risk owners and the steps being taken to manage these 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 as part of the Risk Management Framework. The Framework is driven by the Chief Risk Officer with support from the academic and professional leadership within the University;
 - All major proposals being presented to Board include a project risk assessment which includes associated financial risks;
 - Both the inter-institutional bodies, of which the University is a member, and Trinity subsidiary companies are required to 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. Financial training is available to staff to attend if they wish. Policies and procedures are regularly reviewed and updated as appropriate;
 - Memberships of the following committees include finance professionals, or persons with significant financial expertise:
 - 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



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project must follow including project approval, prioritisation and review management. 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; and

- The business cases for all projects with a value of €50,000 or more are reviewed by the 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;
 - It is confirmed that the annual assurance process to ascertain statements of assurance from Heads of Division, Faculty Deans, Heads of School, Heads of Areas and Chairs of Committees to review the effectiveness of internal controls was conducted at the end of the financial year;
 - 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 receives reports from the Internal Auditor on the status of internal controls; these reports are carried out in accordance with a work programme approved 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; and
 - Reports from the University's external auditors and the Comptroller and Auditor General which are reviewed by the Audit Committee and Finance Committee.
 - 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 faculties and divisions) and demonstrating the value of risk management as a valuable tool in optimising performance.
- (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 2020 and that no material issues relating to the effectiveness of the system of internal control have been identified which require disclosure in this statement.
 - In the course of the year the Audit Committee considered correspondence from an external party and concluded that no further action was required, other than some operational matters which were referred to management for consideration and action.
 - In the interest of transparency, the following breaches of internal control have been identified in the year.
 - During the year under review, there were three breaches of information security processes deemed reportable to the Data Protection Commission (DPC) based on the criteria for reporting. These breaches were reported to the DPC. The DPC has acknowledged and closed all breach reports. There are no current legal actions against the University, or investigations underway, in respect of data breaches.
 - During the year ended 30 September 2020, tenderable expenditure totalled €77 million. Of this, €0.810m (1% of total expenditure) did not comply with current procurement legislation in relation to public tendering requirements, €0.628m of which was self-declared and €0.182m identified by the audit. During the year, the University engaged the services and frameworks of the Office of Government procurement (OGP) and the

Consolidated Financial Statements Year ended 30 September 2020

Education Procurement service whenever applicable. The University continues to work towards full compliance with all relevant guidelines.

In accordance with Code of Governance for Irish Universities 2019 and the Reporting Template for the Annual Governance Statement from Universities to the HEA 2019, 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.
- (ii) **Code of Governance and Codes of Conduct:** The Board, at its meeting of 27 March 2019, adopted the Code of Governance for Irish Universities 2019. The current Code of Conduct 2012 for Members and Employees is in place and implemented. This Code of Conduct contains clear policies for the University regarding conflicts of interest and ethics. A working group has been established to prepare a revised code in respect of the Governance of the University, along with a code of conduct for Board members and staff of the University which will be in keeping with the approved 2019 Code. It is envisaged that the Trinity Code of Governance will be approved by the end of the academic year.
- (iii) **Financially Significant Developments:** In the past financial year, we have seen significant challenges arising from the impact of COVID-19 on the University's non-exchequer revenue streams, particularly in relation to commercial income. We have been able to partially mitigate these losses through prudent management of the University finances and a strong focus on control of operating costs. The Government's Covid-19 financial support package in 2020 was also welcomed. Trinity is well positioned to emerge strongly from this crisis to continue to deliver on our strategic objectives.

We continue to invest strategically in the University's infrastructure and deliver further returns from our ongoing investment in capital programmes. In line with this strategy the University acquired properties at Clare Street (€1.8m), Stack B (€16m), and through its subsidiary Ghala DAC, a property adjacent to the Trinity East site (Connaughton Building €21.5m) during the year. These properties are included as additions under Land and Buildings and are funded from loans received from the European Investment Bank and Legal & General.

On 11 September 2020, Trinity contracted to sell a property at Grand Canal Quay in excess of its carrying amount and to purchase an adjacent property from the same party. These transactions will be recognised in FY21. Cash consideration of €5.64m will also be received on legal completion in FY21.

To mitigate COVID-19 risks the University also put in place additional financing options post year-end including a revolving credit facility (RCF) of €40m and a top-up loan facility with EIB of €80m. These facilities have no drawdown commitments. There were no other significant financial developments affecting Trinity in FY19/20.

During the year, several claims and counterclaims between the main works contractor and Ghala DAC, a subsidiary of the University, on one of the company's development projects progressed. After year-end, these claims have entered a conciliation process as set out in the dispute resolution section of the contract. No provision for any liability in respect of these claims has been made in the financial statements for the year ended 30 September 2020.

External consultancy/adviser fees paid to external parties during the past financial year comprise of legal fees €1.5m, tax and financial advisory €0.18m, and other advisory/consultancy services €1.0m.

The University continues to operate in a sustainable manner and the financial statements are prepared on the going concern basis. With ongoing management of risks and a strong focus on our operational cost base, we are confident that the University will remain a going concern and that the University has adequate resources to continue in operation for the foreseeable future.

- (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 Further and Higher Education, Research, Innovation and Science 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 Further and Higher Education, Research, Innovation and Science 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.



Consolidated Financial Statements Year ended 30 September 2020

The University confirms that no severance payments have been made without the consent of Department of Further and Higher Education, Research, Innovation and Science and that the University has in place arrangements for ensuring that external work undertaken by employees does not impact upon the performance of core contracted duties.

- (v) **Financial Reporting** In regard to financial reporting and related matters, the following is confirmed:
- All appropriate procedures for the production of the annual financial statements are in place.
 - The Finance Committee has three financially experienced external members.
 - The University reports through the annual financial statements and the specific disclosures required by the Code of Governance for Irish Universities 2019.
 - The University confirms that foundations and trusts have been incorporated into the consolidated financial statements of the University.
- (vi) **Internal Audit:** In relation to Internal Audit the following is confirmed:
- (i) All appropriate procedures for internal audit are being carried out and a comprehensive internal audit programme is in place.
- (ii) An Audit Committee has been in place since 1998 and currently has an independent, external Chairperson, two independent external members, of which one post was vacant however this has been filled since year-end, and reports annually to the Board. The work of the Committee is supported by an independent internal audit function that reports directly to it.
- (vii) **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 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 and to the Education Procurement Service (EPS) whenever applicable.
- ii. **Procurement non-compliance:**
The University confirms that procedures are in place to detect non-compliance with procurement procedures including confirmation that a contracts database/listing for all contracts/payments in excess of €25,000 with monitoring systems is in place to flag non-compliant procurement. 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, training is provided by the Financial Services Division, and is available for staff to attend if they wish.
- iii. **Non-competitive procurement:**
During the year ended 30 September 2020, tenderable expenditure totalled €77 million. Of this, €0.81m (1% of total expenditure) did not comply with current procurement legislation in relation to public tendering requirements. Over 30% of the non-competitive procurement expenditure (€0.253m) identified by the University stems from a delayed collaborative Patent Services tender. This contract will be tendered in 2021 via the OGP. The University continues to work towards full compliance with all relevant guidelines.
- iv. **Corporate procurement plan (CPP):**
A new 2020-25 Procurement Strategy is envisaged to be delivered in the first half of 2021. This will build on the 2015-2019 strategy and take account of the new University Strategic Plan that was launched in 2020.
- v. **Office of Government Procurement:**
The policy of active engagement with all relevant government agencies continues.
- (viii) **Asset Disposals:** Asset disposal is governed by established University procedures. To the best of our knowledge and belief, Trinity confirms that all appropriate procedures for asset disposals are being carried out, and that details of and explanations for the disposals of assets or grants of access to property or infrastructure for commercial arrangements with third parties above the threshold of €150,000 which have not been subject to auction or competitive tendering process, have been provided.

- (ix) **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 the Capital Review Group which includes in its membership the Bursar/Director of Strategic Initiatives, the Chief Operating Officer, and the Chief Financial Officer. A dedicated Project Management Office manages major projects through a series of approval stage gates in order to ensure that all such projects are properly approved and carefully monitored. In addition, for very large projects the Board appoints an Independent Board Monitor whose sole role is to report to the Board. The University adheres to the Capital Works Management Framework, a best practice model overseen by the Government Contracts Committee for Construction.
- (x) **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.
- (xi) **Guidelines on Achieving Value for Money in Public Expenditure:** The University has followed the guidelines on achieving value for money in Public Expenditure as set out in the Department of Public Expenditure and Reform Public Spending Code.
- (xii) **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.
- (xiii) **Confidential Disclosure Reporting – Protected Disclosures Act 2014:**
In line with legislation, Trinity has procedures in place for confidential disclosure reporting whereby employees may, in confidence, raise concern about possible irregularities in financial reporting or other matters and for ensuring meaningful follow-up of matters raised in this way.
- 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.
 - Trinity confirms that the annual report required under section 22(1) of the Act has been published.
 - There were no Protected Disclosures received in the financial year 2019/20.
- (xiv) **Child Protection:** The University promotes awareness of the Child First Legislation at all times. The Board approved a Child Protection Policy on 29 February 2012 and it is envisaged that a revised policy will be brought through management structures for approval by the end of the current academic year. Specific Child Protection Training is being delivered on a scheduled basis.
- (xv) **Board Fees and Expenses:** No fees are paid to members of the Board.
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 2019/20.

The Provost was paid a salary of €209,119 in the period 1 October 2019 to 30 September 2020. 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.
- (xvi) **Subsidiaries and interests in external companies:** We confirm that the Boards 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.
- The University confirms that any subsidiary of the University (or subsidiary thereof) continues to operate solely for the purpose as approved by the Board, and remains and continues to remain in full compliance with the terms and conditions of the consent under which it was approved.
 - The University confirms that an appropriate code of governance is in place or is being developed in respect of trading subsidiaries (i.e. subsidiaries with annual turnover and employees), with annual financial statements provided to the Board.
 - Details of any shareholdings and interests held by the University in related parties are outlined in Note 28 – Related Parties to the financial statements.

(xvii) **Data provided to HEA**

Trinity confirms that the University has satisfied itself as to both the integrity and robustness of any data on student numbers provided to the HEA for the purpose of calculating and allocating the core grant, and to the integrity and robustness of staff numbers provided to the HEA as required.

(xviii) **Intellectual Property (IP) and Conflict of Interest**

(i) The University's IP Policy, Practice and Regulations on Intellectual Property 2018 (approved January 2019) is available on the website <https://www.tcd.ie/about/policies/assets/pdf/Intellectual-Property-Policy-2018.pdf>

This IP Policy, Practice and Regulations on Intellectual Property:

- i. Reflects the requirements of the national IP Protocol.
- ii. Clearly sets out all IP processes and researcher obligations.
- iii. Includes a clear description of IP commercialisation decision-making processes.
- iv. Includes a clear dispute resolution process.
- v. Describes revenue share mechanisms.
- vi. Describes potential for conflicts of interest and directs researchers to the relevant sections of the HEI's Conflict of Interest Policy.

(ii) The University confirms that the Board is made aware of all IP commercialisation and IP conflicts of interest on an annual basis. All IP commercialisation (including declarations of interests) is reported to the University through the Director of Trinity, Research and Innovation (TR&I) to the Vice Provost/CAO. Going forward, the 2020 TR&I annual report to the Board shall highlight how conflicts of interest were considered.

(iii) Details of all commercialisation of intellectual property including spin-out companies are reported quarterly to Knowledge Transfer Ireland/Enterprise Ireland and annually through the Annual Knowledge Transfer Survey (AKTS).

(xix) **Board Meetings:** Confirmation of the number of Board meetings held during the academic year 2019/20 and the attendance record of members is outlined below.

There were 11 meetings of the Board in the financial year 2019/20, attendance noted below.

Ex-officio members:

Provost (Dr Patrick Prendergast) (11), Vice-Provost/Chief Academic Officer (Professor Juergen Barkhoff) (11), Senior Lecturer/Dean of Undergraduate Studies (Professor Kevin Mitchell) (11), Registrar (Professor Paula Murphy) (8), Registrar Professor Brendan Tangney (2) *, Bursar/Director of Strategic Innovation (Professor Veronica Campbell) (11).

Elected members:

Professor Deirdre Ahern (11), Professor Sarah Alyn Stacey (9), Professor Louis Brennan (10), Professor Andrew Burke (9), Mr Kevin Byrne (4)***, Professor Sylvia Draper (5), Ms Stephanie Farrell (9), Dr Darren Fayne (11), Professor Daniel Faas** (3), Mr David Grouse (11), Mr James Keogh (4), Professor Kathleen McTiernan (9), Professor Rachel Moss (11), Professor Brian O'Connell (11), Professor Eunan O'Halpin (11), Professor Diarmuid R Phelan (9), Professor Aidan Seery (11), Professor Fintan Sheerin (9).

External Members:

Ms Jill Donoghue (9)

1 Vacancy

Student Members:

Ms Laura Beston (11), Ms Aisling Leen (11), Ms Niamh McCay (10), Ms Shaz Oye (11).

Among others, and in addition to the policies mentioned above, the following policies were approved by Board during the financial year 2019/20:

- Lone Working Policy;
- Revised House Purchase Loan Policy;
- Revised Web Policies and Cookie Policy.

* Professor Brendan Tangney joined the Board in May replacing former Registrar Professor Murphy

** Professor Faas joined the Board in November 2019 following the resignation of Professor Draper from the Board to take up position of Faculty Dean.

*** Mr Byrne joined the Board in April 2020 replacing Mr Keogh who retired from the University.

Consolidated Financial Statements Year ended 30 September 2020

- (xx) **Audit Committee Meetings:** Confirmation of the number of Audit Committee meetings held in the financial year 2019/2020 and the attendance record of members is outlined below.

There were 8 meetings of the Audit Committee in the financial year 2019/2020, attendance noted below.

External Members:

Dermot McCarthy (Chair) (8), Bridget Collins* (5)

Members Attendance:

Professor Linda Hogan (5), Professor Richard Reilly (7), Professor Andrew Burke (8)

* Ms Bridget Collins joined the Audit Committee in February 2020

Please note the Audit Committee had a vacancy for an external member during the year, however this has been filled since year-end.

- (xxi) **Finance Committee Meetings:** Confirmation of the number of Finance Committee meetings held in the financial year 2019/20 and attendance record of members is outlined below.

There were 6 meetings of the Finance Committee in the financial year 2019/20, attendance noted below.

Members Attendance:

Provost (Dr Patrick Prendergast) (Chair) (5), Vice-Provost/Chief Academic Officer (Professor Jurgen Barkhoff) (4), Chief Financial Officer (Mr Peter Reynolds) (6), Chief Operating Officer (Ms Geraldine Ruane) (4), Bursar/Director of Strategic Innovation (Professor Veronica Campbell) (4), Dean of Health Sciences (Prof Orla Sheils) (5), Registrar (Professor Paula Murphy) (3) and incoming Registrar (Professor Brendan Tangney) (1), Professor Sarah Alyn Stacey (6), Students Union President (Ms Laura Beston) (5).

External Members:

Ms. Cathy Bryce (5), Mr. Liam Kavanagh (6), Ms Naomi Holland (4) *.

In Attendance:

Deputy Chief Financial Officer (Ms. Louise Ryan) (6), GSU President (Ms Shaz Oye) (6), CFO's Strategic & Admin Support/Note taker (Roisin Stapleton) (3) **.

*Took up position in January 2020

** Took up position in March 2020

- (xxii) **Review of Board performance:** A self-evaluation process of the Board was conducted in 2018. A Board Review working group, which includes two external members, one of whom is Chair, has been established and is considering the recommendations of the review and the recently announced proposals for changes to legislation relating to the third level education sector.

On behalf of Trinity College Dublin, the University of Dublin

DR PATRICK PRENDERGAST
PROVOST

PETER REYNOLDS
CHIEF FINANCIAL OFFICER

24 March 2021



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

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 2020 on pages 21 to 52 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 statement of cashflows 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 Consolidated 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 2020 and of the deficit of the Group and the 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 2020 and 30 September 2019.

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 2020 should be reduced by €675,611,000 and (ii) the total comprehensive loss in the Consolidated Statement of Comprehensive Income for the year ended 30 September 2020 should be restated to a loss of €3,867,000.

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 2019 should be reduced by €702,640,000 and (ii) the total comprehensive income in the Consolidated Statement of Comprehensive Income for the year ended 30 September 2019 should be restated to a loss of €78,672,000.

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.



Consolidated Financial Statements Year ended 30 September 2020

We have nothing to report on going concern

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we 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 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 10 to 17, 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.

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 9, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Group's 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

24 March 2021



Statement of Comprehensive Income

	Notes	Year ended 30 Sep 2020		Year ended 30 Sep 2019	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Income					
State grants	2	50,499	50,499	50,363	50,363
Academic fees	3	163,743	162,261	153,140	150,283
Research grants and contracts	4	99,260	99,260	101,410	101,410
Other income	5	41,368	51,098	64,250	65,622
Investment income	6	6,448	8,214	7,092	7,103
Amortisation of capital grants	21	7,684	7,684	7,424	7,424
Total income before donations and endowments		369,002	379,016	383,679	382,205
Donations and endowments	7	27,778	15,838	20,480	13,408
Total income		396,780	394,854	404,159	395,613
Expenditure					
Staff costs	8	279,662	275,267	271,467	266,785
Other operating expenses	9	100,752	104,915	111,402	115,613
Interest and other finance costs	10	5,303	5,303	4,230	4,228
Depreciation	12	27,435	27,424	24,236	24,191
Total expenditure		413,152	412,909	411,335	410,817
Deficit before other gains and losses		(16,372)	(18,055)	(7,176)	(15,204)
(Loss)/gain on revaluation of investment properties	14	(2,860)	(2,860)	920	920
(Loss)/gain on investments	17/22	(6,330)	(6,293)	12,152	12,064
(Deficit)/surplus before tax		(25,562)	(27,208)	5,896	(2,220)
Taxation	11	(39)	-	(183)	-
(Deficit)/surplus for the year		(25,601)	(27,208)	5,713	(2,220)
Actuarial gain in respect of retirement benefit	29	63,181	63,181	42,790	42,790
Movement on retirement benefit receivable	29	(63,181)	(63,181)	(42,790)	(42,790)
Total comprehensive (loss)/income for the year		(25,601)	(27,208)	5,713	(2,220)
Represented by:					
Endowment comprehensive (loss)/ income	22	(3,588)	(3,588)	14,491	14,491
Restricted comprehensive income/(loss)	23	2,470	-	5,681	(215)
Unrestricted comprehensive loss		(24,483)	(23,620)	(14,459)	(16,496)
Total comprehensive (loss)/income for the year		(25,601)	(27,208)	5,713	(2,220)

All items of income and expenditure relate to continuing activities.



Consolidated Financial Statements Year ended 30 September 2020

Consolidated and University Statement of Changes in Reserves

Consolidated	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2018	201,287	9,966	82,870	517,993	812,116
Surplus/(deficit) from the income and expenditure statement	14,491	16,266	(25,044)	-	5,713
Release of restricted funds spent in year	-	(10,585)	10,585	-	-
Total comprehensive income/(loss) for the year	14,491	5,681	(14,459)	-	5,713
Balance at 30 September 2019	215,778	15,647	68,411	517,993	817,829
(Deficit)/surplus from the income and expenditure statement	(3,588)	24,836	(46,849)	-	(25,601)
Release of restricted funds spent in year	-	(22,366)	22,366	-	-
Total comprehensive (loss)/income for the year	(3,588)	2,470	(24,483)	-	(25,601)
Balance at 30 September 2020	212,190	18,117	43,928	517,993	792,228

University	Income and expenditure reserve			Revaluation	Total
	Endowment	Restricted	Unrestricted	Reserve	
	€'000	€'000	€'000	€'000	€'000
Balance at 30 September 2018	201,287	215	74,635	517,993	794,130
(Deficit)/surplus from the income and expenditure statement	14,491	-	(16,711)	-	(2,220)
Release of restricted funds spent in year	-	(215)	215	-	-
Total comprehensive (loss)/income for the year	14,491	(215)	(16,496)	-	(2,220)
Balance at 30 September 2019	215,778	-	58,139	517,993	791,910
(Deficit)/surplus from the income and expenditure statement	(3,588)	-	(23,620)	-	(27,208)
Release of restricted funds spent in year	-	-	-	-	-
Total comprehensive loss for the year	(3,588)	-	(23,620)	-	(27,208)
Balance at 30 September 2020	212,190	-	34,519	517,993	764,702



Consolidated Financial Statements Year ended 30 September 2020

Statement of Financial Position

	Note	As at 30 Sep 2020		As at 30 Sep 2019	
		Consolidated €'000	University €'000	Consolidated €'000	University €'000
Non-current assets					
Tangible fixed assets	12	1,068,588	1,047,080	1,028,748	1,028,694
Endowment and other investment assets	13	189,776	189,776	208,795	208,795
Investment property	14	43,790	43,790	46,650	46,650
		1,302,154	1,280,646	1,284,193	1,284,139
Current assets					
Trade and other receivables	15	96,643	118,133	69,163	69,090
Inventories	16	704	704	722	708
Investments	17	2,378	344	17,464	15,393
Cash and cash equivalents	25	140,077	113,192	181,694	156,169
		239,802	232,373	269,043	241,360
Less: Creditors – amounts falling due within one year	18	(243,973)	(243,461)	(239,539)	(239,280)
Net current (liabilities)/assets		(4,171)	(11,088)	29,504	2,080
Total assets less current liabilities		1,297,983	1,269,558	1,313,697	1,286,219
Creditors – amounts falling due after more than one year	19	(505,755)	(504,856)	(495,868)	(494,309)
Provisions					
Retirement benefit provisions	29	(1,962,119)	(1,962,119)	(2,002,335)	(2,002,335)
Non-current retirement benefit receivable	29	1,962,119	1,962,119	2,002,335	2,002,335
Total net assets		792,228	764,702	817,829	791,910
Restricted reserves					
Income and expenditure – endowment	22	212,190	212,190	215,778	215,778
Income and expenditure – restricted	23	18,117	-	15,647	-
Unrestricted reserves					
Income and expenditure – unrestricted		43,928	34,519	68,411	58,139
Revaluation reserve	24	517,993	517,993	517,993	517,993
Total reserves		792,228	764,702	817,829	791,910

The financial statements on pages 21 to 52 were approved by the Board of the University on 24 March 2021 and signed on its behalf by:

DR PATRICK PRENDERGAST
PROVOST

PETER REYNOLDS
CHIEF FINANCIAL OFFICER

24 March 2021



Consolidated Financial Statements Year ended 30 September 2020

Consolidated Statement of Cashflows

	Note	2020 €'000	2019 €'000
Cashflow from operating activities			
(Deficit)/surplus for the year		(25,601)	5,713
Adjustment for non-cash items			
Depreciation	12	27,435	24,236
Amortisation of deferred capital grants	21	(7,684)	(7,424)
Loss/(gain) on revaluation of investment properties	14	2,860	(920)
Loss/(gain) on investments	17/22	6,330	(12,152)
Donation of shares	13	(816)	-
Adjustment for working capital items			
Decrease/(increase) in inventories		18	(153)
(Increase)/decrease in receivables		(28,216)	9,304
(Decrease)/increase in creditors		(346)	18,387
Adjustment for investing or financing activities			
Investment income	6	(6,448)	(7,092)
Interest payable	10	5,303	4,230
New endowments received	22	(1,120)	(460)
Net cash (outflow)/inflow from operating activities		(28,285)	33,669
Cashflows from investing activities			
Capital grants received		5,755	2,484
Investment income		6,448	7,092
Disposals of non-current asset investments		13,787	-
Payments made to acquire non-current asset investments		(213)	(28,925)
Payments made to acquire fixed assets		(66,320)	(60,408)
Transfers from deposits		15,017	14,983
New endowment cash received		1,120	460
Net cash outflow from investing activities		(24,406)	(64,314)
Cashflows from financing activities			
Interest paid		(2,846)	(1,802)
Capital element of finance lease rental payments		(833)	(628)
Interest element of finance lease rental payments	10	(3,412)	(3,452)
Loan repayments		(3,335)	(950)
New unsecured loans drawn down		21,500	64,000
Net cash inflow from financing activities		11,074	57,168
(Decrease)/increase in cash and cash equivalents in the year		(41,617)	26,523
Cash and cash equivalents at beginning of the year	25	181,694	155,171
Cash and cash equivalents at end of the year	25	140,077	181,694



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 (2019), issued by the FE/HE 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.

Going Concern

The financial statements are prepared on the going concern basis. The Board considers that the University and Group has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted when preparing the financial statements.

The financial year 2019/20 saw significant challenges arising from the impact of COVID-19 on the University’s non exchequer revenue streams, particularly in relation to commercial income. The University has been able to partially mitigate these losses through prudent management of its finances and a strong focus on control of operating costs. Whilst the Board expects the pandemic to continue to adversely impact the University’s finances in FY20/21, the University remains focused on its academic mission and the objectives in its 5-year Strategic Plan which has been comprehensively reviewed and re-aligned where appropriate to reflect Covid-19 impacts. The University continues to see strong demand from students, both domestically and internationally with very encouraging early indicators for FY21/22 student recruitment. While overall student registrations increased by 2.9% in FY19/20 (pre-Covid), there was no significant reduction in overall student registrations for the current academic year FY20/21 despite the challenges and restrictions as a result of the pandemic.

The University continues to maintain strong liquidity. Cash balances and short-term deposits amounted to €140.1m at 30 September 2020 (2019: €196.7m). The University remains in a strong position to fund the current capital programme and to complete the Endowment Fund portfolio restructuring in line with the approved investment strategy. To mitigate Covid-19 risks the University also put in place additional financing options post year-end including a revolving credit facility (RCF) of €40m and a top-up loan facility with EIB of €80m. These facilities have no drawdown commitments.

The University has put in place new governance structures in response to Covid-19 including the Emergency Financial Management Group, the work of which has informed Management’s assessment of the University’s ability to continue as a going concern, having presented various projections and impact scenarios on the University’s financial position to Finance Committee and Board over the last 12 months.

With ongoing management of risks and a strong focus on our operational cost base, the Board is confident that the University will remain a going concern. Trinity is well positioned to emerge strongly from this crisis to continue to deliver on our strategic objectives. The University will continue to invest strategically in its infrastructure to underpin its growth and to drive future success. As outlined in the University’s Strategic Plan 2020-2025, the University will continue to focus on income generating strategies and delivering further returns from its ongoing investment in capital programmes.

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 College Dublin 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.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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.

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 2020 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.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

5. Recoverability of Debtors

The provision for bad debt is calculated based on management's expectation on the recoverability of debtors. 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.

For building assets completed after 1 October 2018, property components are identified, capitalised and depreciated over their estimated service lives. Such buildings are depreciated on a straight-line basis over their expected useful lives as follows:

Building structure	80 years
Electrical Services	20 years
Mechanical Services	20 years

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
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.



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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 year-end 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 year-end 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 financial investments are stated at fair value where they are publicly traded or their fair value can be reliably measured and are disclosed under non-current or current assets depending on portfolio liquidity. Where the fair value cannot be reliably measured on an ongoing basis, other financial investments are stated at cost (or deemed cost where relevant for donated investments) less impairment.

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, which 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.

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:

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

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



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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, or between parties in a PBE group, at below the prevailing market rate of interest that are not payable on demand. In accordance with FRS 102 section 34, the loans are initially measured at the amount received and adjusted to reflect any accrued interest and/or repayment of capital.

Retirement benefits

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

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

Retirement benefit costs

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



Notes to the consolidated financial statements

Statement of Accounting Policies (cont'd)

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 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Recurrent grants				
State grants	50,499	50,499	50,363	50,363
Reconciliation of grant received to income recognised				
Received in respect of current year	52,509	52,509	56,411	56,411
Deferred from prior accounting year	4,409	4,409	(1,639)	(1,639)
Deferred to subsequent accounting years	(6,419)	(6,419)	(4,409)	(4,409)
Total	50,499	50,499	50,363	50,363

3. Academic fees

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Academic fee income	157,780	156,298	148,040	145,183
Other academic fee income*	3,944	3,944	2,679	2,679
Miscellaneous fee income**	2,019	2,019	2,421	2,421
Total	163,743	162,261	153,140	150,283

*Other academic fee income consists of income from student levies.

** Miscellaneous fee income consists of income from short courses.

The academic fee income is analysed as follows:

Undergraduate EU	71,643	71,643	71,732	71,732
Undergraduate Non-EU	35,347	33,865	31,518	28,661
Postgraduate Research EU	7,214	7,214	6,782	6,782
Postgraduate Research Non-EU	3,053	3,053	2,900	2,900
Postgraduate Taught EU	18,217	18,217	16,737	16,737
Postgraduate Taught Non-EU	22,306	22,306	18,371	18,371
Total	157,780	156,298	148,040	145,183

A total of €38,447,933 (2019: €38,041,562) included in academic fee income was paid directly by the Higher Education Authority (HEA). This includes nursing fees of €4,114,212 (2019: €4,017,720).

4. Research grants and contracts

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Science Foundation Ireland	33,033	33,033	37,905	37,905
Other state and semi-state	27,973	27,973	26,559	26,559
European Union	20,510	20,510	19,522	19,522
Industry	4,650	4,650	5,411	5,411
Other	13,094	13,094	12,013	12,013
Total	99,260	99,260	101,410	101,410

In the prior year Science Foundation Ireland (SFI) overheads of €7.8m were separately identified and Science Foundation Ireland income of €30.1m was included in State and semi-state. In the current year Science Foundation Ireland includes SFI overheads and the prior year has been reclassified to reflect this change.



Notes to the Consolidated Financial Statements

5. Other Income

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Academic schools and faculty offices income	1,755	8,262	3,972	8,259
Service areas	4,122	4,195	5,500	5,509
Catering	1,083	1,083	2,665	2,665
Residences income	10,826	10,826	12,866	12,866
Other ancillary services	487	541	1,842	1,912
Rental income	2,701	2,701	7,072	7,072
Library income	4,565	4,565	18,334	18,334
Concession income	2,212	2,212	4,125	4,125
Non-academic other activities *	10,470	13,740	4,457	2,344
Science Gallery	552	555	592	592
Other income	2,595	2,418	2,825	1,944
Total	41,368	51,098	64,250	65,622

* Includes COVID-19 support payment of €7.2m received from the HEA

6. Investment income

		Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Interest income		3	19	70	81
Income from permanent endowments	22	6,226	6,226	6,823	6,823
Income from expendable endowments	22	219	219	199	199
Dividend income from subsidiary		-	1,750	-	-
Total		6,448	8,214	7,092	7,103

7. Donations and endowments

		Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Unrestricted donations		1,822	14,718	3,754	12,948
Donations with restrictions	23	24,836	-	16,266	-
New endowments	22	1,120	1,120	460	460
Total		27,778	15,838	20,480	13,408

8. Staff costs

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Wages and salaries *	237,868	234,043	227,200	223,106
Social security costs	21,641	21,279	19,637	19,256
Other retirement benefit costs	20,153	19,945	24,630	24,423
Total	279,662	275,267	271,467	266,785

Severance/termination payments (including statutory redundancy) paid to 53 staff members amounted to €264k (2019: €293k). Payments with an aggregate value in excess of €10,000 amounted to €56k (2019: €50k).

* Wages and Salaries include an amount of €1.6m for DES and DPER approved allowances (2019: €1.7m) and overtime €0.9m (2019: €1.6m).



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 in salary bands of €10,000 was as follows:

Salary Bands	Consolidated 2020 Number of employees	University 2020 Number of employees	Consolidated 2019 Number of employees	University 2019 Number of employees
€60,000 – €69,999	176	174	177	175
€70,000 – €79,999	266	261	243	239
€80,000 – €89,999	274	269	218	215
€90,000 – €99,999	242	242	211	210
€100,000 – €109,999	69	66	65	61
€110,000 – €119,999	71	71	64	64
€120,000 – €129,999	17	16	18	17
€130,000 – €139,999	19	19	8	7
€140,000 – €149,999	29	29	63	63
€150,000 – €159,999	41	40	5	3
€160,000 – €169,999	4	4	2	2
€170,000 – €179,999	3	3	3	3
€180,000 – €189,999	-	-	1	1
€190,000 – €199,999	-	-	4	4
€200,000 – €209,999	5	5	3	3
€210,000 – €219,999	3	3	1	1
€220,000 – €229,999	1	1	2	2
€230,000 – €239,999	1	1	2	2
€240,000 – €249,999	1	1	1	1
€250,000 – €259,999	1	1	3	3
€260,000 – €269,999	1	1	1	1
€270,000 – €279,999	1	1	1	1
€280,000 – €289,999	2	2	5	5
€290,000 – €299,999	3	3	-	-
€300,000 – €309,999	4	4	3	3
€310,000 – €319,999	2	2	1	1
€320,000 – €329,999	2	2	-	-
€330,000 – €339,999	-	-	1	1
€350,000 – €359,999	1	1	-	-
€360,000 – €369,999	1	1	1	1
€390,000 – €399,999	1	1	-	-
€420,000 – €429,999	1	1	-	-
€430,000 – €439,999	1	1	-	-
Total	1,243	1,226	1,107	1,089



Notes to the Consolidated Financial Statements

8. Staff costs (cont'd)

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 2020 amounted to €2.5m (2019: €2.3m). Key management personnel are members of the University's defined benefit retirement schemes and their entitlements in that regard do not extend beyond the terms of those schemes.

Included in salary bands >€200k is medical consultants' backpay of €1.8m paid to 25 staff. The University received €2.2m in the year from the HEA to fund medical consultant backpay which is included in other operating income.

Royalty payments of €0.1m in total were paid to 15 employees in the year.

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

	Consolidated 2020 FTE	University 2020 FTE	Consolidated 2019 FTE	University 2019 FTE
Teaching and Research	2,328	2,328	2,345	2,345
Technical	140	140	134	134
Support services	1,215	1,215	1,191	1,191
Other	758	695	879	814
Total	4,441	4,378	4,549	4,484

9. Other operating expenses

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Telephone and related communications	707	705	671	657
Consumables	10,535	10,478	11,646	11,626
Cost of goods sold	1,297	1,237	4,065	3,998
Computer and other equipment	12,257	12,112	11,053	10,915
Heat, light, water and power	6,362	6,362	7,289	7,289
Books and periodicals, printing & stationery	4,874	4,774	5,015	4,934
Repairs and general maintenance	4,585	4,585	4,483	4,482
Insurance	1,697	1,688	1,637	1,626
Professional services	10,425	10,729	9,307	9,462
Rent, rates & property tax	4,430	4,423	3,877	3,811
Travel and subsistence	3,308	3,269	6,854	6,654
Hospitality and entertainment	722	694	1,329	1,121
Recruitment	4,304	4,270	2,832	2,769
Capitation	1,251	1,251	1,186	1,186
Scholars and Fellows costs	363	363	653	653
Student related costs and awards	7,500	7,498	10,440	10,438
Employee related costs	2,216	2,151	2,804	2,720
Advertising & PR costs	1,952	2,028	2,329	2,059
Bank charges	554	546	891	871
Quality & Risk assessment	212	212	344	344
Service contracts	10,118	10,118	12,657	12,647
Subscriptions & Membership fees	1,754	1,696	2,362	2,303
Endowment fund direct expenditure	956	956	1,042	1,042
Other expenses	8,373	12,770	6,636	12,006
Total	100,752	104,915	111,402	115,613



Notes to the Consolidated Financial Statements

9. Other operating expenses (cont'd)

Other operating expenses include:

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Auditor's remuneration (including VAT)	194	154	194	154
C&AG Auditor fee	44	44	44	44
Total	238	198	238	198

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	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Loan interest	2,846	2,846	1,802	1,800
Loan interest capitalised	(955)	(955)	(1,024)	(1,024)
Finance lease interest	3,412	3,412	3,452	3,452
Total	5,303	5,303	4,230	4,228

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 €39,000 (2019: €183,000) on profits of a foreign subsidiary is payable to the Singapore taxation authorities.

Notes to the Consolidated Financial Statements

12. Tangible fixed assets

	Land and Buildings	Fixtures and Fittings	Computer Equipment	Other Equipment	Total
	€'000	€'000	€'000	€'000	€'000
Consolidated					
Cost or valuation					
At 1 October 2019	1,258,384	41,924	22,070	208,999	1,531,377
Additions	57,427	3,880	542	5,426	67,275
Disposals	(7,810)	-	-	(493)	(8,303)
At 30 September 2020	1,308,001	45,804	22,612	213,932	1,590,349
Depreciation					
At 1 October 2019	289,631	6,455	21,389	185,154	502,629
Depreciation for year	15,066	4,161	357	7,851	27,435
Disposals	(7,810)	-	-	(493)	(8,303)
At 30 September 2020	296,887	10,616	21,746	192,512	521,761
Net book value					
At 30 September 2019	968,753	35,469	681	23,845	1,028,748
At 30 September 2020	1,011,114	35,188	866	21,420	1,068,588
University					
Cost or valuation					
At 1 October 2019	1,258,384	41,922	22,043	208,972	1,531,321
Additions	35,962	3,880	542	5,426	45,810
Disposals	(7,810)	-	-	(493)	(8,303)
At 30 September 2020	1,286,536	45,802	22,585	213,905	1,568,828
Depreciation					
At 1 October 2019	289,631	6,453	21,389	185,154	502,629
Depreciation for year	15,066	4,161	346	7,851	27,424
Disposals	(7,810)	-	-	(493)	(8,303)
At 30 September 2020	296,887	10,614	21,735	192,512	521,748
Net book value					
At 30 September 2019	968,753	35,469	654	23,818	1,028,694
At 30 September 2020	989,649	35,188	850	21,393	1,047,080



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 Avison Young (formerly known as 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 2020, Land and Buildings included €203m in respect of land which is not depreciated (at 30 September 2019: €203m).

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 2020 of €67.0m (at 30 September 2019: €51.7m).

The University has included in Land and Buildings a building for which the related liabilities of €57.0m (at 30 September 2019: €57.8m) are included in creditors (see notes 18/19). The net book value of this building was €49.5m at 30 September 2020 (at 30 September 2019: €50.5m).

An annual impairment review of building assets is undertaken within the University to identify assets showing signs of impairment. The Anatomy annexe and Zoology accretions were required to have accelerated depreciation charges in the prior and current financial year as a result of this review due to a revision of their estimated useful lives.

The University acquired properties at Clare Street (€1.8m), Stack B (€16.0m) and through its subsidiary Ghala DAC, a property adjacent to the Trinity East site (Connaughton Building €21.5m) during the year. These properties are included as additions under Land and Buildings.

Included within additions are capitalised borrowing costs of €1.0m relating to loans specifically funding the development of a Trinity owned site at Grand Canal Quay (Trinity East), Printing House Square student residences, the E3 Learning Foundry and Dartry student accommodation projects.

On 11 September 2020, Trinity contracted to sell a property at Grand Canal Quay in excess of its carrying amount and to purchase an adjacent property from the same party. These transactions will be recognised on legal completion in FY21. Cash consideration of €5.64m will also be received on legal completion in FY21.

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 €1.36m, summarised below, were donated to or purchased by the University between 1 October 2015 and 30 September 2020. 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.

	2020	2019	2018	2017	2016
Value of acquisitions (including donations)	€0.19m	€0.41m	€0.46m	€0.25m	€0.05m

13. Non-current investments Consolidated and University	Endowm	Investment	Total
	Assets	Assets	
	€'000	€'000	€'000
At beginning of year	208,795	-	208,795
Additions	213	816	1,029
Disposals	(13,787)	-	(13,787)
Net depreciation of investment portfolio	(6,261)	-	(6,261)
Total	188,960	816	189,776

Endowment and other investment assets Represented by:	2020	2019
	€'000	€'000
Endowment assets:		
Bonds	-	9,906
Equities	139,881	144,998
Property	33,773	34,282
Infrastructure/Other	15,306	19,609
Total endowment assets	188,960	208,795
Investment assets:		
Investment – Neuropath Therapeutics	816	-
Total endowment and investment assets	189,776	208,795

The Investment Committee of the University has made commitments to investments of c€15m and c€12m in international infrastructure and international property assets respectively. At 30 September 2020 the Trinity Endowment Fund had invested €5.5m in international infrastructure funds with a remaining €9.5m committed and had invested €6m in international property funds with the remaining €6m committed and subsequently fully invested in December 2020.

Investment assets include a donation of shares in Neuropath Therapeutics (€0.8m) from Exeter Limited, a subsidiary of Atlantic Philanthropy in April 2020. Trinity holds a 38.92% shareholding in Neuropath Therapeutics at 30 September 2020. The shares are unlisted shares and are stated at deemed cost less impairments. As Trinity does not have significant influence over Neuropath Therapeutics, the University does not have director representation on the Board nor participate in policy or management decisions in the company, therefore, it is not accounted for as an associate undertaking. The investment will not be realised in the short term.



Notes to the Consolidated Financial Statements

14. Investment properties	2020	2019
Consolidated and University	€'000	€'000
At beginning of year	46,650	45,730
(Loss)/gain on revaluation of investment properties	(2,860)	920
Total	43,790	46,650

Avison Young, Chartered Surveyors, independently valued all investment properties at 30 September 2020 at open market value in accordance with the Royal Institution of Chartered Surveyors valuation standards.

The investment property valuation decreased by €2.9m in the year from €46.7m to €43.8m.

15. Trade and other receivables

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Trade receivables	2,329	2,301	4,810	4,638
Research grants and contracts receivable	49,627	49,627	48,260	48,260
State capital grants receivable	61	61	762	762
Non-State capital funding receivable	690	690	727	727
Prepayments and other receivables	43,936	43,339	14,604	14,301
Amounts due from subsidiary undertakings	-	22,115	-	402
Total	96,643	118,133	69,163	69,090

Amounts due from subsidiary undertakings at 30 September 2020 include intercompany loans of €22.1m falling due after more than one year.

16. Inventories

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Raw materials and consumables	121	121	142	128
Finished goods for resale	583	583	580	580
Total	704	704	722	708

17. Current investments

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Short term deposits	-	-	15,017	15,017
Short term investments	2,378	344	2,447	376
Total	2,378	344	17,464	15,393



Notes to the Consolidated Financial Statements

17. Current investments (cont'd)

Short term investments	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
At 1 October	2,447	376	2,150	167
Additions	-	-	-	-
Net (depreciation)/appreciation of investments	(69)	(32)	297	209
At 30 September	2,378	344	2,447	376

Short term investments include 3,554 shares in Spark Therapeutics valued at €0.3m (2019: €0.4m) and an Irish Life equity portfolio held in Trinity Education Endowment Fund valued at €2.0m at 30 September 2020 (2019: €2.1m).

18. Creditors: amounts falling due within one year

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Trade payables	7,419	6,025	8,341	5,424
Contract research grants and projects unexpended	111,913	111,913	99,439	99,439
Academic fees received in advance	53,610	53,610	64,318	64,318
State recurrent grants received in advance	6,419	6,419	4,409	4,409
Capital funding received in advance	1,680	1,680	1,907	1,907
Accruals and deferred income	36,759	33,334	33,449	31,075
Obligations under finance lease	1,055	1,055	833	833
Unsecured loans	6,241	6,241	3,953	3,953
PAYE/PRSI	7,063	6,963	6,691	6,578
Other payables	11,814	11,608	16,199	15,814
Amounts due to subsidiary undertakings	-	4,613	-	5,530
Total	243,973	243,461	239,539	239,280

Accruals and deferred income

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Accruals	21,387	17,965	16,301	13,927
Concession income deferred	-	-	1,715	1,715
Deferred income – Govt capital grants (note 21)	7,684	7,684	7,424	7,424
Other deferred income	7,688	7,685	8,009	8,009
Total	36,759	33,334	33,449	31,075

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

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Unsecured loans	220,558	220,558	204,680	204,680
Obligations under finance leases	55,946	55,946	57,001	57,001
Deferred income - Govt capital grants (note 21)	228,318	228,318	231,017	231,017
Other deferred income and retentions	933	34	3,170	1,611
Total	505,755	504,856	495,868	494,309



Notes to the Consolidated Financial Statements

20. Borrowings

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Unsecured loans are repayable as follows:				
Amounts due within one year	6,241	6,241	3,953	3,953
Due between two and five years	22,163	22,163	27,785	27,785
Due after more than five years	198,395	198,395	176,895	176,895
Total	226,799	226,799	208,633	208,633

Unsecured loans repayable includes €0.6m of accrued interest at 30 September 2020, which is payable within one year (30 September 2019: €0.6m).

Obligations under finance leases are due as follows:

Amounts due within one year	1,055	1,055	833	833
Due between two and five years	6,863	6,863	5,759	5,759
Due after more than five years	49,083	49,083	51,242	51,242
Total	57,001	57,001	57,834	57,834

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

Unsecured loans outstanding at 30 September 2020 were as follows:

Lender	Amount €'000	Capital repayable	Interest rate %	Borrower
European Investment Bank	17,145	2019 - 2029	0.7% above base	University
European Investment Bank	19,027	2020 - 2040	0.6% above base	University
European Investment Bank	19,514	2020 - 2040	0.6% above base	University
European Investment Bank	15,010	2021 - 2041	0.8% above base	University
European Investment Bank	70,332	2021 - 2046	1.90%	University
European Investment Bank	25,096	2025 - 2049	1.49%	University
Legal & General	39,126	2025 - 2049	1.94%	University
Legal & General	21,548	2019 - 2024	0.58%	University
Total	226,798			

The unsecured EIB loans are concessionary loans with interest below the prevailing market rate. The capital element is repayable between 2019 and 2049 by quarterly instalment. There are undrawn loan facilities of €75m available with the European Investment Bank at 30 September 2020.

21. Deferred Capital Grants

Consolidated and University	Buildings €'000	Equipment €'000	Total €'000
Balances at 1 October 2019	234,875	3,566	238,441
Capital grants received/receivable	4,595	650	5,245
Released to Statement of Comprehensive Income	(6,465)	(1,219)	(7,684)
Balances at 30 September 2020	233,005	2,997	236,002

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 2018	239,620	3,461	243,081
Capital grants received/receivable	1,097	1,687	2,784
Released to Statement of Comprehensive Income	(5,842)	(1,582)	(7,424)
Balances at 30 September 2019	234,875	3,566	238,441

Deferred capital grants can be analysed as follows:

Consolidated and University

	2020 €'000	2019 €'000
Creditors falling due within one year	7,684	7,424
Creditors falling due more than one year	228,318	231,017
Balances at 30 September	236,002	238,441

22. Endowment Funds

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	2020 Total €'000	2019 Total €'000
Capital		191,270	7,988	199,258	186,943
Accumulated income		15,622	898	16,520	14,344
Balances at 1 October		206,892	8,886	215,778	201,287
				-	
New endowments	7	1,120	-	1,120	460
(Decrease)/increase in market value of investments		(6,158)	(103)	(6,261)	11,855
Investment income for the year	6	6,226	219	6,445	7,022
Expenditure for the year		(4,831)	(61)	(4,892)	(4,846)
Total endowment comprehensive (loss)/income		(3,643)	55	(3,588)	14,491
Balances at 30 September		203,249	8,941	212,190	215,778
Represented by:					
Capital		186,232	7,885	194,117	199,258
Accumulated income		17,017	1,056	18,073	16,520
Balances at 30 September		203,249	8,941	212,190	215,778



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 Fund.

	Capital Value at 30 Sept 2020 €'000	Opening Balance €'000	Accumulated Income			Closing Balance €'000	Date Received
			Income €'000	Expenditure €'000	Income transfer To capital €'000		
Hitachi	2,129	76	59	5	-	130	1991
Chetwood-Aiken	2,345	162	61	-	151	72	1969
Brown Animal	2,372	4	66	66	-	4	1973
O'Sullivan Manuscripts	2,538	372	71	-	-	443	2002
Early Irish Studies	2,876	-	80	80	-	-	1996
Smurfit	2,963	-	82	82	-	-	1989
Ellen Mayston Bates, Ellen Fund	3,205	116	88	-	32	172	2016
Provost's Academic Development Fund	3,854	105	107	113	-	99	1992
Nunn	3,982	831	111	138	-	804	1994
Coca Cola	4,097	-	114	114	-	-	1993
Loyola	4,356	109	121	22	-	208	2012
Reid Entrance Exhibitions	4,822	205	133	60	43	235	1888
Childhood Research	5,054	229	140	169	-	200	2005
Faculty Endowment Funds	7,885	898	219	61	-	1,056	2005
Iona Technologies	9,219	729	256	330	-	655	1997
Endowment Development Fund	54,281	131	1,509	1,390	-	250	1995
	115,978	3,967	3,217	2,630	226	4,328	

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.



Notes to the Consolidated Financial Statements

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

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.

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 Endowment Fund

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 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
	Note				
Balances at 1 October		15,647	-	9,966	215
New donations	7	24,836	-	16,266	-
Expenditure		(22,366)	-	(10,585)	(215)
Restricted comprehensive income/(loss)		2,470	-	5,681	(215)
Balances at 30 September		18,117	-	15,647	-
		-	-		
Closing reserves comprise the following funds:					
Funds held with Trinity Foundation		18,117	-	15,647	-
Funds held with the University		-	-	-	-
Balances at 30 September		18,117	-	15,647	-

24. Revaluation reserve

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'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 2019 €'000	Cash flows €'000	30 Sept 2020 €'000
Cash and cash equivalents	181,694	(41,617)	140,077

University

	1 Oct 2019 €'000	Cash flows €'000	30 Sept 2020 €'000
Cash and cash equivalents	156,169	(42,977)	113,192

Cash and cash equivalents include €6.1m (2019: €9.3m) of restricted cash in relation to joint research projects with other institutions and Trinity Endowment Fund restricted cash of €24.0m (2019: €6.7m) which will be reinvested in property and infrastructure asset classes within the investment portfolio. In addition, the University has provided an irrevocable standby letter of credit in favour of the U.S. Department of Education in compliance with the rules and regulations of the Federal Student Aid programme. The University has secured the letter of credit facility with a first legal charge over deposits in the amount of \$0.7m (€0.6m) held in the name of the University with the Bank of Ireland.

26. Capital commitments

	Consolidated 2020 €'000	University 2020 €'000	Consolidated 2019 €'000	University 2019 €'000
Contracted for but not provided	13,902	3,902	20,556	2,125
Total	13,902	3,902	20,556	2,125

Consolidated capital commitments include €10.0m (2019: €18.4m) for Ghalá development projects (Trinity Business School Printing House Square residences, Dartry student accommodation, E3 Learning Foundry and Trinity East).



Notes to the Consolidated Financial Statements

27. Lease obligations

	Consolidated	University	Consolidated	University
Total rentals payable under operating leases	2020	2020	2019	2019
	€'000	€'000	€'000	€'000
Future minimum lease payments due:				
Not later than one year	368	368	735	735
Later than one year and not later than five years	-	-	368	368
Total	368	368	1,103	1,103
Total rental income due under operating leases				
Future minimum lease income due:				
Not later than one year	2,591	2,591	2,654	2,654
Later than one year and not later than five years	9,783	9,783	11,430	11,430
Later than five years	4,333	4,333	5,078	5,078
Total	16,707	16,707	19,162	19,162

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. On the 26 March 2020 the University purchased the property for €16m.

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. All Board Members of this company are appointed by 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 Education 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.



Notes to the Consolidated Financial Statements

28. Related Parties (cont'd)

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

Transactions with other related parties

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 €457,498 (2018/19: €738,337) to MMI and received €Nil (2018/19: €Nil). At 30 September 2020 there was an amount of €33,733 (2018/19: €263,291) due to MMI and an amount of €Nil (2018/19: €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 2019 were €Nil (2018: €Nil) and the surplus for the year amounted to €Nil (2018: €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 €12,423 (2018/19: €30,750) to NDRC and received €Nil (2018/19: €Nil). At 30 September 2020 there was an amount of €Nil (2018/19: €1,538) due from NDRC Limited. The net assets per their audited financial statements as at 31 December 2019 were €2,676,938 (2018: €2,908,219) and the surplus for the year amounted to €79,869 (2018: Surplus of €1,182,028). On the 16th December 2020, there was a request to the Board for the company to be placed in Members' Voluntary Liquidation. On 27 January 2021 National Digital Research Centre (NDRC) was voluntarily liquidated and approved by the Board. There was a further proposal to reallocate any funds remaining in the company to be brought to a future meeting of the Finance Committee and the Board for approval.

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 2020 there was an amount of Nil (2018/19: €60,704) due from The Lir. The net liabilities of The Lir per their draft Financial Statements at 30 September 2020 were €77,623 (2019: net assets of €128,972) and the deficit for the year amounted to €206,595 (2019: €109,333).

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 objective 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 €254,825 (2018/19: €61,500) to SGI and received €183,350 (2018/19: €368,427) for services provided to SGI. All transactions were conducted on an arm's length basis. At 30 September 2020 there was an amount of €Nil (2019: €92,250) due from SGI and an amount of €Nil (2019: €92,250) due to SGI. The net assets of SGI per its draft management accounts at 30 September 2020 were €239,256 (2019: €137,170) and the surplus for the year amounted to €102,086 (2019: deficit of €2,604).

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 €54,103 (2018/19: €17,948) to the Douglas Hyde Gallery and received payments for €5,570 (2018/19: €4,782) in respect of rent and other costs associated with the provision of office and exhibition space in the University. At 30 September 2020, there was an amount of €Nil (2018/19: €692) due from the Douglas Hyde Gallery and an amount of €1,495 (2018/19: €4,349) due to the Douglas Hyde Gallery. The net assets of the Douglas Hyde Gallery per their audited financial statements as at 31 December 2019 were €1,495 (2018: €6,715) and the deficit for the year amounted to €5,220 (2018: €27,842).



Notes to the Consolidated Financial Statements

29. Retirement benefits

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

Trinity Foundation operates a defined contribution scheme within the meaning of the Pensions Act 1990. It is called the Trinity Foundation Retirement Solution Plan. The scheme commenced on 1 February 1999. The retirement benefit charge for the period represents contributions payable by Trinity Foundation to the scheme and amounted to €0.12m (2019: €0.11m).

Trinity Brand Commercial Services Limited operates a defined contribution plan within the meaning of the Pensions Act 1990 for its employees. The retirement benefit charge for the period represents contributions payable by Trinity Brand Commercial Services Limited on behalf of its employees and amounted to €0.05m (2019: €0.06m).

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 €0.03m (2019: €0.03m).

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.

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 continue 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 continues to seek further clarification on this issue from the HEA.



Notes to the Consolidated Financial Statements

29. Retirement benefits (cont'd)

Consolidated and University	2020 €'000	2019 €'000
Present value of plan liabilities	(1,962,119)	(2,002,335)
Non-current retirement benefit receivable (reimbursement rights)	1,962,119	2,002,335
	-	-

Analysis of retirement benefit liability	2020 €'000	2019 €'000
Master Pension Scheme	(1,208,576)	(1,238,913)
Model Scheme and Pension Supplementation	(675,611)	(702,640)
Single Public Service Pension Scheme	(77,932)	(60,782)
Present value of unfunded obligations	(1,962,119)	(2,002,335)

Changes in the present value of defined benefit retirement obligations	2020 €'000	2019 €'000
Defined benefit obligation at start of period	2,002,335	1,674,748
Current service cost	82,833	66,920
Interest cost	23,027	38,519
Contributions by scheme participants	2,400	2,327
Effect of experience adjustments on defined benefit retirement obligation	(1,094)	(19,740)
Changes in financial assumptions	(110,331)	276,746
Benefit payments from reimbursement rights	(37,051)	(37,185)
Defined benefit retirement benefit obligations at end of period	1,962,119	2,002,335

Changes in fair value of reimbursement rights	2020 €'000	2019 €'000
Fair value of reimbursement rights at start of period	2,002,335	1,674,748
Interest income	23,027	38,519
Return on reimbursement rights	(48,244)	299,796
Employer contributions	19,945	24,423
Contributions by scheme participants	2,400	2,327
Benefit payments from reimbursement rights	(37,051)	(37,185)
Administration expenses paid from reimbursement rights	(293)	(293)
Fair value of reimbursement rights at end of period	1,962,119	2,002,335



Notes to the Consolidated Financial Statements

29. Retirement benefits (cont'd)

Consolidated and University	2020 €'000	2019 €'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	82,833	66,920
Total	82,833	66,920

Amount recognised in Other Comprehensive Income

Return on retirement benefit reimbursement rights	(48,244)	299,796
Experience adjustments	1,094	19,740
Changes in assumptions underlying the present value of plan	110,331	(276,746)
Total gain	63,181	42,790

The above amounts exclude the impact of related movements on the retirement benefit receivable which are offset against amounts stated above. Including the impact of related movements on the retirement benefit receivable, the net amount included in staff costs is €19.9m (2019: €24.4m) and the net amount included in other comprehensive income is €Nil (2019:€Nil)

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 2020 were as follows:

Financial assumptions:

	2020 Projected Unit	2019 Projected Unit
Valuation method		
Discount rate	1.35%	1.15%
Inflation rate	1.20%	1.25%
Salary increases	2.70%	2.75%
Pension supplementation	1.70%	1.75%

The discount rate of 1.35% 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 2020		30 September 2019	
	Male	Female	Male	Female
Retiring today (age 65)	22.5	24.4	22.5	24.3
Retiring in 25 years (age 40 today)	24.8	26.7	24.7	26.6

The estimated employer contributions for the 2021 financial year are €18.5m. Employer contributions for the 2020 financial year were €19.9m.



Notes to the Consolidated Financial Statements

30. Contingent Assets

During the year ended 30 September 2020, the University received €2.9m from the commercialisation of Intellectual Property licensed by Trinity which is reflected in Other Operating Income (note 5). Subsequent milestone payments and royalties are contingent on successful completion of clinical trials in FY21.

31. Contingent Liabilities

In October 2017, the University entered into two short-term nomination agreements, whereby the University is liable in the event of a shortfall in the letting of a number of student residences. The maximum value of the liability at 30 September 2020 is €10.7m (2019: €16.8m). The University has accrued for €1.6m as at 30 September 2020 for the estimated liability due to under occupancy as a consequence of the COVID-19 pandemic. It does not expect any further liability to be incurred as a result of these contracts.

During the year, a number of claims and counterclaims between the main works contractor and Ghala DAC, a subsidiary of the University on one of the company's development projects progressed. Subsequent to the year-end, these claims have entered into the conciliation process as set out in the dispute resolution section of the contract. In light of the uncertainties of the outcome of the conciliation process, the University has concluded that it is possible, but not probable, that the net position of the claims could result in a liability for the Group although there is no minimum amount that is more likely than not to be payable. Accordingly, no provision for any liability in the respect of these claims has been made in the financial statements for the year ended 30 September 2020.

The U.S. Department of Education requested that Trinity put in place an irrevocable standby letter of guarantee for U.S. Federal Student Aid in event of default of Trinity obligations under the programme. On 10 July 2020, the letter of credit, drawn on a US Bank was provided to the U.S. Department of Education by Bank of Ireland (BOI) on behalf of Trinity through Wells Fargo Bank. Trinity was required to deposit \$700,152 in a deposit account with BOI as security and BOI have a charge/lien over this deposit restricting Trinity's access and use of this deposit while the letter of credit is in place (note 25).

32. Events after the reporting period

The University entered into the following financing arrangements after the reporting period:

- On 2 December 2020 the University entered into a 5 year revolving credit facility with a commercial bank for €40m. This financing option has no drawdown commitment and is in place to finance capital expenditure and for general corporate and working capital purposes when required.
- On 10 December 2020 the University signed a loan agreement with the Housing Finance Agency for €12m, to fund the Printing House Square capital development, of which €9m was drawn down on 11 December 2020.
- On 17 December 2020 the University agreed an additional loan facility with the EIB for €80m to fund capital projects.

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 24 March 2021.



Management of and Accountability for Grants from Exchequer Funds
Research Grants

Grantor	Government Funding Department/Office	Grant Deferred/ (Due) 1/10/19 €'000	Cash Received 2019/20 €'000	Taken to Income 2019/20 €'000	Grant Deferred/ (Due) 30/9/20 €'000
Science Foundation Ireland	Dept of Enterprise, Trade and Employment	8,354	36,662	33,536	11,480
Higher Education Authority	Dept of Education	(887)	221	175	(841)
HRB	Dept of Health	2,781	7,391	6,647	3,525
Irish Research Council	Dept of Education	3,805	9,957	8,270	5,492
Enterprise Ireland	Dept of Enterprise, Trade and Employment	(452)	8,883	6,958	1,473
Environmental Protection Agency	Dept of Environment, Climate and Communications	(667)	951	615	(331)
The Marine Institute	Dept of Agriculture, Food and the Marine	(8)	91	149	(66)
HSE	Dept of Health	281	234	396	119
Other Irish Government/State Agencies	Various Departments	(133)	1,137	935	69
Dept of Agriculture, Food and the Marine	Dept of Agriculture, Food and the Marine	(160)	159	436	(437)
Geological Survey of Ireland	Dept of Environment, Climate and Communications	(102)	209	169	(62)
Dept of Health and Children	Dept of Health	1,484	3,129	1,791	2,822
An Roinn Ealain	Dept of Tourism, Culture, Arts, Gaeltacht, Sports and Media	(191)	264	255	(182)
City of Dublin Education and Training Board	Dept of Education	(27)	181	181	(27)
Teagasc	Dept of Agriculture, Food and the Marine	(127)	213	158	(72)
Road Safety Authority	Dept of Transport	68	87	93	62
Dublin City Council	Dept of Housing, Local Government and Heritage	(35)	205	2	168
Nursing & Midwifery Planning & Development	Dept of Health	11	-	2	9
An Chomhairle Um Oideachas Gaeltachta agus Gaelscola	Dept of Tourism, Culture, Arts, Gaeltacht, Sports and Media	50	-	5	45
Irish Aid	Dept of Foreign Affairs	-	35	23	12
Dept Of Tourism, Culture, Arts, Gaeltacht, Sport And Media	Dept Of Tourism, Culture, Arts, Gaeltacht, Sport And Media	-	44	475	(431)
Ordnance Survey Ireland	Dept of Environment, Climate and Communications	70	-	-	70
Houses of the Oireachtas	Dept of the Taoiseach	45	-	-	45
Total Exchequer Research Grants		14,160	70,053	61,271	22,942
Total Non-Exchequer Research Grants		29,024	43,580	39,496	33,108
Total per Research accounts		43,184	113,633	100,767	56,050
Other Adjustments		7,995	(3,266)	(1,507)	6,236
Research grants and contracts per Financial Statements		51,179	110,367	99,260	62,286

Capital grants

The University received grant income of €0.7m (FY18/19: €1.3m) 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
5 College Green
Dublin 2
Ireland

T 01 896 1000

E financial.services@tcd.ie

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



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Trinity College Dublin, The University of Dublin

Opinion on the financial statements

I have audited the financial statements of Trinity College Dublin for the year ended 30 September 2020 as required under the provisions of the Universities Act 1997. The financial statements comprise

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

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the University and of the University group at 30 September 2020 and of the income and expenditure of the University and of 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 which relates to retirement benefits accrued by current and former staff up to 30 September 2020.

The recognition of deferred pension funding assets in respect of the Master Pension Scheme (€1,208 million) and the Single Public Service Pension Scheme (€78 million) reflect statutory provisions relating to the funding of those schemes.

The recognition of a deferred pension funding asset of €676 million in respect of the Model Scheme and pension supplementation anticipates that funding will be provided by the State to meet the related 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 have fulfilled my other ethical responsibilities in accordance with the standards.

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 of the C&AG (continued)

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 53) a statement on the 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.

Non-compliance with procurement rules

The statement on governance and internal control 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 2021

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 I identify 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 I identify 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.