



Minutes of the Finance Committee Meeting of 7 March 2024

Present: Provost (Chair), Vice-Provost/CAO, Bursar, Dean of Arts, Humanities & Social Sciences, Chief Operating Officer, President of the Students Union, Ms. N. Campbell (Minutes 55 to 60), Ms. N. Holland, Ms. N. Hardiman, Mr. L. Kavanagh, Interim Chief Financial Officer – Secretary to the Committee

In Attendance: Interim Deputy CFO, CFO's Strategic & Admin Support (Minute-taker)

Apologies: Ms. C. Bryce

Statement of Interest: None received

The Committee noted and approved the minutes of the Finance Committee meeting of 26.10.2023 as circulated and noted the update on Matters Arising as outlined. The Minutes of the meeting of 27.02.2024 will be re-circulated for approval following a minor amendment.

Section A

No items

Section B

FN/23-24/55 XX Draft Consolidated Financial Statements for the year ended 30.09.2023

The Committee welcomed the circulated memorandum from the Interim CFO and Interim Deputy CFO dated 01.03.2024 and the accompanying Draft Consolidated Financial Statements for the year ended 30 September 2023, along with the draft Letters of Representation to PwC and C&AG.

By way of presentation, the Interim CFO outlined the approvals process for the Consolidated Financial Statements and the Committee noted the audit status update for the University and its subsidiaries.

The Interim CFO outlined the key details of the Consolidated Financial Statements 2022/23 across the following headings:



- Consolidated Profit & Loss
- Consolidated Income & Expenditure
- Capital Expenditure & Cashflow
- Research Activity & Awards Signed FY2019 – 2023
- Balance Sheet & Net Assets summary
- Balance Sheet – Key Movements & Matters to Note
- Pensions
- Recap – Approvals & Next Steps

In considering the result reported for the year, the Committee noted the net surplus of €3.9m and welcomed the underlying surplus achieved of €1.1m (before unrealised gains and losses), versus the underlying deficit in FY22, which reflected the ongoing recovery from the financial impacts of the pandemic in the prior year.

The Interim CFO drew the Committee's attention to the University's performance across a number of headings, noting the increase in income over prior year, driven by growth in academic fee and research income, along with a strong post-covid recovery in commercial revenues. The Committee noted the increase in both Undergraduate and Postgraduate student registrations, in particular the growth in non-EU student numbers.

The Committee considered the increase in expenditure in the year, noting that increased staff costs were driven by headcount increases, national wage agreements and annual increments, while increases in other operating expenses were reflective of growth in activity along with significant inflationary pressure across many categories of spend.

The Committee also noted the value of capital expenditure in the year, up on prior year, in line with the University's investment in key infrastructure projects, including E3 Learning Foundry, the Book of Kells Experience, Trinity East (Portal), Old Library Redevelopment and Historic Building Accommodation, along with ongoing investment in existing University facilities. The University's strong liquidity at year-end, its borrowings during the year and unchanged gearing level from prior year (in line with the forecasted position in the University's Strategic Plan) were also noted.

In reviewing the University's research performance, the Committee noted the value of new awards secured in the year and the strong performance of



research activity which increased by 9.3% year on year. Research income once again exceeded €100m. The Committee also noted the University's research performance in the broader context of new awards secured and the proportionate share of funding received from domestic and European sources. The Committee further noted the additional detail on the full economic cost of research activity and the limited rate of indirect cost recovery.

The Interim CFO provided a summary of the University's net assets, highlighting key Balance Sheet movements and noting the increase in both Fixed and Endowment & Investment Fund assets in the year.

The Committee noted the increase in the pension liability in the year, along with the matching pension receivable asset. The Committee also noted that the audit process had concluded satisfactorily, with both PwC, and the Comptroller & Auditor General expected to give unqualified audit opinions.

Having noted the University's financial position for 2022/23, the Committee commended the careful management of the University's finances during the year and noted the ongoing and emerging financial challenges ahead.

Thanking the Interim CFO and her team for their work in producing the draft Consolidated Financial Statements and welcoming the comprehensive update provided, the Committee agreed that the draft Consolidated Financial Statements and draft Letters of Representation should be forwarded to Audit Committee for consideration and onward recommendation to Board for approval.

Action:

- 55.1** The draft Consolidated Financial Statements and draft Letters of Representation for the year ended 30 September 2023 to be forwarded to Audit Committee for consideration and onward recommendation to Board for approval.



**FN/23-24/56
XX**

**Draft Trinity Endowment Fund Financial Statements for the year ended
30.09.2023**

The Committee welcomed the circulated memorandum from the Interim CFO and Interim Deputy CFO dated 29.02.2024 and the accompanying draft Trinity Endowment Fund Financial Statements for the year ended 30 September 2023, along with the draft Letter of Representation to PwC.

By way of the circulated presentation, the Interim CFO provided an update on the audit status of the Endowment Fund Financial Statements and drew the Committee's attention to the key messages including the increase in net assets, reflecting a rebound in equity markets in the year, the overall return of 6.2%, along with the level of new Endowment donations received. Also summarised were the main elements of the Fund's performance in the financial year, across the following headings:

- Endowment Fund growth
- Income distributions to Trinity College Endowment Funds
- Investment objectives and asset allocations
- Sustainable Investment Policy and Investment Policy Statement

The Committee noted the market value of the Fund's investment portfolio at 30.09.2023, the total return achieved and the status of the ongoing portfolio restructure to align with agreed asset allocations. In considering the level of unspent balances as reported, the Committee noted FSD's regular engagement with areas regarding plans for unspent balances and the process to manage outdated or obsolete conditions associated with specific awards and prizes.

The Committee noted that the Investment Committee had updated the University's Investment Policy Statement during 2023 and developed a Sustainable Investment Policy, further noting plans for a new Endowment Fund webpage and enhanced sustainable investment reporting in the coming year.

The Committee acknowledged the strong performance of the Endowment Fund and the positive contribution it made to the University's finances and, noting that the auditors intend to issue an unqualified audit opinion, agreed that the draft Endowment Fund Financial Statements and Letter of



Representation be submitted to Audit Committee for review and onward recommendation to Board for approval, and subsequent submission to the Charities Regulatory Authority.

Actions

56.1 The draft Endowment Fund Financial Statements and draft Letter of Representation to PwC for the year ended 30 September 2023 to be submitted to Audit Committee for review and recommendation to Board for approval, and subsequent submission to the Charities Regulatory Authority.

FN/23-24/57 Draft US GAAP Financial Statements for the year ended 30.09.2023

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The Committee noted the memorandum from the Interim Deputy Chief Financial Officer dated 01.03.2024 and the accompanying draft US GAAP Financial Statements for the year ended 30 September 2023 along with the draft Letter of Representation to PwC as circulated. The Committee noted that the financial statements, which had been prepared solely to meet US Government legislative requirements applicable to foreign institutions in receipt of Federal Student Aid Program funding, will only be made available to the US Department of Education.

In her presentation, the Interim Deputy CFO highlighted the status of the audit and in summarising the reported financial out-turn, detailed the differences in accounting treatment across key asset and liability and income and expenditure categories under US GAAP and Irish GAAP.

The Committee noted that US GAAP-compliant financial statements are currently required every 3 years in addition to submitting audited Irish GAAP financial statements annually. However, should the level of funding received surpass the relevant threshold, Trinity will be required to report under US GAAP on an annual basis. Noting the importance of the US market to the University in a range of contexts, and the significant work involved in preparing US GAAP-compliant financial statements, the Committee welcomed the improvements put in place by FSD, including automation of the US GAAP ledger as outlined.



Having noted the material reconciling items between the US and Irish GAAP position reported at the financial year-end, the Committee recommended the draft US GAAP Financial Statements and the draft Letter of Representation to PwC for consideration by Audit Committee and onward recommendation to Board for approval, and subsequent submission to the US Department of Education within the required timeframe.

Actions

57.1 The draft US GAAP Financial Statements and Letter of Representation to PwC for the year ended 30 September 2023 to be submitted to Audit Committee for review and onward recommendation to Board for approval, and subsequent submission to the US Department of Education within the required timeframe.

FN/23-24/58 Financial & Performance Highlights Q1 2023/24

The Projects Accounting Manager attended for this item.

In considering the Q1 2023/24 Summary and Detailed Reports from the Interim Deputy CFO and the Projects Accounting Manager dated 01.03.2024 as circulated, the Committee welcomed the updated information, including the key messages and highlights across the following headings:

- Financial Performance Q1 FY23/24 & Full-Year Forecast to 30.09.2024
- Q1 FY23/24 Summary I&E Dashboard - Actual v Budget & PY
- Q1 FY23/24 Summary I&E Dashboard - Forecast v Budget & PY
- HEA Quarterly Reporting
- Q1 FY23/24 Pay by Area
- Q1 FY23/24 Non-Pay by Area
- Student numbers trend FY18-24
- Executive Summaries (Research and Capital) Q1 FY23/24
- Q1 FY23/24 Cashflow
- Trinity's Gearing - Loans/Debt Profile and by Project
- Trinity Endowment Fund Q1 FY23/24
- FY23/24 Net External Expenditure Actual v Q1 Forecast Variances (by Faculty, Division and School)
- Q1 FY23/24 Procurement KPI Analysis



In her presentation, the Interim Deputy CFO drew the Committee's attention to the financial summary dashboards for Q1 FY23/24 actuals, budget and full year re-forecast for 2023/24, noting that whilst Q1 income is forecasted to be ahead of budget, largely due to timing differences across all income streams, the forecasted surplus to 30.09.2024 (before unrealised gains/losses) is behind budget. The Committee noted the increase in operating costs against budget, driven by increases in non-Pay costs including utility and service contract costs, and additional staff costs, reflecting the impact of pay awards and increased staff numbers.

The Committee noted that provisional student registrations at November 2023 are 4% ahead of prior year and are expected to come in on budget. Final student registration numbers will be available later in March. The Committee noted the movement in the ratio of EU/Non-EU students and the consequential impact on Academic Fee income.

The Committee reviewed the University's research performance, with Q1 income behind prior year, largely due to timing differences in receipts, while research activity (expenditure) is ahead of 2023 levels due to increased Exchequer and Non-Exchequer spend. New proposals increased significantly in Q1 FY23/24 compared to the prior year quarter with 8 SFI centre bids submitted and the value of new research awards also increased year-on-year.

The update on capital project activity was also noted, including the top 5 approved projects by value and the overall capital portfolio value along with the significant increase in capital expenditure year-on-year.

The Committee noted the University maintained strong liquidity in Q1, with closing cash up on Q4 FY22/23, largely driven by a Pension funding receipt from the HEA during the quarter. The increasing demand on cashflow for capital project-related spend on key projects was also noted.

The Committee considered the update on the University's gearing and loan/debt profile, noting the value of current borrowings and overall gearing level, along with future committed borrowings.

In reviewing the Endowment Fund update, including net income for Q1 2023/24, the Committee noted that income is ahead of prior year Q1 as recent investments generate returns, but behind the current year target due to



timing of dividend payments. The Committee noted that the Fund is not yet fully reinvested into the approved asset allocations, and that strong growth in equity valuations was partly offset by a reduction in capital values of Investment Property assets.

Thanking the Interim Deputy CFO and the Projects Accounting Manager for their presentations, and noting the additional information provided in response to questions on the timing and share of the State Grant and drivers of increased non-pay costs, the Committee noted the results as outlined and requested an update on Q2 2023/24 activity be provided in Trinity Term 2023.

Action:

58.1 An update on Q2 2023/24 activity to be provided in Trinity Term.

FN/23-24/59 Capital Projects Dashboard

The Committee welcomed the circulated document from the COO, dated February 2024, which provided a high-level overview of the University's major capital programme, including the approved budget for each of the active projects, expected completion dates and key activities to July 2024 along with a RAG status. The Bursar provided a brief status update on the OLRP and advised that a report on this Project would come forward to the next meeting. The Committee also requested an updated Capital Projects dashboard to come forward for consideration at the next meeting.

Actions

59.1 An updated Capital Projects dashboard along with an update on the OLRP to come forward for consideration at the next meeting.



FN/23-24/60 CONSULT Trinity & Tangent Update

(Minutes FN/22-23/26 & 90 of 23.11.2022 and 04.05.2023 refer)

The Chief Innovation & Enterprise Officer and Executive Director TI&E attended for this item.

The Committee welcomed the circulated documents from the Chief Innovation & Enterprise Officer and the Executive Director, TI&E Enterprise, dated February 2024, which provided a status update on CONSULT Trinity and Tangent activity, along with a high-level summary of the restructuring of TI&E.

By way of presentation, the Chief Innovation & Enterprise Officer outlined the organisational changes being made to consolidate and re-brand core elements of 'Trinity Research & Innovation' into 'Trinity Innovation & Enterprise', while the Research Development Office will be under the remit of the Office of the Dean of Research. She noted that the revised structure, which comprises three core pillars, will now incorporate both CONSULT and Tangent, as follows:

- Knowledge Exchange Combining Technology Transfer, Contracts and Research Commercialisation
- Portal Including Portal, Tangent, Industry and CONSULT
- Innovation in Education Incorporating Learnovate and Education Commercialisation

The Executive Director summarised "CONSULT Trinity's" business model and core service, which is to enable academics across all Faculties to work on a consultative basis with external parties.

The Committee noted the funding structure for CONSULT Trinity, the balance remaining from the Enterprise Ireland/Knowledge Transfer Ireland investment and the performance of revenues against target, which will support transition of the pilot-project to self-funded activity from 2025/26. The Committee welcomed CONSULT's strong performance in FY23 (103% of the revenue target had been achieved), along with the total number and value of awards and the client base analysis, noting the programme is on track to meet future income requirements, in line with plan. Having noted the wider benefits academic consultancy could potentially bring to the University, the



Committee welcomed the additional detail provided on tendering supports, vetting and contracts processes and procedures.

The Committee welcomed the overview on Tangent activities and the summary of key deliverables achieved in the year, including the number of programmes and events held, course participants, collaborative activities, tenders won, start-ups supported, and entrepreneurial revenues earned.

In considering the financial overview, the Committee noted the detailed income analysis across key revenue streams and the associated costs, along with total pay expenditure. The Committee further noted the key factors underpinning the FY23 outturn, including unbudgeted statutory pay-increases, reduced sponsorship, and absorption of European Institute of Innovation costs.

Acknowledging the value of Tangent's offering and its contribution to the University in both financial and reputational terms, the Committee noted the challenges in terms of future funding and welcomed the planned integration of Tangent under the Portal brand and the attendant benefits as outlined.

Thanking the Chief Innovation & Enterprise Officer and the Executive Director, Trinity Innovation & Enterprise for their report, the Committee requested a further update on Tangent Activity in Michaelmas Term 2024, with the annual update on CONSULT Trinity to come forward in Hilary Term 2025.

Actions

- 60.1** An update on Tangent activity to come forward for consideration in Michaelmas Term 2024, with the annual update on CONSULT Trinity to come forward in Hilary Term 2025.



Section C

FN/23-24/61 Planning Group Report #29 (Minute FN/23-24/10 of 28.09.2023 refers)

The Committee noted the circulated memorandum from the Vice-Provost/Chief Academic Officer, dated 01.03.2024, enclosing Planning Group Report #29, which had been considered and approved by the Executive Officers Group at its meeting of 20.02.2024 and subsequently by Board on 28.02.2024.

The Report provided an update on Planning Group activity from June 2023 to February 2024 across the following headings:

- Summary
- Budget Planning Allocation (BPA)
- Postgraduate Renewal Programme
- HEA System Performance Framework 2023-28
- Monitoring: Finances and Staffing
- Acknowledgements

The Committee noted that the BPA Model was in its second year of operation during the period of the report, with recommendations and feedback arising from its 1-Year Review having been considered by Planning Group in June 2023. The BPA allocations and increments adjustment were also approved in June 2023 for inclusion in the FY24 budget cycle, with the final FY24 University Budget being approved in September 2023, prior to onward consideration by EOG, Finance Committee and Board.

Planning Group approved several funding requests in the reporting period, including a Business Case for Horizon 2 of the Postgraduate Renewal Programme, additional CSD resources and a resourcing request for the delivery of the Sustainability Strategy Action Plan. An update on the HEA System Performance Framework was also received, along with a request to extend the Global Relations Strategy (GRS) III Business Case by one year.

The Committee noted that the next Planning Group report will come forward for consideration in Trinity Term 2024.



FN/23-24/62 Global Relations Strategy (GRS) III Update

The Committee noted the circulated memorandum and accompanying appendices from the Office of the Vice-President for Global Engagement dated 07.03.2024, which set out the second of the bi-annual updates on the business plan implementation for GRS III across the following headings:

- Purpose
- Key Points
- Student registrations and fee income for AY2023/24 – Interim forecast
- Interim Summary of GRS III
- Early indications for AY2024/25 admissions cycle

The Committee noted the updated position of GRS III as reported, including total fee income and student registrations, noting that additional income from internationalisation activities supported by the Global Relations Office is not included in this report.

The Committee further noted that fee income and student registrations grew from 2022/23 to 2023/24, with AY24 registrations and fee income forecasted to surpass ambitions by 6% and 2% respectively. Actual fees received for AY24 are 5% ahead of prior year and 6% ahead of the revised strategic plan ambition.

Noting the current indications on the 2024/25 admissions cycle and the update provided on student body diversity, along with recruitment and conversion activity as outlined, the Committee requested an updated report in Trinity Term 2024.

- 62.1** An updated report to come forward for consideration in Trinity Term 2024.



**FN/23-24/63 Analysis of Income & expenditure of Research Accounts for FY 2022/23
(Extract: Green Book)**

The Committee noted the circulated memorandum from the Projects Accounting Manager dated 01.03.2024, incorporating an extract of the Annual Analysis of Income and Expenditure of Research Accounts for the year ended 30.09.2023, including information on income and expenditure for all research awards by Faculty/School/TRI and other non-School awards. The information is also available in a searchable online form on the University's Financial Information System.

FN/23-24/64 University Bridge Fund II – Investor Report Q4 2023

The Committee considered the circulated memorandum from the Trinity Start-Up Development Manager dated 21.02.2024 and the enclosed University Bridge Fund II, L.P. Investor Report for Q4 2023, which provided an update on the Fund's performance across the following headings:

- Fund Information
- Portfolio Update
- University Bridge Fund II, L.P. Financial Statements

The Committee noted the detail provided on two new and follow-up capital investments in the quarter, the value of total investments made to date, key portfolio highlights as set out along with emerging investment opportunities. The Committee also noted that the pace of investment continues to align with the forecast deployment model and requested the Q1 FY24 performance update to come forward for review in Trinity Term 2024.

Action:

- 64.1** The Q1 FY24 performance update to come forward for review in Trinity Term 2024.



FN/23-24/65 Treasury Management Update

In accordance with the Treasury Management Policy, the Committee noted the circulated memorandum and accompanying appendices from the Project Appraisal Manager and Senior Corporate Finance Accountant dated 28.02.2024, setting out an update for Q1 FY24, along with comparative data for Q1 FY23 across the following headings:

- Current deposits, credit ratings and credit limits
- Deposit Capacity & New Banks
- Average deposit rates and monthly cash balances
- Bank of Ireland 0% Interest charges on No 1 Current Account
- EIB Loan Nos. 1, 2 and 3 and Top Up Financing
- Commercial Borrowing
- L&G Loans 2, 3 and 4
- HFA Loan 1
- AIB Bank Rolling Credit Facility
- Obligations under Finance Lease
- EIB Financial Covenants, Borrowing Capacity & HEA considerations
- Bank Overdrafts
- Treasury Policy Update
- Treasury Risk Management Update

An updated report on Q2 FY24 will come forward for consideration in Trinity Term 2024.

Action:

- 65.1** An updated report on Q2 FY24 will come forward for consideration in Trinity Term 2024.



**FN/23-24/66 Trinity Asia Services Limited (TASL), Singapore Update
(Minute FN/22-23/75 of 09.03.2023 refers)**

The Committee noted the circulated memorandum from Professor John Gormley and the Project Appraisal Manager dated 29.02.2024 and the update provided under the following headings:

- Executive Summary
- Update since the last report
- Financial Summary 2022/23
- Risk

The Committee noted the detail provided on activity since the last report in March 2023, including completion of TASL's sixth year in operation, preparation of its annual set of audited statutory accounts for the year ended 30.09.2023 (circulated) and the full-year financial performance in 2022/23. The Committee further noted the 2023/24 forecast, and the forecasted reduction in income, in line with decreased student intake.

Having noted that the company may close in 2024 due to the planned decrease in activities, the Committee requested a further update in Hilary Term 2025.

Action:

66.1 An updated report to come forward for consideration in Hilary Term 2025

**FN/23-24/67 Borrowing Framework and Loan Guarantees
XX**

The Committee noted the circulated memorandum and accompanying documents from the Project Appraisal Manager and Senior Corporate Finance Accountant dated 29.02.2024, which set out a revised and updated Borrowing Framework template for the University's financial year ending 30 September 2023 along with projections for FY2023/24 (with no new loans in scope for the year ended 30 September 2024). The Committee further noted the University's compliance with the current framework, including the additional confirmations required by the HEA, and approved the framework template and supporting documents for onward submission to Board for noting.



Action:

67.1 The Borrowing Framework template to be forwarded to Board for noting.

FN/23-24/68 HEA Oversight Group Agreement 2024

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The Committee considered the circulated memorandum from the College Secretary and the Head of Financial Planning & Analysis dated 29.02.2024, which set out the broad governance and accountability framework, along with the key responsibilities underpinning the relationship between the HEA and the University.

The Committee noted the key reporting requirements as outlined, including the Statement of Governance and Internal Control contained in the annual Consolidated Financial Statements. The Committee further noted that the Oversight Agreement will be considered and approved by the Risk & Compliance Committee at its meeting of 06.03.2024 prior to being submitted for consideration by Board.

FN/23-24/69 Provost's Expenses

The circulated memorandum from the College Secretary dated 29.02.2024, setting out the report of the Provost's expenses for the period 01.02.2023 to 31.07.2023 was noted. Furthermore, the Committee noted that, as indicated, all expenses incurred were approved in line with relevant University policies, no exceptional items of expenditure were incurred and reimbursement claims (and supporting documentation) were available for review, if required.



FN/23-24/70 Minutes of Audit Committee

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 29.02.2024 and the accompanying minutes of the Audit Committee meeting of 10.10.2023, which included the following items:

- Divisional Update & Audit Recommendations Log
- Plan for Audit of the 2022/23 Financial Statements
- University Risk Register
- Audit of TAP Financial Assistance
- Update on Internal Audit Annual Plan 2023
- Non-Audit Services Policy
- Reports from Internal Audit
- Internal Audit Reports – Agree by Written Procedure
- Trinity College Dublin Board Composition
- Board Papers
- AOB

FN/23-24/71 Minutes of the Critical Infrastructure Committee (CIC)

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 29.02.2024 and the accompanying minutes of the Critical Infrastructure Committee meeting of 12.12.2023, which included the following items:

- Draft CIC Terms of Reference
- Future Agenda setting
- 2023/24 Workplan
- Committee minutes
- AOB



FN/23-24/72 Related Entity Financial Reporting
XX

The Committee noted the circulated memorandum from the Interim Chief Financial Officer dated 29.02.2024 and recommended the Directors’ Reports and audited Financial Statements of the following entities to Board for noting:

- Ghala DAC for the year ended 30.09.2023, along with the Letter of Representation dated 23.01.2024.
- Trinity Asia Services Limited (TASL) for the year ended 30.09.2023, along with the Letter of Representation dated 07.12.2023.
- Trinity Online Services Company Limited by Guarantee (TOSL) for the year ended 30.09.2023, along with the Letter of Representation dated 30.01.2024.
- Trinity Brand Commercialisation Services Limited (TBCSL) for the year ended 30.09.2023, along with the Letter of Representation dated 05.03.2024.

Action:

72.1 The Directors’ Reports and audited Financial Statements of Ghala DAC, TASL, TOSL and TBCSL for FY2023 and associated Letters of Representation to be forwarded to Board for noting.

The Committee noted the next Finance Committee meeting is scheduled for **30 April 2024 at 10:00am** in the Provost’s Library.

PROVOST..... DATE.....