

Trinity College London
(A company limited by guarantee)
Company number 2683033
Charity number 1014792

Report and Financial Statements
for the year ended 31 March 2020

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Report of the Trustees and Council Members for the year ended 31 March 2020

The Council Members are pleased to present their report together with the audited financial statements of Trinity College London (“the company” or “the charitable company”) for the year ended 31 March 2020 which are also prepared to meet requirements for a Directors’ report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies as set out in the notes to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, published on 16 July 2014.

Reference and administrative details

Charity No	1014792
Company No	2683033
Registered office	Blue Fin Building 110 Southwark Street London SE1 0TA
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Principal Bankers	Lloyds Bank Plc 39 Threadneedle Street Branch London EC2R 8AU
Principal Solicitors	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 688
Directors, Trustees and Council Members	<p>The Directors of Trinity College London are its trustees for the purpose of charity law and throughout this report are referred to as "Governors", "Council Members", "the Council" or "the Trustees". The Directors who held office during the year and since year end were as follows:</p> <p>Mark Damazer, CBE (Chairman) (appointed 5 February 2020) Dr Geoffrey Malcolm Copland, CBE (Chairman 9 March 2019 – 5 February 2020) Prof Charles Alderson (retired 5 February 2020) Charles Hindson Prof Geoffrey Smith James Mullan</p>

	Marie-Anne Birken (appointed 9 October 2019) Mike Saunders Rahul Chakkara (appointed 5 February 2020) Rajiv Jaitly (retired 22 September 2019) Salar Farzad
Audit Committee	Charles Hindson (appointed as Chairman 5 July 2019) Hilary Milne Dr Geoffrey Malcolm Copland, CBE Marie-Anne Birken (appointed 9 October 2019) Rajiv Jaitly (retired 22 September 2019)
Company Secretary	Fiona Butcher
Key Management Personnel	Sarah Kemp (Chief Executive) Richard Michel (Group Director, Delivery) Pete Mobbs (Chief Financial Officer) Jonathan Peake (Group Director, Global Hubs) (appointed 6 January 2020) Prof Michael Rofo (Group Director, Sector Strategies) Mr Dean Pateman (Group Director, Quality & Standards) (resigned 13 August 2019) Dr Carolyn Brown (Group Director, Transformation) (appointed 20 August 2019 and resigned 2 January 2020)

Structure, Governance and Management

Governing Document

Trinity College London ('TCL') is a company limited by guarantee and a registered charity ("the charity"). It was established in 1992. In 1993, Trinity College of Music transferred the services offered by its external examinations and publications departments to TCL at the nomination of Trinity College of Music Trust ("TCMT") in a three-way agreement. The objects of TCL are set out in its governing instrument, the Articles of Association.

Organisation

The governing body of TCL is the Council, which is made up of appointed Council Members (also known as "Governors"), who are also the members of TCL under the Companies Act. The Council meets regularly and retains full and effective control over the TCL group. Through Council meetings, the Council Members monitor the performance of senior management and review the quality, effectiveness and timeliness of information provided to the Council. The Council is involved in major strategic decisions and has ultimate responsibility for the conduct and financial stability of TCL. For the purposes of the Companies Act, the Council is the Board of Directors of TCL and the Governors are the Directors. For the purpose of charity law, the Council Members are the Trustees.

At the date of this report, the TCL group consists of TCL and eight subsidiary undertakings: BCEL T S.R.L, Trinity College London (India) Private Limited, Trinity London (Thailand) Limited, Trinity College London (HK) Limited, Trinity College London Enterprises Limited, Trinity College London SELT Limited, Trinity College London Press Limited and Fundacion Trinity College London Espana.

The Council delegates the operational management of the group to senior management which comprises the Chief Executive and Senior Executives. The titles of these Senior Executives include the word 'Director' although these individuals are not Directors of TCL under company law.

The Nominations and Remuneration Committee is responsible for determining the remuneration of the CEO and certain key management personnel. In determining the remuneration, the Committee reviews and agrees:

- overall market positioning of the remuneration package
- base salaries and increases
- annual and long-term incentive/bonus arrangements and
- the relevant targets for performance related schemes and pension arrangements

Council Members and Related Parties

The charity is related to Trinity Laban Conservatoire of Music and Dance ("TL") because TCL has a specific power in its Articles of Association to subscribe to, and aid, the interests of TL and gives financial support by way of unconditional donations that are financed from surpluses after taking into account the reserve requirements of TCL. On 2 January 2019, TCL entered into an agreement for the provision of financial support for TL to give TL more certainty with respect to its intention to continue to give significantly to TL, subject to affordability. Although related charities, TCL and TL are not associated companies under the Companies Act.

Appointment of Council Members and Terms of Appointment

Council Members are appointed by Council. All Council Members are involved in the appointment of nominated individuals to Council. When considering selection, the Council has regard to skills, any specialist knowledge requirements and diversity of experience. Newly appointed Council Members are briefed on their legal obligations under charity and company law, the content of the Articles of Association, the governing structure of the charity, the business plan and the recent financial performance of the charity. On appointment, all Council Members commit to a Code of Conduct and are also familiarised with the Charity Governance Code.

Council Members are updated regularly on their legal obligations and are also encouraged to attend appropriate events in order to facilitate the undertaking of their role.

Under the Articles of Association, each Council Member shall retire from office on the third anniversary of the commencement of his/her term of office. Retiring Council Members may be reappointed for a further two terms of three years but the reappointment of a Council Member who has served a period of three or more terms will be subject to annual review by the Council and further reappointments will be for one year at a time. Such one-year appointments may be made in one or more successive years.

Subsidiary undertakings

TCL beneficially owns 100% of the issued share capital of Trinity College London (India) Private Ltd, a company incorporated in India. The company provides services in respect of the provision of examinations in that country.

TCL beneficially owns 49% of the issued share capital of Trinity London (Thailand) Ltd, a company incorporated in Thailand. The company is dormant. The investment was made in order to facilitate the provision of examinations in that country.

TCL beneficially owns 100% of the issued share capital of Trinity College London (HK) Ltd, a company incorporated in Hong Kong. The company provides services in respect of the provision of examinations in that country.

TCL owns 100% of the issued share capital of Trinity College London Enterprises Ltd, a company incorporated in England & Wales. The company is currently dormant.

TCL owns 100% of the issued share capital of Trinity College London SELT Ltd, a company incorporated in England & Wales that primarily provides services in respect of the provision of Secure English Language Test (SELT) examinations in the United Kingdom.

TCL owns 100% of the issued share capital of Trinity College London Press Ltd, a company incorporated in England & Wales that provides publishing services.

TCL beneficially owns 100% of the issued share capital of BCELT S.R.L, a company incorporated in Italy. The company provides services in respect of the provision of examinations in that country.

TCL beneficially owns 100% of the Fundacion Trinity College London Espana, a not-for-profit company incorporated in Spain. The company is dormant.

Objectives and Activities

The objective of the charity to advance education for the public benefit, in particular but without limitation, by promoting education, instruction and educational assessment in:

- performing and creative arts; and
- language and communication.

The objective is pursued primarily through the provision of examinations, assessments, consultancy, training and the publication of relevant materials. TCL maintains a close association with TL and at the same time exploits opportunities for the fullest development of all TCL's educational services.

TCL's examinations are conducted in registered examination centres (schools, private and public centres, workplaces etc.) in the UK and approximately 74 countries internationally. TCL is regulated by the Office of Qualifications and Examinations Regulation, the Council for Curriculum, Examinations and Assessment in Northern Ireland and Qualifications Wales and relevant qualifications are recognised within the UK Regulated Qualifications Framework ("RQF"). TCL is in contact with education authorities around the world to promote the currency of its qualifications internationally. TCL's staff set academic standards, write specifications, syllabuses and examinations, devise marking schemes and verify standards, process entries, administer the worldwide examination programme, and issue certificates and diplomas.

An important part of TCL's activities is the provision of resource materials for music, drama and English language, together with supporting media, for study, appreciation and teaching. In collaboration with the Arts Council England ("ACE"), TCL also runs the Arts Award, which is a nationally recognised qualification based around any arts or media activity that inspires young people to grow their arts and leadership talents. It is a qualification with five levels and is open to all children and young people up to the age of 25. There are no entry requirements, no time limit for completing the award and no set rules about how to present the final work. Promotional activity for the Arts Award is aimed, in particular, at children and young adults from disadvantaged backgrounds.

Strategic Report

Achievements and Performance

The results for the 2019/20 financial year show Trinity College London achieving the second-best return in its 140 years of examining. Taking into account the worldwide impact of the Coronavirus pandemic and other international challenges that limited examination services, such as the unrest in Hong Kong and environmental factors within India, this can be considered a very strong performance.

TCL continues to offer Secure English Language Tests (SELT) in the UK, supporting the UK government's requirement for secure testing for immigration and visa purposes. The provision is conducted in Trinity-run test points across England, Scotland, Wales and Northern Ireland and has also been utilised for private hire drivers within England. The Concession Agreement with the Home Office for the provision of SELT services was renewed on 4 November 2019. Other government contracts for the provision of English language testing include the Provincial Education Examinations Authorities in Beijing and Hubei in China, numerous Departments of Education in India and Comunidad in Spain. Even considering the Coronavirus pandemic, there has been growth across many of our products with the newer products of Rock & Pop and Trinity Stars performing especially well.

Publication sales revenue increased by 12% year on year, in part due to the introduction of a more diverse print offering, with a further push into digital assets expected in the following year.

Financial Review

Income of £55,952,000 (2019: £57,905,000) was recorded during the year to 31 March 2020. Due to Coronavirus public health concerns, Trinity College London proactively closed the SELT Centres in March 2020 and ceased examinations prior to official government advice across the international examining network. Income would have been comparable to 2018/19 without the effect of Coronavirus and the challenges identified above.

Expenditure was £53,394,000 (2019: £54,601,000), including total donations payable of £1,520,000 (2019: £1,975,000).

During the period, the Council resolved, in light of the level of reserves and subject to the cash flow position, to pay donations totaling £1,500,000 (2019: £1,950,000) to Trinity Laban. This sum has been included in expenditure above.

The net income for the year, after donations paid, was £2,558,000 (2019: £3,304,000). Due to reduction in income and the additional costs related to halting examinations, some mid-session, and the repatriation of examiners, it is likely that the 2019/20 net income would have met the prior year performance.

The Council wishes to thank the CEO, senior management, staff, the network of representatives and the panels of examiners for delivering another satisfactory year of growth in the scope and scale of TCL and its activities. The Council wishes also to thank Prof Charles Alderson and Rajiv Jaitly, our retiring trustees, for their assistance and service.

Public Benefit

In setting strategic goals and planning activities, the Council has given careful consideration to the Charity Commission's guidance on the public benefit. TCL's primary objective is to advance education for the public benefit. This is achieved mainly through its broad suite of assessments, examinations and moderations in the Performing and Creative Arts and English Language. TCL's philosophy of assessment is based on a combination of technical skills and communication, often demonstrated through one-on-one assessment and specifications and syllabuses designed to give students a broad education in the subject while achieving measurable progress. Evidence from teachers and candidates indicates that the skills gained in preparing to meet the standards set by TCL provide successful candidates with a range of technical and soft skills in communication, as well as greater self-confidence.

In addition, TCL provides teacher support and training, for example for Teachers of English for Speakers of Other Languages (TESOL), classroom teachers in Music and Arts Award advisers, as well as for teachers and examination centres in countries less familiar with arts and language assessment. TCL also runs workshops for teachers and provides them with numerous useful free resources on its Virtual Learning Environment. TCL has contracts with government departments and agencies extending assessments and/or training into new areas supporting wider initiatives for the public benefit.

TCL undertakes research and development in the appraisal of performance and communication skills and in the measurement of creativity, which highlights the importance of good communication and creativity for society as well as for individuals. It has also created a corpus of words spoken by learners in recordings of TCL's Graded Exams in Spoken English for research purposes in collaboration with the University of

Lancaster. TCL is an active member of associations in the Performing Arts and English Language which are committed to improving education and assessment.

Historically, TCL has generated surpluses that have enabled donations to be paid to other educational charities, notably to Trinity College Music Trust (now paid directly to TL), or in support of educational needs, which in turn have supported student bursaries, scholarships or the further development of higher education, as well as recovery of educational activities in areas where TCL operates that have suffered major natural disasters. During the period, TCL made donations of £1,500,000 to Trinity Laban and £20,000 to third parties.

Reserves Policy

It is TCL's policy to maintain reserves that will permit it to maintain and grow its activities for the purpose of enhancing over time its ability to meet its charitable objectives. To that end, the Council seeks to ensure that there are sufficient net current assets to support working capital with reserves to meet current liabilities, and to afford reasonable protection to the organisation in the context of current and anticipated levels of activity, commitments, risks and exposures to specific markets.

Group cash balances at the balance sheet date stood at £21,001,000 (2019: £21,013,000). Group unrestricted general reserves at the balance sheet date stood at £15,411,000 (2019: £13,063,000).

During the year TCL, has invested a further £854,000 (2019: £624,000) in the administration and operating IT system for the long-term benefit of the group which has been covered by cash income. The free reserves of the charity (i.e. unrestricted funds excluding designated reserves and fixed assets) are £12,699,000 (2019: £10,744,000). The charity considers this position satisfactory in light of the decision to wholly own rather than lease under long term operating contracts the administrative and operating support infrastructure. The policy over the five-year business planning cycle is for the free reserves to remain a net surplus.

The funding for new products, the capital investment spends, and the cash call for the donation are decisions made based upon TCL being able to meet its current obligations, having regard to the existing and projected performance.

The benefits of the investment in the administration and operating system are now being realised and accordingly depreciation is charged to SOFA. Spend on operational infrastructure was required to further the charitable objectives and to allow the growth in activity envisaged in the strategic plan for the long term. Accordingly, the Council considers the ongoing liquidity and financial position to be healthy and appropriate.

Donations Policy

The Council seeks to optimise charitable donations in a way consistent with the stated reserves policy and subject to there being sufficient cash and liquid resources available to support TCL's ongoing business.

During the financial year 2019/20 Charity or its subsidiaries have not made any political donations.

Plans for Future Periods

The long term strategic plan continues to be developed and, accordingly, investment continues in refreshing the portfolio of products and researching new product opportunities. TCL expects to see a widening and deepening of its customer base as a consequence. Work will continue to maintain and enhance the validity, currency and reputation of Trinity examinations at both institutional and governmental levels.

In addition, TCL is investing in digitising products to increase accessibility and scalability, as well as in digitising delivery through the continued enhancement of its IT platform and the development of digital resources for examiners, teachers and learners.

Risk Management

Council is responsible for overseeing the management of the risks faced by TCL. A comprehensive review is carried out annually, on the basis of which detailed plans and budgets are approved for the following year.

Council has assessed the major risks to which the charity is exposed, those related to the operations and financing of the charity, exposure to foreign currency movements, competition from new digital products, cybercrime and the protection of TCL's name and reputation. Council is satisfied that systems are in place to mitigate exposure to the major risks. A risk management plan is reviewed regularly and formally approved annually. The Chief Executive has been delegated to manage these risks on a day-to-day basis, putting in place systems and procedures to limit the impact on the charity if any of those risks should materialise.

Key risks include:

- Global Pandemic – controlled through digitalizing the product offer, recruiting more international examiners and enhanced financial reporting
- Currency fluctuations - managed through hedging contracts and natural hedging
- Changing political and competitive landscape - controlled through the development of alternative markets and products

Impact of Coronavirus and Plans for Future Periods

Like most organisations, TCL has been adversely affected by the Coronavirus pandemic. After returning a surplus of £4m, prior to donation, in 2019/20, it is expected that the result for 2020/21 will be close to break even, and then a surplus of £1m to £2m in 2021/22.

Historically over 95% of examination income was derived by physical face to face exams, principally serviced by UK based examiners, travelling within the UK and internationally. Under Covid-19, local and international travel has been severely restricted and over the first six months of the 2020/21 financial year, TCL has developed new products and offers that diminish the dependencies on physical face to face examinations and build business resilience.

By July 2020, TCL had developed digitalised versions of our examinations across the product suites of English language, Drama, Classical & Jazz, Rock & Pop, Skills for Life, TESOL and Arts Award, some of which took advantage of Ofqual's Extraordinary Awarding framework. Uptake of these products has exceeded the first interim forecast, with over 100,000 candidates examined under the new delivery mechanisms by the end of August. Other, new digital products are currently being developed and will be

released this and next financial years, to complement the existing products and grow TCL's reach and customer base. It is now expected that 65% of all examination income for 2020/21 will be derived by the new digital delivery method. In order to service those candidates that wish to continue with physical face to face examinations, TCL has conducted an international recruitment drive for examiners across the varying product suites to help geographically diversify the examiner base. With over 1,000 applications received it is envisioned that our main markets will have considerable capacity to examine face to face with locally based examiners when local laws permit, and it is safe to do.

The contribution level, which considers the income and direct costs of servicing the examinations, is forecasted to be only marginally lower in 2020/21 compared to 2019/20. A great proportion of the direct costs are variable and are only incurred if examinations are conducted. Such costs include examiner fees, travel and subsistence, centre costs and third party representative fees. This naturally reduces the cost base and where there are directly employed TCL offices and staff, expenditure has been minimised through a mixture of cost reductions and taking advantage of government job retention schemes. It is expected that there will be a positive improvement in the contribution margin in future years due to the reduction in travel costs related to digital delivery and locally based examiners.

Considering the reduction in income, we have taken positive steps to reduce the overhead, project and capital expenditure. Focussing and prioritising on strategic objectives and diversifying our customer offer, we have reduced our overhead cost base by circa £3m compared to 2019/20. Capital expenditure has also been reprioritised considering return on investment and is now expected to be more than £3m less than originally budgeted.

It is anticipated that cash balances will reduce throughout the 2020/21 financial year but is expected to be no lower than £10m at the end of the current and subsequent financial years.

Foreign Exchange Risk

TCL operates across the world and is exposed to movements in foreign currencies affecting the Group financial result and the value of Group equity. Foreign exchange risk arises because the amount of local currency paid or received for transactions denominated in foreign currencies may vary due to changes in exchange rates and because the foreign currency denominated financial statements of the Group's foreign subsidiaries may vary upon consolidation into the Sterling pound denominated TCL Group Financial Statements. Foreign exchange risks arise primarily on transactions that are denominated in EUR, USD and INR.

In managing its exposure regarding the fluctuation in foreign currency exchange rates, TCL has entered into a currency forward contract. These agreements generally include the exchange of one currency against another currency at a future date. TCL adopts a policy of considering hedging for future net cash flows from exam income.

Liquidity Risk

Liquidity risk is the risk that TCL will not be able to meet its financial obligations as they fall due. TCL's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to TCL's reputation. There are processes in place to monitor cash flows in order to minimise liquidity risk and use bank deposits to gain interest from the money that is not immediately required. Investment income for 2019/20 was £175,000 (2018/19: £87,000).

Due to foreign exchange restrictions imposed by the Argentinian government in 2020, it has not been possible to transfer funds from TCL's Argentinian branch to the UK. These funds will remain in Argentina until foreign exchange controls are lifted.

Going Concern

The financial statements are drawn up on the going concern basis, which assumes the group will continue in operational existence for at least 12 months from the date of approval of these financial statements

The Audit Committee scrutinises the charity's finances, internal controls, risk management and reports to the Council.

This report constitutes the Strategic Report and the Directors Report required under the Companies Act 2006.

Sustainability and carbon reporting

Trinity College London is reporting energy and carbon emissions in compliance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Greenhouse gas emissions and energy use data for the period 1 April 2019 to 31 March 2020.

Scope	Activity	Emissions (tonnes CO ₂ e)
Scope 1	Gas Consumption	52
Scope 1	Refrigerant gases	16.3
Total Scope 1		68.3
Total Scope 2	Electricity marked based	80.6
Total Scope 2	Electricity location – based	109.8
Scope 3	Business travel: Where TCL is responsible for purchasing the fuel	u/a*
Scope 3	Business Travel: rail	15.1
Scope 3	Business Travel: flights	149.6
Total Scope 3		164.7
Total emissions in tonnes CO₂e (market – based)		313.6
Intensity ratio (tonnes CO₂e/£million turnover)		5.6
Total property energy consumption (MWh)		712.4

*u/a = unavailable

Reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and have used the 2020 UK Government's Conversion Factors for Company Reporting. Our footprint has been calculated in line with the Greenhouse Gas Reporting Protocol – Corporate Standard and ISO 14064 – part 1. We report on an 'operational control' basis, meaning that our data covers energy use from premises where we have the authority to introduce and implement operating policies.

Under the scope 2 market-based method, zero emissions were accounted for the electricity supplies backed with the Renewable Energy Guarantees of Origin, for other supplies tariff specific conversion factors were used (as per the Fuel Mix Disclosures) where available and if not available the UK residual mixes was used to account for the remaining consumption.

Sustainability experts Bioregional have supported us with the data gathering, data checking and greenhouse gas calculations.

Scope

- Our greenhouse gas emissions cover Trinity College London and our UK subsidiaries (Trinity College London SELT Limited, Trinity College London Press Limited and Trinity College London Enterprises Limited). Our overseas subsidiaries are not included (Trinity College London India Private Limited, BCEL T S.R.L, Trinity College Hong Kong Limited, Fundacion Trinity College London Espana and Trinity London (Thailand) Limited).
- This is the first time we have included greenhouse gas emissions and energy use in our annual report and are therefore not yet able to compare year-on-year performance.

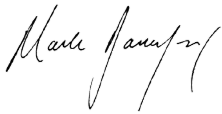
Data availability

- For this reporting year, we are unable to report on scope 3 greenhouse gas emissions and energy use associated with transport where TCL is responsible for purchasing the fuel (i.e. in employees' own cars and hire cars). We are looking to implement a system to capture the mileage, so this can be included in future years. Please note that TCL does not have any company owned cars.
- Our smallest, temporary TCL SELT test centres have been excluded from our reporting (3 out of 13 test centres) as they are deemed immaterial to our overall emissions. This will be kept under review for future years.
- Electricity data is 30% estimated and gas consumption data is 89% estimated. Estimates are based on performance of similar TCL sites where data is available or on the fuels & thermals 2019 Real Estate Energy Benchmarks from Better Building Partnership (kWh/m²/year).
- Refrigerant gases are only included for sites where data has been made available by landlords. Estimates have not been made for other air-conditioned sites where data was unavailable.
- Trinity College London will be working with landlords to improve data collection in the coming years.

Energy efficiency action taken

Our vision is to improve the sustainability of the Trinity estate as part of our wider sustainability strategy. This greenhouse gas report is an important step in our journey. We are pleased that several of our landlords already have renewable electricity tariffs in place and this accounts for 12.5% of our electricity consumption in 2019/20. Over the coming year we will be reviewing and implementing further actions we can take to reduce our impacts.

By order of the Council



Mark Damazer, CBE
Chairman
30/11/2020

Statement of responsibilities of the Trustees of Trinity College London in respect of the Trustees' annual report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Trustees are required to:

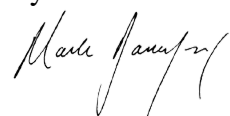
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

The Council Members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each Council Member has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Council



Mark Damazer, CBE
Chairman

30/11/2020

Independent auditor's report to the members of Trinity College London

Opinion

We have audited the financial statements of Trinity College London ("the charitable company") for the year ended 31 March 2020 which comprise the consolidated statement of financial activities; consolidated and company balance sheets, consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The Trustees are responsible for the other information, which comprises of the Report of the Trustees and Council Members and Strategic Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Trustees and Council Members and Strategic Report, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the group's and the charitable company'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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London E14 5GL

14 December 2020

**Consolidated Statement of Financial Activities
for the year ended 31 March 2020
(including income and expenditure account)**

	Note	Unrestricted General Funds 2020 £'000	Restricted Funds 2020 £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income:					
Income from Charitable activities					
Examination fees		53,452	-	53,452	55,593
Publication income		2,106	-	2,106	1,920
Other income		219	-	219	305
Investment income		175	-	175	87
Total Income	2	55,952	-	55,952	57,905
Expenditure:					
Expenditure on Charitable activities					
Provision of examinations & training	3	(50,607)	(16)	(50,623)	(51,430)
Production of Publications	3	(1,251)	-	(1,251)	(1,196)
Donations	4	(1,520)	-	(1,520)	(1,975)
Total expenditure		(53,378)	(16)	(53,394)	(54,601)
Net income/(expenditure)	8	2,574	(16)	2,558	3,304
Transfer to reserves of gains/(losses) on foreign exchange hedging contracts		(226)	-	(226)	397
Net movement in funds		2,348	(16)	2,332	3,701
Reconciliation of funds:					
Fund balances as at 1 April 2019	23	13,063	100	13,163	9,462
Fund balances as at 31st March 2020	23	15,411	84	15,495	13,163

There were no gains or losses other than those reported above.
The notes on pages 22 to 36 form part of these financial statements.

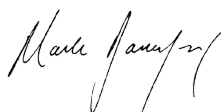
Consolidated and Company Balance Sheets as at 31 March 2020

	Note	Consolidated 2020 £'000	Consolidated 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed assets					
Intangible assets	9	747	517	320	292
Tangible assets	10	1,965	1,802	1,890	1,745
Investments	11	-	-	3,420	3,420
		2,712	2,319	5,630	5,457
Current assets					
Stocks	12	593	612	100	91
Debtors	13	6,025	7,081	8,026	8,536
Cash at bank and in hand	14	21,001	21,013	19,308	19,671
		27,619	28,706	27,434	28,298
Creditors: Amounts falling due within one year	15	(14,821)	(17,542)	(14,115)	(16,712)
Net current assets		12,798	11,164	13,319	11,586
Total assets less current liabilities		15,510	13,483	18,949	17,043
Creditors: Amounts falling due after one year	16	(15)	(320)	(15)	(320)
Net assets		15,495	13,163	18,934	16,723
Funds					
Unrestricted general funds	23	15,282	12,708	18,721	16,268
Restricted funds	23	84	100	84	100
Foreign exchange hedging reserve	23	129	355	129	355
Total Funds		15,495	13,163	18,934	16,723

The Council have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011.

The financial statements were approved by the Council on 7 October 2020 and signed on its behalf by:

Mark Damazer, CBE
Chairman



**Consolidated Cash Flow Statement
for the year ended 31 March 2020**

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Cash provided by operating activities	17		1,315		6,126
Investing activities					
Interest Received		175		87	
Purchase of tangible assets- Others		(971)		(801)	
Purchase of intangible assets- Others		<u>(531)</u>		<u>(25)</u>	
Cash used in investing activities			<u>(1,327)</u>		<u>(739)</u>
Increase/(decrease) in cash and cash equivalents in the year			(12)		5,387
Cash acquired with subsidiary					
Cash and cash equivalents at the beginning of the year			<u>21,013</u>		<u>15,626</u>
Total cash and cash equivalents at the end of the year			<u>21,001</u>		<u>21,013</u>

Analysis of Changes in Net Debt

Trinity College London or its subsidiaries have not obtained any borrowings or utilised any bank over draft facilities during the Financial Year 2019-20 hence, there is nothing to disclose.

Notes to the Financial Statements for the year ended 31 March 2020

1 Principal accounting policies

The financial statements relate to the year ended 31 March 2020.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

1.1a Basis of preparation and consolidation

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS 102) applicable in UK and Republic of Ireland and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (Charities SORP FRS 102, effective 1 January 2015).

Trinity College London "TCL" meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The consolidated statement of financial activities and balance sheet include the financial results of the charity (Trinity College London) and its trading subsidiaries, details of which are included in note 11 to these financial statements.

A separate Statement of Financial Activities, or income and expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006. The charity adopts the FRS 102 exemption from preparing a standalone cash flow statement for the charity.

1.1b Going concern

The financial statements are drawn up on the going concern basis, which assumes the group will continue in operational existence for the at least 12 months from the date of approval of these financial statements. The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Council members' Report on pages 3 to 15. The financial position of the charity, its cash flows and liquidity position are described in the primary financial statements on pages 19 - 21. In addition, notes 1 to 25 in the financial statements include: the charity's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

The charity has contracts with a number of customers and suppliers across different geographic regions and industries. In order to enhance the customer experience and improve internal efficiencies, TCL continues to invest in improving the administration and operational system. Therefore, as a consequence, the Council Members believe that the charity is well placed to manage its financial and operational risks successfully despite the uncertain economic outlook.

Impact on Coronavirus are set out in the Council member's report on pages 9 to 10.

The Council members have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. No material uncertainties that cast significant doubt about the ability of the group to continue as a going concern have been identified by

the Council members. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.2 Fund accounting

The general fund is an unrestricted fund which is available for use at the discretion of the Council in furtherance of the general objectives of the charity. Designated funds, when arising, are unrestricted funds which are available for use for specific purposes identified by the Council.

Restricted funds are available for use only for the specific purpose specified by the donor or grantor. These include funds to establish a bursary for students of the Communicative Arts.

1.3 Income

Income is included in the statement of financial activities (SOFA) when the charity is legally entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy.

Examination and training income represents fees earned in respect of examinations taken and training provided during the period and are recognised as arising when the examination or training has taken place. Income excludes invoices raised at the balance sheet date in respect of examinations to be taken after the year end. Such fees are shown under creditors in the balance sheet as Deferred Income.

Sales of publications are recognised at the date the sale arises and is invoiced.

1.4 Expenditure and support costs

Expenditure is accounted for on an accruals basis and recognised once there is a legal or constructive obligation to make a payment to a third party, probable that settlement will be required and the amount of the obligation can be reliably measured. The irrecoverable element of VAT is included with the item of expense to which it relates.

Costs which are directly attributable to charitable activities are recorded against those activities. Costs which are not directly attributable to charitable activities and which are not governance costs are termed support costs. Support costs are allocated on a basis consistent with the use of service departmental resources and apportioned to the respective charitable activity.

1.5 Governance

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity. Governance costs are allocated to charitable activities based on the activities' total direct costs.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost, less accumulated depreciation and any recognized impairment loss.

Depreciation is provided evenly on cost to write off fixed assets (over £2,000) to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. The principal annual rates are:

Furniture, fittings & equipment	4 years
Computer equipment & Software	3 years
Computerised operational and administration system	7 years (from initial release date)
Leasehold improvements	over the primary lease term

Where a tangible asset has been acquired to deliver a specific and designated project which may have a term less than the above period, the asset is depreciated over the shorter between the life of the project and the useful life of the asset.

Disposal of assets if any, are authorised by the Chief Financial Officer.

1.7 Intangible assets

Intangible fixed assets are stated at historical cost and amortisation is provided on all intangible fixed assets on a straight-line basis.

Development costs are amortised over the anticipated life of the first syllabus produced, which is expected to be 5 years.

Goodwill, being the excess of the purchase price of acquisitions over the fair value of the net assets acquired, is capitalised in accordance with FRS102 and amortised over its estimated useful economic life. Amortisation is restricted to the life of any services or contractual terms where these are related to the goodwill arising. Goodwill is only recognised in the Group.

1.8 Stocks

Stocks of publications and work in progress are stated at the lower of cost, using weighted average cost method, and net realisable value.

1.9 Foreign currencies

Transactions in foreign currency are translated at the exchange rate ruling at the date of the transaction. Foreign currency gains and losses are recognised in the SOFA.

Examination fees earned in foreign currency are translated at the prevailing exchange rate at the date of the invoice raised. The charity recognises its foreign currency transactions and derivatives in accordance with FRS 102.

Furthermore, the charity enters into forward currency exchange contracts to hedge its exposure to foreign exchange fluctuations on future income. The realised gains and losses are accounted in the SOFA and unrealised gains and losses are accounted in the foreign exchange reserves.

1.10 Taxation

TCL is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that all such income or gains are applied exclusively for charitable purposes.

1.11 Pension scheme

The charity provides defined contributions towards individual employees' Personal Pension Plans, which are charged to the SOFA as incurred.

1.12 Leased assets

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the life of the lease.

1.13 Investments

Investments in shares of group undertakings are recorded at cost less provision for permanent diminution in value in the individual balance sheet of the charity.

1.14 Debtors and incomplete examinations

a) Recoverability of debts

Outstanding debts are reviewed for recoverability according to age and specific circumstances. Provision is made to the extent that debts are deemed to be irrecoverable.

b) Income

An invoice for the examination fee is raised from the TOL system when the examination booking date is confirmed. When this is in advance of the examination date the examination fee is held in the Balance Sheet as deferred income. Examination fees are transferred to SOFA at the date the examination arises.

1.15 Judgements and estimates

In determining the carrying amounts of certain assets and liabilities the charity makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Charity's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. Further information about key assumptions concerning the future is another key sources of estimation.

Goodwill impairment

An annual assessment is made out in note 1.7 as to whether the current carrying value of goodwill is impaired.

General Provisions

The Charity has recognised provisions for an amount of £938,401 (2019: £597,360) related to legal obligations and other exposures. The provisions represent the best estimate of the risks but the final amount required is subject to uncertainty.

Contingent liabilities

The existence of contingent liabilities requires from management making assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Charity.

2 Analysis of Income

	2020 £'000	2019 £'000
United Kingdom	27,089	27,869
Rest of Europe, Middle East & Africa	13,742	14,626
Rest of World	14,946	15,323
	<u>55,777</u>	<u>57,818</u>
Interest receivable	175	87
Total income	<u>55,952</u>	<u>57,905</u>

3 Analysis of charitable expenditure

	2020 Activities Undertaken Directly £'000	2020 Support Costs £'000	2020 Governance Costs £'000	2020 Total £'000	2019 Total £'000
Provision of examinations	42,543	7,930	150	50,623	51,430
Production of publications	695	551	5	1,251	1,196
Donations	1,520	-	-	1,520	1,975
Total costs expended	<u>44,758</u>	<u>8,481</u>	<u>155</u>	<u>53,394</u>	<u>54,601</u>

The allocation of the costs of support activities to charitable activities and governance is set out in note 6 below.

4 Donations

	2020 £'000	2019 £'000
Donations payable to Trinity Laban	1,500	1,950
Other donations	20	25
	<u>1,520</u>	<u>1,975</u>

5 Governance costs

	2020 £'000	2019 £'000
Statutory Audit fees	47	45
Internal Audit fees	103	19
	<u>150</u>	<u>64</u>

Fees for tax advisory services for 2019/20 were £29,127 (£42,122 in 2018/19)

6 Allocation of support costs

	2020 £'000	2019 £'000
Executive office	1,479	1,473
HR & corporative services	2,905	2,447
IT	2,034	2,039
Delivery	172	479
Finance	849	1,099
Communications	491	442
Publications	551	341
	<u>8,481</u>	<u>8,320</u>

The basis of cost allocation used is by departmental activity.

7 Staff Costs

The average number of employees calculated on a full time equivalent basis was:

	2020 No	2019 No
Employees	283	279

The staff costs in respect of the above employees were:

	2020 £'000	2019 £'000
Wages and salaries	13,323	11,913
Social security costs	1,188	1,110
Pension contributions	813	504
Total costs expended	<u>15,324</u>	<u>13,527</u>

The number of employees whose emoluments exceeded £60,000 were as follows:

	2020 No	2019 No
£60,001 - £70,000	12	8
£70,001 - £80,000	7	6
£80,001 - £90,000	5	2
£90,001 - £100,000	1	4
£100,001 - £110,000	5	3
£110,001 - £120,000	2	2
£130,001 - £140,000	1	0
£140,001 - £150,000	1	3
£150,001 - £160,000	2	0
£160,001 - £170,000	3	2
£190,001 - £200,000	0	1
£200,001 - £210,000	1	0
£210,001 - £220,000	1	0
£320,001 - £330,000	0	1
£440,001 - £450,000	1	0
Total	<u>42</u>	<u>32</u>

7 Staff Costs (continued)

The group made contributions of £285,740 (2019: £202,000) to the pension plans of 42 (2019: 32) employees during the period whose emoluments exceeded £60,000. The disclosure above has been computed aggregating the emoluments of all employees for the year ended 31 March 2020.

Redundancy & termination payments made to staff and charged to Statement of Financial Activities during the year totaled £11,664 (2019: £48,330).

Total employee benefits of the key management personnel of the parent charity and the group as detailed under the Reference and Administrative details were £1,256,409 (2019: £1,761,613).

None of the Council Members, who are regarded as Directors, received any remuneration for services as a Director during the year. Total expenses reimbursed to 2 Council Members in connection with travel to meetings were £547 (2019: £2,951).

8 Net income

Net income is stated after charging/ (crediting):

	2020 £'000	2019 £'000
Depreciation	808	1,061
Amortisation of development costs & goodwill	301	1,765
Lease of land and buildings (including service charge)	3,267	3,267
Audit of these financial statements	47	45
Amounts received by auditors and their associates in respect of:		
Other services relating to taxation – advisory basis	29	42
Foreign exchange losses /(gains)	15	54

9a Intangible fixed assets (Group)

Cost	Development Costs £'000	Goodwill £'000	Total Cost £'000
As at 1 April 2019	2,192	1,880	4,072
Additions	531	-	531
At 31 March 2020	2,723	1,880	4,603
Amortisation			
As at 1 April 2019	1,675	1,880	3,555
Additions	301	-	301
At 31 March 2020	1,976	1,880	3,856
Net book value			
At 31 March 2020	747	-	747
At 31 March 2019	517	-	517

**9b Intangible fixed assets
(Company)**

	Development Costs £'000
Cost	
As at 1 April 2019	1,390
Additions	181
At 31 March 2020	<u>1,571</u>
Amortisation	
As at 1 April 2019	1,098
Charge for the year	153
At 31 March 2020	<u>1,251</u>
Net book value	
At 31 March 2020	320
At 31 March 2019	<u>292</u>

**10a Tangible fixed Assets
(Group)**

	Fixtures & Fittings £'000	Other Equipment £'000	Computer Equipment £'000	Computer System £'000	Leasehold Property & Improv's £'000	Total £'000
Cost						
As at 1 April 2019	567	280	1,660	9,856	597	12,960
Additions	9	-	2	608	352	971
At 31 March 2020	<u>576</u>	<u>280</u>	<u>1,662</u>	<u>10,464</u>	<u>949</u>	<u>13,931</u>
Depreciation						
As at 1 April 2019	464	264	1,539	8,440	451	11,158
Additions	37	8	76	618	69	808
At 31 March 2020	<u>501</u>	<u>272</u>	<u>1,615</u>	<u>9,058</u>	<u>520</u>	<u>11,966</u>
Net Book Value						
At 31 March 2020	<u>74</u>	<u>8</u>	<u>47</u>	<u>1,406</u>	<u>429</u>	<u>1,965</u>
At 31 March 2019	<u>103</u>	<u>16</u>	<u>121</u>	<u>1,416</u>	<u>146</u>	<u>1,802</u>

10a Tangible fixed Assets (Company)

	Fixtures & Fittings	Other Equipment	Computer Equipment	Computer System	Leasehold Property & Improv's	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
As at 1 April 2019	461	273	1,546	9,855	566	12,701
Additions	-	-	-	608	331	939
At 31 March 2020	461	273	1,546	10,463	897	13,640
Depreciation						
As at 1 April 2019	377	261	1,428	8,440	450	10,956
Additions	30	7	73	618	66	794
At 31 March 2020	407	268	1,502	9,058	516	11,750
Net Book Value						
At 31 March 2020	55	5	44	1,405	381	1,890
At 31 March 2019	84	12	118	1,415	116	1,745

11 Investments

The movements in investments during the year were as follows:

Company investments in subsidiary undertakings £'000

Cost	
As at 1 April 2019	3,420
Additions	-
At 31 March 2020	<u>3,420</u>

At 31 March 2020, investment in subsidiary undertakings comprised:

	Principal Activity	Country of Incorporation	Beneficial interest
Trinity College London India Private Limited	Examination services	India	100%
Trinity London (Thailand) Limited	Dormant	Thailand	49%
Trinity College London Enterprises Limited	Non-trading	United Kingdom	100%
Trinity College London SELT Limited	Examination services	United Kingdom	100%
Trinity College London Press Limited	Music publication	United Kingdom	100%
BCELT S.R.L	Examination services	Italy	100%
Trinity College Hong Kong Limited	Examination services	Hong Kong	100%
Fundacion Trinity College London Espana	Examination services	Spain	100%

Trinity College London India Private Limited

All shares of Trinity College London India Private Limited are held by Trinity College London and the CEO as a nominee shareholder.

Trinity London (Thailand) Limited

TCL owns 49% of the issued share capital of Trinity London (Thailand) Ltd, a company incorporated in Thailand. The remaining shares are held for the benefit of TCL in a nominee account.

Trinity College London Enterprises Limited

Trinity College London Enterprises Limited is a wholly owned subsidiary of TCL incorporated in September 2012.

Trinity College London SELT Limited

Trinity College London SELT Limited is a wholly owned subsidiary of TCL that was acquired in February 2015.

Trinity College London Press Limited

Trinity College London Press Limited is a wholly owned subsidiary of TCL that began trading on 1 April 2016.

BCELT S.R.L

BCELT S.R.L is a wholly owned subsidiary of TCL that was acquired on 16 October 2017.

Trinity College Hong Kong Limited

Trinity College Hong Kong Limited is a wholly owned subsidiary of TCL that began trading on 29 August 2019.

Fundacion Trinity College London Espana

Fundacion Trinity College London Espana is a not-for-profit company that was incorporated on 28 February 2020 and is beneficially owned by TCL.

The net assets /(liabilities) of the subsidiary companies at the balance sheet date are:

	2020	2019
	£'000	£'000
Trinity College London India Private Limited	158	115
Trinity London (Thailand) Limited	9	8
Trinity College London Enterprises Limited	-	-
Trinity College London SELT Limited	92	96
Trinity College London Press Limited	8	91
BCELT S.R.L	530	438
Trinity College Hong Kong Limited	4	-
Fundacion Trinity College London Espana	25	-

These are subsidiaries of the company under the definition of FRS 102.

12 Stock

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Publications and material stock	593	612	100	91

13 Debtors

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade Debtors	2,833	3,265	2,555	3,009
Value added taxation	40	49	40	49
Due from related party	25	15	2,665	2,145
Other Debtors	1,164	1,158	874	813
Gain on Foreign exchange contracts	129	354	129	354
Prepayments and deferred expenses	1,790	2,126	1,723	2,058
Accrued Income	44	114	40	108
	6,025	7,081	8,026	8,536

Due from related party for the Company includes a loan balance of £2,000,000 (2019: £2,000,000) that is receivable in more than one year.

14 Cash at bank and in hand

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank balances held in United Kingdom	19,664	19,455	18,273	18,470
Bank balances held overseas	1,337	1,558	1,035	1,201
	21,001	21,013	19,308	19,671

15 Creditors-amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade Creditors	1,236	2,021	1,199	2,006
Taxation and Social Security	359	516	307	471
Related parties	-	-	470	101
Other Creditors	1,544	1,176	1,032	980
Accrued expenses	4,210	4,244	3,633	3,569
Deferred income	7,472	9,585	7,474	9,585
	14,821	17,542	14,115	16,712

All deferred income relates to examination invoices raised in advance of the examination delivery date. In accordance with the Charity's income recognition policy, all amounts deferred in 2018/19 in respect of examinations taken place in 2019/20 have now been recognised in the Statement of Financial Activities.

16 Creditors-amounts falling due after one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Deferred expenses: rent free period	15	20	15	20
Deferred Consideration – BCEL T acquisition	-	300	-	300
	<u>15</u>	<u>320</u>	<u>15</u>	<u>320</u>

A rent-free period was negotiated at the beginning of the new leases for office spaces in Blue Fin and Croydon. The aggregate sum amount saved through this rent-free period was £583,935 which is being amortised over the term of the leases.

17 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income	2,558	3,304
Interest receivable	(175)	(87)
Depreciation of tangible assets	808	1,061
Amortisation of development costs & Goodwill	301	1,765
Foreign exchange hedging	(226)	397
(Increase)/decrease in Stocks	19	33
Decrease/(increase) in debtors	1,056	(1,362)
(Increase)/Decrease in creditors	<u>(3,026)</u>	<u>1,015</u>
Net cash flow from operating activities	<u>1,315</u>	<u>6,126</u>

18 Analysis of changes in group cash and cash equivalent balances

	2020 £'000	2019 £'000
Net bank and cash balances at beginning of year	21,013	15,626
Net increase/(decrease) in bank and cash balances	(12)	5,387
Bank and cash balances acquired with subsidiary	-	-
Net bank and cash balance at the end of the year	<u>21,001</u>	<u>21,013</u>

19 Financial commitments

The annual commitment and total future minimum payments under an operating lease is analysed according to the period in which the lease expires as follows:

	Land & Buildings		Other		Total future minimum lease Payments	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Commitments < 1 year	1,449	2,038	71	18	1,520	2,056
Commitments 1- 5 years	3,042	5,071	24	24	3,066	5,095
Commitments > 5 years	-	-	-	-	-	-
	<u>4,491</u>	<u>7,109</u>	<u>95</u>	<u>42</u>	<u>4,586</u>	<u>7,151</u>

20 Financial instruments

The group receives a large percentage of its revenue in foreign currencies and covers this risk by using forward currency contracts.

As at the year end, the group had commitments outstanding in respect of forward foreign exchange contracts (primarily Sterling: Euros) amounting to £11,728,914 (2019: £16,254,204).

£225,496 was the movement in the Fair Value of Fixed Currency Contracts (2019: £396,779).

These contracts are with settlement dates beyond the year end. Currency favourable reserves of £128,794 (2019: £354,290 favourable) were recognised in the Statement of Financial Activities following the application of fair valuation at the year end. Of this sum there is no gain or loss (2019: £27,650 gain) relates to contracts crystallising after more than one year.

21 Guarantee by Council Members

In the event of a winding up or dissolution of the charity, under the terms of the guarantee, the liability of each Council Member shall be limited to £1.

22 Related party transactions

During the period the following payments were paid to Members of the TCL Council (being the Directors of the Group)

	2020 £	2019 £
Reimbursement of expenses to 2 (2019: 6) Members	547	2,951

The Charity conducted other transactions with its subsidiaries as follows:

	2020 £'000 Service Fees	2019 £'000 Service Fees	2020 £'000 Outstanding Balance	2019 £'000 Outstanding Balance
Trinity College London SELT	1,253	1,426	(118)	251
Trinity London (Thailand) Limited	-	-	-	-
Trinity College London Press	-	-	(628)	(242)
Trinity College London Enterprises	-	-	-	-
Trinity College London India Pvt Ltd	1,043	825	5	(145)
BCELT S.R.L	1,290	1,311	353	107
Trinity College Hong Kong Limited	53	-	(17)	-
Foundacion Trinity College London Espana	25	-	25	-

These amounts receivable by the charity relate to the provision of examination services and were made at arm's length. The subsidiaries will continue to provide the services for the foreseeable future.

At the year-end, the net balance due to the Charity from the subsidiaries totalled £2,194,474 (2019: £2,044,309).

During the year, the Council resolved to pay donations totalling £1,500,000 (2019: £1,950,000) to Trinity Laban. A total amount of £1,450,000 cash was paid during the year. At 31 March 2020 £500,000 (2019: £450,000) remained outstanding and was settled after the balance sheet date.

On 16 October 2017 Trinity College London transferred the activities of BCEL T (Italy) to wholly owned subsidiary BCEL T S.R.L. The subsidiary has remained wholly owned throughout the period under review.

The trade assets were transferred at fair value. Trinity College London recognised the goodwill arising on acquisition which has been fully amortised as at 31 March 2019.

23a Group Funds - movement in the year

	Balance 1 April 2019 £'000	Income 2020 £'000	Expense 2020 £'000	Donations 2020 £'000	Balance 31 March 2020 £'000
General funds	12,708	55,952	(51,858)	(1,520)	15,282
Restricted funds	100	-	(16)	-	84
Foreign exchange hedging reserve	355	-	(226)	-	129
	13,163	55,952	(52,100)	(1,520)	15,495

23b Group funds - movements in the prior year

	Balance 1 April 2018 £'000	Income 2019 £'000	Expense 2019 £'000	Donations 2019 £'000	Balance 31 March 2019 £'000
General funds	9,454	57,855	(52,626)	(1,975)	12,708
Restricted funds	50	50	-	-	100
Foreign exchange hedging reserve	(42)	397	-	-	355
	9,462	58,302	(52,626)	(1,975)	13,163

23c Charity Funds - movements in the year

	Balance 1 April 2019 £'000	Income 2020 £'000	Expense 2020 £'000	Donations 2020 £'000	Balance 31 March 2020 £'000
General funds	16,268	54,141	(50,163)	(1,525)	18,721
Restricted funds	100	-	(16)	-	84
Foreign exchange hedging reserve	355	-	(226)	-	129
	16,723	54,141	(50,406)	(1,525)	18,934

23d Charity Funds - movements in the prior year

	Balance 1 April 2018 £'000	Income 2019 £'000	Expense 2019 £'000	Donations 2019 £'000	Balance 31 March 2019 £'000
General funds	11,479	56,913	(50,129)	(1,995)	16,268
Restricted funds	50	50	-	-	100
Foreign exchange hedging reserve	(42)	397	-	-	355
	11,487	57,360	(50,129)	(1,995)	16,723

24 Analysis of funds

The group's net assets belong to the various funds at 31 March 2020 as follows:

	Fixed & Intangible assets £'000	Current assets £'000	Current (liabilities) £'000	Long Term liabilities) £'000	Net assets £'000
General funds	2,713	27,535	(14,822)	(15)	15,411
Restricted funds – Charles Tyler Smith	-	34	-	-	34
Restricted funds - Joy Cicely Wise	-	50	-	-	50
	2,713	27,619	(14,822)	(15)	15,495

The Joy Cicely Wise bequest restricts the use of £50,000 to establishing a bursary for students of the Communicative Arts and to promote clarity of speech through drama, oratory, poetry or verse.

The Charles Tyler Smith Award is restricted for the purposes of supporting and developing individual staff business qualities.

25 Post balance sheet events

There was no post balance sheet event at the time of signing this accounts.