

Trinity College London
Company No 2683033
Charity No 1014792

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

Report and Financial Statements
for the year ended 31 March 2021

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Report of the Trustees and Council Members for the year ended 31 March 2021

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 2021 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 number in England and Wales	1014792
Charity number in Scotland	SC049143
Company No	2683033
Registered office	Blue Fin Building 110 Southwark Street London SE1 0TA
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Principal Banker	Lloyds Bank Plc 39 Threadneedle Street Branch London EC2R 8AU
Principal Solicitor	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) Dr Geoffrey Malcolm Copland, CBE (Deputy Chairman) Charles Hindson Prof Geoffrey Smith James Mullan Marie-Anne Birken</p>

Mike Saunders
Rahul Chakkara
Salar Farzad
Emma Bourne (appointed 10 February 2021)
Varun Kabra (appointed 01 March 2021)

Audit Committee

Charles Hindson (Chairman)
Hilary Milne
Dr Geoffrey Malcolm Copland, CBE
Marie-Anne Birken

Company Secretary

Fiona Butcher

**Key Management
Personnel**

Sarah Kemp (Chief Executive) (Resigned 1 April 2021)
Richard Michel (Group Director, Delivery)
Pete Mobbs (Chief Financial Officer)
Jonathan Peake (Group Director, Global Hubs)
Prof Michael Rofe (Group Director, Sector Strategies)

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. 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 nine subsidiary undertakings: Trinity College London (Italy) 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, Fundacion Trinity College London Espana and Trinity College London (New Zealand) Limited.

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 may 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.

Having served nine year of office, Dr Geoffrey Copland CBE was appointed for a further one-year term with effect to 1 July 2022 because his experience continues to be useful to the company.

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 Trinity College London (Italy) 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.

TCL beneficially owns 100% of the Trinity College London (New Zealand) Limited, a company incorporated in New Zealand. 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 60 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

At the beginning of the 2020/21 financial year, the management set three primary objectives to help navigate through the uncertain times of the Coronavirus pandemic. These objectives were:

1. To keep our staff, representatives, centres, examiners, teachers and candidates as safe as possible, paying equal attention to mental well-being as well as to physical health.
2. To ensure the financial sustainability of the company.
3. To use the crisis brought about by the pandemic as a catalyst to boost the digital transformation of the company.

All three objectives have been successfully met although they continue to be a focus during the pandemic. Some of the measures taken throughout the financial year are detailed below.

Soon after the advent of the pandemic, Trinity changed the existing Employee Assistance Programme to a new provider who had a more comprehensive well-being package that focussed on mental health. This offer is available to all those involved with Trinity and includes as well as other items, an app, webinars, written documentation, and a 24-hour serviced helpline for those who wish to talk or seek advice about their individual situations.

Staff surveys and focus groups were and are still held to understand staff sentiment, especially with regard to returning to the office. The feedback was that some employees working from home wanted to start to come back into the office periodically, so we have responded by providing a partial opening of our offices to allow people to return in a safe and secure way.

Following the first lockdown in June 2020, Trinity's Secure English Language (SELT) service was classed as essential by the Home Office, which meant that Trinity was required to open our owned centres and offer SELT exams. New policies and practices were instituted to keep staff, customers, and examiners as safe as possible. Some of these new practices included the delivering of exams through video conferencing to minimise face-to-face contact, strict sanitisation and cleaning, fogging, perspex screens, one-way systems and changing timetables to limit the flow of candidates. Staff were provided with personal protective equipment and conducted regular lateral flow tests. Start times were adjusted as per team preferences to help try to avoid crowded public transport and extra annual leave was allocated.

The re-opening of international centres for exams was carefully managed and considered on a case-by-case basis. All requests to re-open centres required detailed operating plans and risk analysis, with decisions taken using this information and data provided by our global security and safety partners. We also engaged our internal auditor to challenge and review these processes and decisions.

In April 2020 we conducted an emergency re-budget exercise and built three new financial scenarios dependent on the severity of the Coronavirus pandemic. These scenarios were updated regularly, with all showing an expected deficit for the 2020/21 financial year. Although Trinity did record a small deficit prior to donation, the final outcome was better than all in-year scenarios and forecasts. This result was achieved despite most of Trinity's pre-pandemic offer of an in-person examiner to your centre not being available throughout most of the financial year.

The Coronavirus pandemic has given rise to major changes in education and assessment globally, as teaching, learning and testing have been forced to move online. Trinity has responded by developing and launching a new wave of digital products over the last 18 months, including videoconference examinations in English Language, and digital portfolio examinations in music and drama. Trinity has thereby moved during Coronavirus from a position of having no digital products to digital products across all product suites accounting for more than 90% of revenue. Trinity continues to champion the digital delivery method as part of our sustainability strategy and to that end, significant steps have been made to further recruit locally-based international examiners in order to reduce our carbon footprint and to be more responsive to individual country needs.

As in previous years, Trinity continues to work with various governments around the world. These include the UK Visas and Immigration for the SELT service, the provision of English language testing with Provincial Education Examinations Authorities in Beijing and Hubei in China, and several Departments of Education in India and Comunidades in Spain.

The Council wishes to thank the senior management, staff, the network of representatives and the panels of examiners for their incredibly hard work to ensure Trinity fared well in the most difficult of circumstances. The Council would also like to record a special thank you to Sarah Kemp who retired as CEO on 1 April after more than twelve years of dedicated service, during which she championed the values of quality, integrity and innovation. Under her inspirational leadership, TCL was transformed into the successful international charity and company that it is now.

Financial Review

Income of £33,884,000 (2020: £55,952,000) was recorded during the year to 31 March 2021. The Coronavirus pandemic had a dramatic effect on the operational and financial performance of the company with the reduction in revenue solely due to this. Less than 10% of the income for the financial year was gained through the product delivery mechanism that were in existence prior to 1 April 2020, leading to over £30,000,000 income rescued from a standing start. Very few exams were conducted in the first quarter, with new income streams starting to gain traction through the opening of additional SELT centres in quarter two and then English language videoconferencing and digital submission for music and drama halfway through the year.

Expenditure was £35,904,000 (2020: £53,394,000), including total donations payable of £1,535,000 (2020: £1,520,000). Significant savings of £17,500,000 were made in the cost base throughout the year. Some of these, such as examiner fees and expenses, centre expenses and commissions and representative commissions are directly attributable to the reduction in examinations and income. However, Trinity also has a fixed cost base of the market subsidiaries, SELT, and the head office/central function that were managed to ensure they were as lean as possible whilst still providing an acceptable service. The management made the decision not to award any employee bonuses for the financial year. Trinity received support from the UK Government Coronavirus Job Retention Scheme.

During the period, the Council resolved, in light of the level of reserves and subject to the cash flow position, to pay donations totalling £1,500,000 (2020: £1,500,000) to TL and £35,000 (2020: £20,000) to other third parties. This sum has been included in expenditure above.

The net Surplus / (Deficit) for the year, after donations paid, was (£2,023,000) (2020: £2,558,000).

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 TL and £35,000 to other 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 £13,109,000 (2020: £21,001,000). Group unrestricted general reserves at the balance sheet date stood at £13,451,000 (2020: £15,411,000).

During the year TCL, has invested a further £1,246,000 (2020: £854,000) 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 £9,405,000 (2020: £12,699,000). 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 assets available to support TCL's ongoing business.

During the financial year 2020/21 the Charity or its subsidiaries have not made any political donations.

Plans for Future Periods

Considering the ongoing pandemic and the commencement of a new Chief Executive Officer in May 2021, the strategic plan will be reviewed and repurposed accordingly. In the short-term TCL will continue to focus on the original pandemic objectives of safety, financial security, and digital catalyst.

TCL will however ensure the culture of the organisation is positive and staff are appropriately skilled as we transition into a more digital organisation, and that our internal systems and processes are enhanced. This will enable us to concentrate on protecting our existing business, product innovation and transforming our markets.

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 register and risk management framework is reviewed regularly and formally approved annually. The Chief Executive Officer 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 digitising 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
- Cybercrime and security– mitigated through technical security controls and operational procedures

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 currency forward contracts. 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 2020/21 was £36,000 (2019/20: £175,000).

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 the signing of the accounts.

The Audit Committee scrutinises the Charity's finances, internal controls, risk management and reports its finding to 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 2020 to 31 March 2021.

Scope	Activity	Emissions (tonnes CO ₂ e)	
		2021	2020
Scope 1	Gas Consumption	49	52
Scope 1	Refrigerant gases	15.8	16.3
Total Scope 1		64.8	68.3
Total Scope 2	Electricity market based	36.5	80.6
Total Scope 2	Electricity location based	93.4	109.8
Scope 3	Business travel: Where TCL is responsible for purchasing the fuel	11	u/a*
Scope 3	Business Travel: rail	0.5	15.1
Scope 3	Business Travel: flights	14.2	149.6
Total Scope 3		25.7	164.7
Total emissions in tonnes CO₂e			
Market – based		127	313.6
Location – based		183.9	342.8
Intensity ratio (tonnes CO₂e/£million turnover)			
Market – based		3.7	5.6
Location – based		5.4	6.1

Property and transport energy consumption

Scope	Activity	Energy Consumption (MWh)	
		2021	2020
Scope 1	Property: Gas and Other Fuels	266.4	282.9
Scope 2	Property: Electricity	400.5	429.5
Scope 3	Business Travel: car (where TCL is responsible for purchasing the fuel)	44.3	u/a
Total property energy consumption (MWh)		711.2	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, Trinity College London (Italy) S.R.L., Trinity College Hong Kong Limited, Fundacion Trinity College London Espana, Trinity London (Thailand) Limited) and Trinity College London (New Zealand) Limited).
- This is the second year we have included greenhouse gas emissions and energy use in our annual report. We have provided year-on-year comparison against last year’s performance.

Data availability

- This year we have started reporting on scope 3 greenhouse gas emissions and energy use associated with transport where Trinity College London (TCL) is responsible for purchasing the fuel (i.e. in employees’ own cars and hire cars), this is based on car mileage data. Both UK and non-UK business travel have been included. 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 25% estimated and gas consumption data is 81% estimated. Estimates are based on the following approach:

- Firstly, use prior year reported data if available.
 - Then performance of similar TCL sites where data has been reported in 2020/21.
 - Finally, if the above two options are not available or suitable, estimates use the 2019 Real Estate Energy Benchmarks from Better Building Partnership² (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 continue 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. The sites already using renewable tariffs include our head office in Southwark and our other large office in Preston, and this accounts for 65% of our electricity consumption in 2020/21. Over the coming year we will be reviewing and implementing further actions we can take to reduce our impacts.

Compliance with Trustees' duties under Section 172(2) Companies Act 2006

Trustees must act in the way they consider, in good faith, would be most likely to promote Trinity's success in achieving its charitable purpose. As mentioned on page 5, in doing so the Trustees delegate day-to-day management and decision-making for the operational management of the group to senior management, which comprises the Chief Executive and Senior Executives. The senior management are required to pursue Trinity's strategic vision and ensure that activities are carried out in compliance with agreed plans and policies. The Trustees receive updates on Trinity's performance at each Council meeting. In carrying out their duties, the Trustees have regard (amongst other matters) to:

The likely consequences of any decision in the long term

As stated on the page 7, management has set three primary objectives, these objectives and their implications were regularly considered and applied by Council and senior management in their decision-making to ensure the long-term viability of the company. In particular, as noted on page 7, the company embarked on a rapid programme of digitisation of its products and systems to enable their continued delivery around the world during the pandemic. Senior management is now seeking to embed and extend these changes in Trinity's offer to provide greater choice for the existing customer base (whose expectations around the use of digital are changing) and reach new audiences.

The interests of the charity's employees

As noted, a primary objective of the company during the pandemic has been to keep our staff safe. This has involved a working from home option (outside of lockdowns), providing Covid-safe office working environments and access to an Employee Assistance Programme to support mental health and wellbeing. We are also committed to developing a high performing and nimble culture that reflects the high standards that we promote and enables our people to develop to their full potential in a diverse and inclusive environment. As part of this process, we are creating an equality, diversity and inclusion (EDI) strategy that enables people to bring their true self to work and allows them to develop and grow in a diverse and inclusive environment

that is free from discrimination. We are reviewing our organisational design to ensure it allows for appropriate delegation and quick but considered decision-making.

The need to foster the charity's business relationships with suppliers, customers and others

Our network of national and area representatives, along with other local partnership organisations, is key to our work worldwide. Whilst respecting the arm's length nature of these relationships, we strive to collaborate with them where possible, including through consultation, piloting and the promotion of greater transparency between us by regular information sharing about customer demand and the company's strategic direction.

In our SELT business we have introduced a programme of local community ambassadors. These individuals are respected members of their communities who can act as 'trusted voices'. This programme helps us to understand the particular needs of different communities and thereby provide better customer care. We also offer free 'English for Employability' webinars for our SELT customers post-test. Trinity runs workshops and training events for teachers, so that they can learn about and/or engage with our products. We also collaborate with government agencies providing teacher training and/or seeking to promote 21st century skills in their curricula.

TCL is involved in a continuous dialogue with its examiners and customers, who provide feedback from the delivery of assessments. Examiners undertake standardisation training regularly, which allows for such feedback to be incorporated into our offer where appropriate.

Finally, at the heart of our provision is our recognised status with the UK regulatory bodies, Ofqual in England, Qualifications Wales and CCEA Regulation in Northern Ireland. We must at all times maintain compliance with their Conditions of Recognition in order to offer regulated qualifications, whilst also demonstrating continual improvement. Throughout the pandemic we have continued to work closely with each regulator to explore and agree changes to our qualifications' assessments and the regulatory framework that supports our provision, in order to mitigate the risk of learners being unable to achieve their qualification and progress.

The impact of the charity's operations on the community and the environment

Trinity is committed in its strategic plan to promoting sustainability by reducing the impact of its activities on the environment. In the past year, we have extended the size and reach of our international panel of local examiners and developed and promoted the use of digital products as an alternative to in-person exams. Both initiatives have and will reduce our carbon footprint significantly. Other initiatives being pursued include the adoption of hybrid working for staff (a combination of home-based and office working), the promotion of paperless working where possible and a reduction in the use of plastics. Social value is embedded within Trinity SELT's offer with 'Energy Champions' at each test point, a focus on using SMEs, and reducing water and paper usage.

Maintaining a reputation for high standards of business conduct

As we strive to achieve our strategic goals, we lead by example by demonstrating in all areas the same values that we wish to see in the people we work with and those we aim to influence.

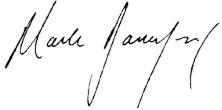
For example, our values and the behaviours we want to see, including our commitment to safeguarding and EDI, are embedded in our staff recruitment, induction and appraisal procedures. We also have policies and procedures on Anti-Bribery and Corruption and Modern Slavery, which are shared with our suppliers and incorporated into our contracts where appropriate. The company provides training to our staff in these areas.

Trinity College London
Company No 2683033
Charity No 1014792

The need to act fairly as between members of the charity

This criterion has little or no application to Trinity as the Trustees are the sole members of the charity, and the charity is not run in the interests of the members but in performance of the charity's objects.

By order of the Council



Mark Damazer, CBE
Chairman
06/10/2021

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:

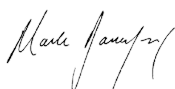
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 auditor

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 auditor is 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 auditor is aware of that information.

By order of the Council



Mark Damazer, CBE
Chairman
06/10/2021

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 2021 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 and Charitable company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including Section 1A FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities); 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 charitable company or to cease its 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 its 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”).

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.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group and charitable company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group and charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of policy documentation as to the group and charitable company's high-level policies and procedures to prevent and detect fraud.
- Reading minutes for Council, Audit Committee and Remuneration Committee meetings.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that examination and publication income is recorded in the incorrect accounting period, and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included revenue or cash journals posted to unusual account combinations.
- Agreeing a sample of income transactions recorded and cash receipts around the year end to supporting documentation to ensure they had been posted in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards). We discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The group and charitable company are subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the group and charitable company are subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Trustees' report

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 that report and we do not express an audit opinion thereon.

Our responsibility is to read the trustees' report 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 trustees' report;
- 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 that report has 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 17, 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 and 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 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 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 group and 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 group and 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 group and charitable company and the group and charitable company's 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

16 December 2021

**Consolidated Statement of Financial Activities
for the year ended 31 March 2021
(including income and expenditure account)**

	Note	Unrestricted General Funds 2021 £'000	Restricted Funds 2021 £'000	Total Funds 2021 £'000	Total Funds 2020 £'000
Income:					
Income from Charitable activities					
Examination fees		31,429	-	31,429	53,452
Publication income		1,806	-	1,806	2,106
Other income		613	-	613	219
Investment income		36	-	36	175
Total Income	2	33,884	-	33,884	55,952
Expenditure:					
Expenditure on Charitable activities					
Provision of examinations & training	3	(33,219)	(3)	(33,222)	(50,623)
Production of Publications	3	(1,150)	-	(1,150)	(1,251)
Donations	4	(1,535)	-	(1,535)	(1,520)
Total expenditure		(35,904)	(3)	(35,907)	(53,394)
Net income/(expenditure)	8	(2,020)	(3)	(2,023)	2,558
Transfer to reserves of gains/(losses) on foreign exchange hedging contracts		60	-	60	(226)
Net movement in funds		(1,960)	(3)	(1,963)	2,332
Reconciliation of funds:					
Fund balances as at 1 April 2020	23	15,411	84	15,495	13,163
Fund balances as at 31st March 2021	23	13,451	81	13,532	15,495

There were no gains or losses other than those reported above.
The notes on pages 25 to 39 form part of these financial statements.

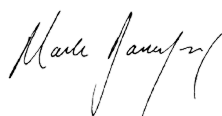
**Consolidated and Company Balance Sheets
 as at 31 March 2021**

	Note	Consolidated 2021 £'000	Consolidated 2020 £'000	Company 2021 £'000	Company 2020 £'000
Fixed assets					
Intangible assets	9	1,892	747	1,592	320
Tangible assets	10	2,153	1,965	2,078	1,890
Investments	11	-	-	3,420	3,420
		4,045	2,712	7,090	5,630
Current assets					
Stocks	12	439	593	39	100
Debtors	13	5,736	6,025	8,132	8,026
Cash at bank and in hand	14	13,109	21,001	10,980	19,308
		19,284	27,619	19,151	27,434
Creditors: Amounts falling due within one year	15	(9,788)	(14,821)	(9,673)	(14,115)
Net current assets		9,496	12,798	9,478	13,319
Total assets less current liabilities		13,541	15,510	16,568	18,949
Creditors: Amounts falling due after one year	16	(9)	(15)	(9)	(15)
Net assets		13,532	15,495	16,559	18,934
Funds					
Unrestricted general funds	23	13,262	15,282	16,289	18,721
Restricted funds	23	81	84	81	84
Foreign exchange hedging reserve	23	189	129	189	129
Total Funds		13,532	15,495	16,559	18,934

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 6 October 2021 and signed on its behalf by:

Mark Damazer, CBE
 Chairman



Pete Mobbs
 Chief Financial Officer



The notes on pages 25 to 39 form part of these financial statements.

**Consolidated Cash Flow Statement
 for the year ended 31 March 2021**

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash provided by operating activities	17		(5,461)		1,315
Investing activities					
Interest Received		36		175	
Purchase of tangible assets- Others		(1,203)		(971)	
Purchase of intangible assets- Others		<u>(1,264)</u>		<u>(531)</u>	
Cash used in investing activities			<u>(2,431)</u>		<u>(1,327)</u>
Increase/(decrease) in cash and cash equivalents in the year			(7,892)		(12)
Cash and cash equivalents at the beginning of the year			<u>21,001</u>		<u>21,013</u>
Total cash and cash equivalents at the end of the year			<u>13,109</u>		<u>21,001</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 2020-21 hence, there is nothing to disclose.

The notes on pages 25 to 39 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2021

1 Principal accounting policies

The financial statements relate to the year ended 31 March 2021.

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 a 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 17. The financial position of the Charity, its cash flows and liquidity position are described in the primary financial statements on pages 22 - 24. 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 as well as enhancing the digital product suite. 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.

The Council members have a reasonable expectation that the Charity has adequate resources to continue in operational existence for at least 12 months from the date of the signing of the accounts. 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.

With an existing digital offer now in place, and more internationally based examiners, Trinity's offer is now more resilient and diverse than when the Coronavirus pandemic started. Due to this broadened offer

and leaner cost base, it is expected that Trinity will return to surplus in 2021/22 despite the ongoing pandemic and continue to grow in subsequent financial years. In our consideration for the going concern of the organisation we have considered the long term effects of Covid and built those into our projections going forward.

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 recognised 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.

Provisions for liabilities and charges

The Charity has recognised provisions for an amount of £831,974 (2020: £938,401) 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

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the TCL. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. A contingent liability is not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.

No contingent liabilities existed as at 31st March 2021.

2 Analysis of Income

	2021	2020
	£'000	£'000
United Kingdom	22,932	27,089
Rest of Europe, Middle East & Africa	5,178	13,742
Rest of World	5,738	14,946
	<u>33,848</u>	<u>55,777</u>
Interest receivable	36	175
Total income	<u>33,884</u>	<u>55,952</u>

3 Analysis of charitable expenditure

	2021	2021	2021	2021	2020
	Activities	Support	Governance	Total	Total
	Undertaken	Costs	Costs		
	Directly				
	£'000	£'000	£'000	£'000	£'000
Provision of examinations	24,677	8,381	164	33,222	50,623
Production of publications	703	440	7	1,150	1,251
Donations	1,535	-	-	1,535	1,520
Total costs expended	<u>26,915</u>	<u>8,821</u>	<u>171</u>	<u>35,907</u>	<u>53,394</u>

The allocation of the costs of support activities to charitable activities and governance is set out in note 5 and 6 below.

4 Donations

	2021	2020
	£'000	£'000
Donations payable to TL	1,500	1,500
Other Donations	35	20
	<u>1,535</u>	<u>1,520</u>

5 Governance costs

	2021	2020
	£'000	£'000
Statutory Audit fees	54	47
Internal Audit fees	117	103
	<u>171</u>	<u>150</u>

Fees for tax advisory services for 2020/21 were £39,414 (£29,127 in 2019/20)

6 Allocation of support costs

	2021	2020
	£'000	£'000
Executive office	1,216	1,479
HR & corporative services	3,112	2,905
IT	1,873	2,034
Delivery	100	172
Finance	1,542	849
Communications	538	491
Publications	440	551
	<u>8,821</u>	<u>8,481</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:

	2021	2020
	No	No
Employees	<u>292</u>	<u>283</u>

The staff costs in respect of the above employees were:

	2021	2020
	£'000	£'000
Wages and salaries	12,004	13,323
Social security costs	1,298	1,188
Pension contributions	866	813
Total costs expended	<u>14,168</u>	<u>15,324</u>

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

	2021	2020
	No	No
£60,001 - £70,000	12	12
£70,001 - £80,000	11	7
£80,001 - £90,000	7	5
£90,001 - £100,000	1	1
£100,001 - £110,000	2	5
£110,001 - £120,000	1	2
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	1
£150,001 - £160,000	2	2
£160,001 - £170,000	2	3
£170,001 - £180,000	2	-
£200,001 - £210,000	-	1
£210,001 - £220,000	1	1
£230,001 - £240,000	2	-
£430,001 - £440,000	1	-
£440,001 - £450,000	-	1
Total	<u>46</u>	<u>42</u>

7 Staff Costs (continued)

The group made contributions of £353,739 (2020 £285,740) to the pension plans of 46 (2020: 42) 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 2021.

Redundancy & termination payments made to staff and charged to Statement of Financial Activities during the year totaled £81,094 (2020: £11,664).

Total employee benefits of the key management personnel of the Charity and the group as detailed under the Reference and Administrative details were £1,268,964 (2020: £1,256,409).

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 £0 (2020: £547).

8 Net income

Net income is stated after charging/ (crediting):

	2021	2020
	£'000	£'000
Depreciation	1,015	808
Amortisation of development costs & goodwill	119	301
Lease of land and buildings (including service charge)	3,353	3,267
Audit of these financial statements	54	47
Amounts received by auditor and their associates in respect of:		
Other services relating to taxation – advisory basis	39	29
Foreign exchange losses /(gains)	259	15

9a Intangible fixed assets (Group)

	Development Costs	Goodwill	Total Cost
Cost	£'000	£'000	£'000
As at 1 April 2020	2,723	1,880	4,603
Additions	1,488	-	1,488
Disposals	(224)	-	(224)
At 31 March 2021	<u>3,987</u>	<u>1,880</u>	<u>5,867</u>
Amortisation			
As at 1 April 2020	1,976	1,880	3,856
Additions	223	-	223
Disposals	(104)	-	(104)
At 31 March 2021	<u>2,095</u>	<u>1,880</u>	<u>3,975</u>
Net book value			
At 31 March 2021	<u>1,892</u>	<u>-</u>	<u>1,892</u>
At 31 March 2020	<u>747</u>	<u>-</u>	<u>747</u>

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

	Development Costs £'000
Cost	
As at 1 April 2020	1,571
Additions	1,424
Disposals	(10)
At 31 March 2021	<u>2,985</u>
Amortisation	
As at 1 April 2020	1,251
Charge for the year	142
At 31 March 2021	<u>1,393</u>
Net book value	
At 31 March 2021	<u>1,592</u>
At 31 March 2020	<u>320</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 2020	576	280	1,662	10,464	949	13,931
Additions	4	-	65	1,177	-	1,246
Disposals	(3)	-	-	(40)	-	(43)
At 31 March 2021	<u>577</u>	<u>280</u>	<u>1,727</u>	<u>11,601</u>	<u>949</u>	<u>15,134</u>
Depreciation						
As at 1 April 2020	501	272	1,615	9,058	520	11,966
Additions	28	8	5	749	230	1,020
Disposals	(3)	-	-	(2)	-	(5)
At 31 March 2021	<u>526</u>	<u>280</u>	<u>1,620</u>	<u>9,805</u>	<u>750</u>	<u>12,981</u>
Net Book Value						
At 31 March 2021	<u>51</u>	<u>-</u>	<u>107</u>	<u>1,796</u>	<u>199</u>	<u>2,153</u>
At 31 March 2020	<u>74</u>	<u>8</u>	<u>47</u>	<u>1,406</u>	<u>429</u>	<u>1,965</u>

10b 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 2020	461	273	1,546	10,463	897	13,640
Additions	4	-	64	1,177	-	1,245
Disposals	-	-	-	(40)	-	(40)
At 31 March 2021	465	273	1,610	11,600	897	14,845
Depreciation						
As at 1 April 2020	407	268	1,502	9,058	516	11,751
Additions	30	5	4	749	228	1,018
At 31 March 2021	437	273	1,506	9,807	744	12,767
Net Book Value						
At 31 March 2021	28	-	104	1,793	153	2,078
At 31 March 2020	55	5	44	1,405	381	1,890

11 Investments

The movements in investments during the year were as follows:

	Company investments in subsidiary undertakings £'000
Cost	
As at 1 April 2020	3,420
Additions	-
At 31 March 2021	3,420

At 31 March 2021, 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%
Trinity College London (Italy) 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 (New Zealand) Limited	Examination services	New Zealand	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.

Trinity College London (Italy) S.R.L.

Trinity College London (Italy) 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, registered as a Fundacion on 28 June 2021, and is beneficially owned by TCL.

Trinity College London (New Zealand) Limited

Trinity College London (New Zealand) Limited is a company that was incorporated on 21 December 2020 and is beneficially owned by TCL.

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

	2021	2020
	£'000	£'000
Trinity College London India Private Limited	172	158
Trinity London (Thailand) Limited	9	9
Trinity College London Enterprises Limited	-	-
Trinity College London SELT Limited	87	92
Trinity College London Press Limited	114	8
Trinity College London (Italy) S.R.L.	520	530
Trinity College Hong Kong Limited	4	4
Fundacion Trinity College London Espana	25	25
Trinity College London (New Zealand) Limited	-	-

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

12 Stock

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Publications and material stock	439	593	39	100

13 Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade Debtors	2,339	2,833	2,083	2,555
Value added taxation	42	40	42	40
Due from related party	27	25	3,056	2,665
Other Debtors	1,374	1,164	1,131	874
Gain on Foreign exchange contracts	189	129	189	129
Prepayments and deferred expenses	1,753	1,790	1,619	1,723
Accrued Income	12	44	12	40
	5,736	6,025	8,132	8,026

Due from related party for the Company includes a loan balance of £2,000,000 (2020: £2,000,000) that is receivable in more than one year.

14 Cash at bank and in hand

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank balances held in United Kingdom	11,146	19,664	9,274	18,273
Bank balances held overseas	1,963	1,337	1,706	1,035
	13,109	21,001	10,980	19,308

15 Creditors-amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade Creditors	1,062	1,236	1,133	1,199
Taxation and Social Security	400	359	344	307
Related parties	-	-	454	470
Other Creditors	1,148	1,544	842	1,032
Accrued expenses	2,521	4,210	2,243	3,633
Deferred income	4,657	7,472	4,657	7,474
	9,788	14,821	9,673	14,115

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 2019/20 in respect of examinations taken place in 2020/21 have now been recognised in the Statement of Financial Activities.

16 Creditors-amounts falling due after one year

	Group 2021 £'00	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Deferred expenses: rent free period	9	15	9	15
	<u>9</u>	<u>15</u>	<u>9</u>	<u>15</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 £42,080 which is being amortised over the term of the leases.

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

	2021 £'000	2020 £'000
Net income	(2,023)	2,558
Interest receivable	(36)	(175)
Depreciation of tangible assets	1,015	808
Amortisation of development costs & Goodwill	119	301
Foreign exchange hedging	60	(226)
(Increase)/decrease in Stocks	154	19
Decrease/(increase) in debtors	289	1,056
(Increase)/Decrease in creditors	<u>(5,039)</u>	<u>(3,026)</u>
Net cash flow from operating activities	<u>(5,461)</u>	<u>1,315</u>

18 Analysis of changes in group cash and cash equivalent balances

	2021 £'000	2020 £'000
Net bank and cash balances at beginning of year	21,001	21,013
Net increase/(decrease) in bank and cash balances	<u>(7,892)</u>	<u>(12)</u>
Net bank and cash balance at the end of the year	<u>13,109</u>	<u>21,001</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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Commitments < 1 year	1,675	1,449	24	71	1,699	1,520
Commitments 1- 5 years	1,970	3,042	-	24	1,970	3,066
Commitments > 5 years	-	-	-	-	-	-
	<u>3,645</u>	<u>4,491</u>	<u>24</u>	<u>95</u>	<u>3,669</u>	<u>4,586</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 £3,404,692 (2020: £11,728,914).

£60,135 was the movement in the Fair Value of Fixed Currency Contracts (2020: £225,496).

These contracts are with settlement dates beyond the year end. Currency favourable reserves of £188,929 (2020: £128,794 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 relates to contracts crystallising after more than one year (2020: £0 gain).

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)

	2021	2020
	£	£
Reimbursement of expenses to 0 (2020: 2) Members	-	547

The Charity conducted other transactions with its subsidiaries as follows:

	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
	Service Fees	Service Fees	Outstanding Balance	Outstanding Balance
Trinity College London SELT	1,188	1,242	(15)	(118)
Trinity London (Thailand) Limited	-	-	-	-
Trinity College London Press	(81)	(65)	3,046	2,628
Trinity College London Enterprises	-	-	-	-
Trinity College London India Pvt Ltd	549	1,043	(14)	(5)
Trinity College London (Italy) S.R.L.	1,197	1,290	(439)	(353)
Trinity College Hong Kong Limited	119	53	(2)	17
Fpundacion Trinity College London Espana	-	25	25	25
Trinity College London (New Zealand) Limited	-	-	-	-

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 £2,601,539 (2020: £2,194,474).

During the year, the Council resolved to pay donations totalling £1,500,000 (2020: £1,500,000) to TL. A total amount of £1,500,000 cash was paid during the year. At 31 March 2021 £500,000 (2020: £500,000) remained outstanding and was settled after the balance sheet date.

23a Group Funds - movement in the year

	Balance 1 April 2020 £'000	Income 2021 £'000	Expense 2021 £'000	Donations 2021 £'000	Balance 31 March 2021 £'000
General funds	15,282	33,884	(34,369)	(1,535)	13,262
Restricted funds	84	-	(3)	-	81
Foreign exchange hedging reserve	129	60	-	-	189
	<u>15,495</u>	<u>33,944</u>	<u>(34,372)</u>	<u>(1,535)</u>	<u>13,532</u>

23b Group funds - movements in the prior 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
	<u>13,163</u>	<u>55,952</u>	<u>(52,100)</u>	<u>(1,520)</u>	<u>15,495</u>

23c Charity Funds - movements in the year

	Balance 1 April 2020 £'000	Income 2021 £'000	Expense 2021 £'000	Donations 2021 £'000	Balance 31 March 2021 £'000
General funds	18,721	32,594	(33,491)	(1,535)	16,289
Restricted funds	84	-	(3)	-	81
Foreign exchange hedging reserve	129	60	-	-	189
	<u>18,934</u>	<u>32,654</u>	<u>(33,494)</u>	<u>(1,535)</u>	<u>16,559</u>

23d Charity Funds - movements in the prior 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
	<u>16,723</u>	<u>54,141</u>	<u>(50,406)</u>	<u>(1,525)</u>	<u>18,934</u>

24 Analysis of funds

The group's net assets belong to the various funds at 31 March 2021 as follows:

	Fixed & Intangible assets £'000	Current assets £'000	Current (liabilities) £'000	Long Term liabilities) £'000	Net assets £'000
General funds	4,045	19,203	(9,788)	(9)	13,451
Restricted funds – Charles Tyler Smith	-	31	-	-	31
Restricted funds - Joy Cicely Wise	-	50	-	-	50
	<u>4,045</u>	<u>19,284</u>	<u>(9,788)</u>	<u>(9)</u>	<u>13,532</u>

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.