

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 Statement
for the year ended 31 March 2022

Table of contents

| Section | Page |
|---|-------------|
| Report of the Council Members Including Strategic Report and Statement of the Council Members' responsibilities | 3-17 |
| Independent Auditor's report to the Council Members of Trinity College London | 18-21 |
| Consolidated statement of financial activities ("SOFA") (including income and expenditure account) | 22 |
| Consolidated and company balance sheets | 23 |
| Consolidated cash flow statement | 24 |
| Notes to the financial statements | 25-40 |

Report of the Council Members for the year ended 31 March 2022

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” or “TCL”) for the year ended 31 March 2022 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 number | 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

The Directors of TCL 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 the year end were as follows:

Mark Damazer, CBE (Chairman)
Dr Geoffrey Copland, CBE (Deputy Chairman) (resigned 4 May 2022)
Marie-Anne Birken
Emma Bourne
Giselle Vidic Cattorini (appointed 15 August 2022)
Rahul Chakkara
Salar Farzad
Charles Hindson
Varun Kabra
James Mullan
Mike Saunders
Professor Geoffrey Smith
Dr Michelle Teo (appointed 15 August 2022)

Audit committee

Charles Hindson (Chairman)
Marie-Anne Birken
Emma Bourne (appointed 23 February 2022)
Rahul Chakkara (appointed 14 March 2022)
Dr Geoffrey Copland, CBE (resigned 4 May 2022)
Hilary Milne

Company secretary

Fiona Butcher

Key management
personnel

Erez Tocker (Chief Executive Officer) (appointed 10 May 2021)
Duncan Atkins (CIO) (appointed 6 September 2021)
Phil Bond (Director, UKI)
Fiona Butcher (General Counsel)
Joysy John (Director – Transformation Delivery) (appointed 4 July 2022)
Rebecca Leadbitter (Director - People & Culture) (appointed 6 January 2022)
Richard Michel (Group Director, Delivery) (resigned 12 October 2021)
Pete Mobbs (Chief Financial Officer)
Marianne Phillips (Executive Director, Quality & Standards)
Jonathan Peake (Group Director, Global Hubs) (resigned 5 April 2022)
Nicholas Preston (Group Director, Press and Enterprises)
Professor Michael Rofe (Group Director, Sector Strategies) (resigned 30 September 2022)
Jacqueline Wybrow (Director - People & Culture) (resigned 3 June 2022)

Structure, governance and management

Governing document

TCL is a company limited by guarantee and a registered charity. It was established in 1992. The objectives 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, who are also the Directors of TCL under the Companies Act. The Council meets regularly and retains full and effective control over TCL and its subsidiaries (“the 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 Council Members are the Directors. For the purpose of charity law, the Council Members are the Trustees.

At the date of this report, the group consists of TCL and eleven 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, Fundación Trinity College London Espana (Spain), Trinity College London Spain SLU (Spain), Trinity College London (New Zealand) Limited and Shengyi Culture Consulting (Beijing) Co Ltd. (Shengyi Culture Consulting (Beijing) Co Ltd was incorporated following the year-end).

The Council delegates the operational management of the group to senior management which comprises the Chief Executive Officer (CEO) 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

TCL 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 the Council. All Council Members are involved in the appointment of nominated individuals to the 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 TCL, the business plan and the recent financial performance of TCL. On appointment, all Council Members commit to a Code of Conduct and are also made familiar 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 over nine years in office, Dr Geoffrey Copland CBE resigned with effect from 4 May 2022.

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 Fundación Trinity College London Espana, a not-for-profit company incorporated in Spain. The company is dormant.

TCL beneficially owns 100% of Trinity College London Spain SLU, a company incorporated in Spain.

TCL owns 100% of the issued share capital of Trinity College London (New Zealand) Limited, a company incorporated in New Zealand. The company was previously dormant.

Objectives and Activities

The objective of TCL is 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 50 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 limits 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

As the Coronavirus pandemic continued to affect the world, senior management remained steadfast in prioritising the three overarching objectives that were derived the previous year. These 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 TCL; and
3. To use the crisis brought about by the pandemic as a catalyst to boost the digital transformation of TCL.

TCL continued to offer staff and those related to TCL help through the pandemic. We provided a comprehensive 24-7 Employee Assistance Programme accessible to those who required support across the wider TCL family and were compassionate in regard to time off and absence. With most staff working from home, we encouraged staff to take routine breaks from computer screens and reminded them of the need to distinguish between their home and work life. Listening to the will of our staff, when government guidelines permitted, we kept our offices open for those that wanted to attend, but did not mandate any compulsory return, allowing staff to make their own decision about their workplace.

After the difficult trading circumstances of the 2020/21 financial year, TCL's income grew by 20% to £41m in 2021/22. This was still well short of pre-pandemic level, but as much of this revenue was derived through our new digital offers, it can be considered a successful return, providing us with cause for optimism for the future.

This optimism is fuelled by the transformation of the organisation to include a more sustainable digital offer. In 2019/20, over 90% of our income was derived by flying examiners around the world to deliver face-to-face exams. In 2021/22, much of our income is now driven by some form of digital assessment, with minimal "in the room" examining. Taking this further, of the circa fifty countries TCL operates in, less than a handful conducted face-to-face exams. As in the previous year, we actively sought to recruit more internationally based examiners, lessening the requirement of British based examiners to conduct face-to-face exams. when it is safe to offer such exams in more countries.

As in previous years, TCL 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 in China, and several Departments of Education in India and Comunitads in Spain.

Throughout the financial year, TCL enhanced the experience of many of the digital examinations created in the previous financial year and launched Trinity Teach English Online.

Teach English Online is a flexible online self-study course that can lead to a Trinity Certificate in Online Teaching (CertOT). It is designed for English language teachers, who wish to transfer and enhance their existing skills into teaching in an online environment - enabling them to successfully support, lead and develop learners in exciting new ways made possible by technology.

There are 10 units of learning in the Trinity Teach English Online programme. Each unit is a three-hour self-study course that includes videos, lesson materials, activities and quizzes. Units are also grouped into modules and candidates can choose to buy all units, a module or even an individual unit.

The Council wishes to thank the senior management, staff, the network of representatives and the panels of examiners for their hard work under trying circumstances. Without this dedication, TCL would not be on the firm footing it is currently and ready for the new challenges ahead.

Financial Review

Income of £40,744,000 (2021: £33,884,000) was recorded during the year to 31 March 2022. Although the Coronavirus pandemic continued to have an effect on the operational and financial performance of TCL, revenue increased reflecting the positive impact of the new digital offerings.

Expenditure was £41,138,000 (2021: £35,907,000), including total donations payable of £1,000,000 (2021: £1,535,000). TCL has a fixed cost base of the market subsidiaries, SELT, and the head office/central functions 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. TCL 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 £1,000,000 (2021: £1,500,000) to TL and £nil (2021: £35,000) to other third parties. This sum has been included in expenditure above.

The net deficit for the year, after donations paid, was (£394,000) (2021: (£2,023,000)).

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 £1,000,000 to TL.

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 company 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 £11,586,000 (2021: £13,109,000). Group unrestricted general reserves at the balance sheet date stood at £12,757,000 (2021: £13,451,000).

During the year TCL, has invested a further £2,246,000 (2021: £1,246,000) 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 TCL (i.e. unrestricted funds excluding designated reserves and fixed assets) are £6,333,000 (2021: £9,405,000). TCL 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

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 2021/22 neither TCL nor its subsidiaries have made any political donations.

Plans for Future Periods

TCL will focus on our mission of transforming lives through the power of communication and performance. To achieve this, we will concentrate on developing and driving five key pillars within the organisation:

- **People:** We will develop a high performing and nimble culture that reflects the high standards we promote and enable our people to develop to their full potential in a diverse and inclusive environment.
- **Operational Excellence:** We will embed the highest delivery standards for the 'Trinity' standard to be the gold standard in the industry and for customers to be delighted with their experience.
- **Protecting the Core:** We will protect and leverage our prestigious reputation to be the global standard and trusted voice for Music, Drama and English Language, and bring our mission to life.
- **Market Transformation:** We will restructure our markets as necessary and target geographical expansion.
- **Product Innovation:** We will enable world-leading learner outcomes through a product portfolio that is academically robust, industry relevant, personalised, supportive and accessible.

Risk Management

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

The Council has assessed the major risks to which TCL is exposed, those related to the operations and financing of TCL, exposure to foreign currency movements, competition from new digital products, cybercrime and the protection of TCL's name and reputation. The 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 TCL if any of those risks should materialise.

Key risks include:

- Global Pandemic – controlled through digitalising 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; and
- 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 TCL's financial result and the value of TCL 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 TCL's foreign subsidiaries may vary upon consolidation into the sterling 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 2021/22 was £5,000 (2020/21: £36,000).

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 TCL's finances, internal controls, risk management and reports its findings to the Council.

Current forecasts show that TCL will return to pre-pandemic levels of income within eighteen months of the date of signing of these financial statements. TCL will continue to drive digital products, improve efficiencies and build sustainable profits. Further details can be found in note 1.1b.

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

Sustainability and carbon reporting

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

Under changes introduced by the 2018 Regulations, large unquoted companies and large LLPs are obliged to report their UK energy use and associated greenhouse gas emissions as a minimum relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through their annual reports.

Emissions and energy use data for the period 1 April 2021 to 31 March 2022.

| | Year to 31 March 2022 | Year to 31 March 2021 |
|---|--------------------------------------|------------------------|
| Total electricity use | 228,959 kWh | 400,500 kWh |
| Total gas use | 64,333 kWh | 266,400 kWh |
| Total transport fuel | 384,112 kWh | 44,300 kWh |
| Total energy use (all sources) | 677,404 kWh | 711,200 kWh |
| Total carbon emissions (electricity) | 67 tCO ₂ e | 93 tCO ₂ e |
| Total carbon emissions (gas) | 14 tCO ₂ e | 49 tCO ₂ e |
| Total carbon emissions (transport fuel) | 127 tCO ₂ e | 11 tCO ₂ e |
| Total carbon emissions (gas) | 12 tCO ₂ e | 15 tCO ₂ e |
| Total carbon emissions | 220 tCO ₂ e | 168 tCO ₂ e |
| Total estate size | 17,908 sq ft | Unavailable |
| Carbon intensity ratio | 12.27 kg/CO ₂ e per sq ft | Unavailable |

The figures for the year to 31 March 2021 are taken from a third-party SECR.

The emissions data above includes well to tank (WTT) and transmission and distribution (T&D) information.

WTT accounts for the upstream emissions associated with extraction, refining and transportation of raw fuel sources prior to combustion (gas, fuel) or for use in the generation of electricity.

T&D accounts for the emissions associated with grid energy loss which occurs in getting the electricity from the powerplant to the final user.

Reporting methodology

The Energy Saving Opportunity Scheme (ESOS) methodology (as specified in "Complying with the ESOS version 6", published by the Environment Agency, 21.01.21) is used in conjunction with Government greenhouse gas (GHG) reporting conversion factors.

For carbon-only related matters, the Streamline Energy & Carbon Reporting (SECR) methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" was used in conjunction with Government GHG reporting conversion factors.

Energy efficiency action taken

TCL is committed to responsible carbon management and will practise energy efficiency throughout the organisation, where-ever it is cost-effective. Climate change is recognised as one of the most serious environmental challenges currently threatening the global community and TCL has a role to play in reducing greenhouse gas emissions.

TCL has also implemented the following policies to increase the energy efficiency of the business in both the current year and future years:

- Moved to remote home working due to Covid. This will be reviewed when the situation permits; and
- Implemented and encouraged the use of video conferencing.

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 TCL'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. Senior management are required to pursue TCL's strategic vision and ensure that activities are carried out in compliance with agreed plans and policies. The Trustees receive updates on TCL'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 page 7, management has set three primary objectives. These objectives and their implications were regularly considered and applied by the Council and management in their decision-making to ensure the long-term viability of TCL. In particular, as noted on page 7, TCL 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 extend these changes in TCL'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 TCL during the pandemic has been to keep our staff safe. This has involved a working from home option (even 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.

TCL works with Culture Amp to carry out our employee engagement surveys. This enables us to guarantee our people complete anonymity and provide our people with a brilliant experience. We have just completed our 'Your Voice Matters Survey' for 2022 and are in the process of analysing our results which will be used to shape our future priorities.

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. TCL 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.

TCL makes all suppliers, staff and contractors aware of the policies and procedures in place, (including Modern Slavery policy, Whistleblowing policy, Reporting Malpractice and Safeguarding and Child protection) and seeks to ensure that these policies are followed. TCL approached a sample of suppliers in the current year to confirm their compliance with the Modern Slavery Act 2015 and have instigated a new supplier contract management system, which is a database of all existing suppliers and contracts.

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

TCL's broad product offer allows us to interact and help learners and communities across different educational streams. With TCL's approach of focusing on supporting the development of communicative and transferable English language skills our English language qualifications help communities integrate with wider society. For example, our Skills for Life qualifications are designed to aid progression and access into mainstream education and employment paths where English language skills are a requirement. Our Secure English Language Tests (SELTs), taken in the UK, are approved for applications to UKVI for visas, UK visa renewal, British Citizenship, Settlement and Leave to Remain.

TCL is committed in its strategic plan to promoting sustainability by reducing the impact of its activities on the environment. We continue to increase the size and reach of our international panel of local examiners and develop and promote the use of digital products as an alternative to in-person exams. Both initiatives are reducing our carbon footprint significantly. Other initiatives being pursued include the adoption of hybrid working for staff (a combination of home-based and office working) that reduces staff travel, the promotion of paperless working where possible and a reduction in the use of plastics. Social value is embedded within TCLs 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

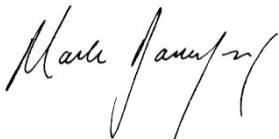
As we strive to achieve our strategic goals, we lead by example by demonstrating in all areas the same values that we wish to see in the people we work with and those we aim to influence.

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. TCL provides training to our staff in these areas.

The need to act fairly between members of the charity

This criterion has little or no application to TCL because the Trustees are the sole members of the charitable company, and the charitable company is not run in the interests of the members but in performance of the charitable company's objectives.

By order of the Council



Mark Damazer, CBE
Chairman

6 December 2022

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 and proper accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

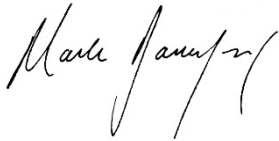
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trinity College London
Company No 2683033
Charity No 1014792

Disclosure of information to auditor

The Trustees 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 charitable company's auditor is unaware and each Trustee 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 charitable company's auditor is aware of that information.

By order of the Council

A handwritten signature in black ink, appearing to read 'Mark Damazer', written in a cursive style.

Mark Damazer, CBE
Chairman

6 December 2022

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 2022 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 2022 and of its result 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 approved 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 the 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.

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 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 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 Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts 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 16, 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

Trinity College London
Company No 2683033
Charity No 1014792

(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, and to the charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and the charitable company's trustees 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, its members, as a body and its trustees, 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

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

15 Canada Square, London E14 5GL

16 December 2022

**Consolidated Statement of Financial Activities
for the year ended 31 March 2022
(including income and expenditure account)**

| | Note | Unrestricted General Funds 2022 £'000 | Restricted Funds 2022 £'000 | Total Funds 2022 £'000 | Total Funds 2021 £'000 |
|---|------|--|--------------------------------------|---------------------------------|---------------------------------|
| Income: | | | | | |
| Income from Charitable activities | | | | | |
| Examination fees | | 38,654 | - | 38,654 | 31,429 |
| Publication income | | 1,889 | - | 1,889 | 1,806 |
| Other income | | 196 | - | 196 | 613 |
| Investment income | | 5 | - | 5 | 36 |
| Total Income | 2 | 40,744 | - | 40,744 | 33,884 |
| Expenditure: | | | | | |
| Expenditure on Charitable activities | | | | | |
| Provision of examinations & training | 3 | (39,009) | (9) | (39,018) | (33,222) |
| Production of Publications | 3 | (1,120) | - | (1,120) | (1,150) |
| Donations | 3,4 | (1,000) | - | (1,000) | (1,535) |
| Total expenditure | | (41,129) | (9) | (41,138) | (35,907) |
| Net income/(expenditure) | 8 | (385) | (9) | (394) | (2,023) |
| Transfer to reserves of gains/(losses) on foreign exchange hedging contracts | | (309) | - | (309) | 60 |
| Net movement in funds | | (694) | (9) | (703) | (1,963) |
| Reconciliation of funds: | | | | | |
| Fund balances as at 1 April 2021 | 24 | 13,451 | 81 | 13,532 | 15,495 |
| Fund balances as at 31st March 2022 | 24 | 12,757 | 72 | 12,829 | 13,532 |

There were no gains or losses other than those reported above.

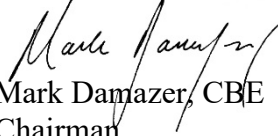
The notes on pages 25 to 40 form part of these financial statements.


**Consolidated and Company Balance Sheets
as at 31 March 2022**

| | Note | Consolidated 2022 £'000 | Consolidated 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|---|------|-------------------------------|-------------------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Intangible assets | 9 | 3,226 | 1,892 | 2,998 | 1,592 |
| Tangible assets | 10 | 3,163 | 2,153 | 3,089 | 2,078 |
| Investments | 11 | - | - | 3,423 | 3,420 |
| | | 6,389 | 4,045 | 9,510 | 7,090 |
| Current assets | | | | | |
| Stocks | 12 | 472 | 439 | 51 | 39 |
| Debtors | 13 | 5,823 | 5,736 | 8,636 | 8,132 |
| Cash at bank and in hand | 14 | 11,586 | 13,109 | 9,127 | 10,980 |
| | | 17,881 | 19,284 | 17,814 | 19,151 |
| Creditors: Amounts falling due within one year | 15 | (9,585) | (9,059) | (9,724) | (8,944) |
| Net current assets | | 8,296 | 10,225 | 8,090 | 10,207 |
| Total assets less current liabilities | | 14,685 | 14,270 | 17,600 | 17,297 |
| Creditors: Amounts falling due after one year | 16 | (4) | (9) | (4) | (9) |
| Provisions | 17 | (1,852) | (729) | (1,852) | (729) |
| Net assets | | 12,829 | 13,532 | 15,744 | 16,559 |
| Funds | | | | | |
| Unrestricted general funds | 24 | 12,877 | 13,262 | 15,792 | 16,289 |
| Restricted funds | 24 | 72 | 81 | 72 | 81 |
| Foreign exchange hedging reserve | 24 | (120) | 189 | (120) | 189 |
| Total Funds | | 12,829 | 13,532 | 15,744 | 16,559 |

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 December 2022 and signed on its behalf by:


Mark Damazer, CBE
Chairman


Pete Mobbs
Chief Financial Officer

The notes on pages 25 to 40 form part of these financial statements.

**Consolidated Cash Flow Statement
for the year ended 31 March 2022**

| | Note | 2022 £'000 | 2022 £'000 | 2021 £'000 | 2021 £'000 |
|---|------|----------------|-----------------------|----------------|-----------------------|
| Cash provided by operating activities | 18 | | 1,730 | | (5,461) |
| Investing activities | | | | | |
| Interest Received | | 5 | | 36 | |
| Purchase of tangible assets- Others | | (2,120) | | (1,203) | |
| Purchase of intangible assets- Others | | <u>(1,138)</u> | | <u>(1,264)</u> | |
| Cash used in investing activities | | | <u>(3,253)</u> | | <u>(2,431)</u> |
| Financing activities | | | | | |
| Increase in share capital | | - | | - | |
| Donations - from Restricted Funds | | = | | = | |
| Cash provided by financing activities | | | = | | = |
| Increase/(decrease) in cash and cash equivalents in the year | | | (1,523) | | (7,892) |
| Cash acquired with subsidiary | | | = | | = |
| Cash and cash equivalents at the beginning of the year | | | <u>13,109</u> | | <u>21,001</u> |
| Total cash and cash equivalents at the end of the year | | | <u>11,586</u> | | <u>13,109</u> |

Analysis of Changes in Net Debt

Neither TCL nor its subsidiaries have obtained any borrowings or utilised any bank over draft facilities during the Financial Year 2021-22 hence, there is nothing to disclose.

The notes on pages 25 to 40 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2022

1 Principal accounting policies

The financial statements relate to the year ended 31 March 2022.

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. TCL has no debt and funds all investments through retained profits and cash balances. Consolidated cash balances as at 31 March 2022 were £11,586k (2021: £13,109) and the UK companies continue to be profitable.

As can be observed through the previous and current financial year, the cost base can be proactively adjusted and restricted to ensure appropriate returns. 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.

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 2022/23 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.

The Council members therefore have a reasonable expectation that the charitable company 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.

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 TCL. 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 TCL 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. Accruals are raised at the year-end, subject to a de minimis of £1,000 per invoice.

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 TCL and include audit fees and costs linked to the strategic management of TCL. 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 |

Computer software has been categorised as tangible to the extent that it is so integral to other tangible assets that separating the software is not possible.

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. TCL recognises its foreign currency transactions and derivatives in accordance with FRS 102.

Furthermore, TCL 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, TCL 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

TCL 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 TCL.

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 TCL makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. TCL'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 source of estimation.

Goodwill impairment

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

Provisions for liabilities and charges

TCL has recognised provisions for an amount of £1,851,747 (2021: £831,974) 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 31 March 2022.

2 Analysis of Income

| | 2022 | 2021 |
|--------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| United Kingdom | 24,394 | 22,932 |
| Rest of Europe, Middle East & Africa | 8,422 | 5,178 |
| Rest of World | 7,923 | 5,738 |
| | <u>40,739</u> | <u>33,848</u> |
| Interest receivable | 5 | 36 |
| Total income | <u>40,744</u> | <u>33,884</u> |

3 Analysis of charitable expenditure

| | 2022 | 2022 | 2022 | 2022 | 2021 |
|----------------------------|-------------------|----------------|-------------------|---------------|---------------|
| | Activities | Support | Governance | Total | Total |
| | Undertaken | Costs | Costs | | |
| | Directly | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Provision of examinations | 30,195 | 8,640 | 183 | 39,018 | 33,222 |
| Production of publications | 625 | 488 | 7 | 1,120 | 1,150 |
| Donations | 1,000 | - | - | 1,000 | 1,535 |
| Total costs expended | <u>31,820</u> | <u>9,128</u> | <u>190</u> | <u>41,138</u> | <u>35,907</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

| | 2022 | 2021 |
|-------------------------|--------------|--------------|
| | £'000 | £'000 |
| Donations payable to TL | 1,000 | 1,500 |
| Other Donations | - | 35 |
| | <u>1,000</u> | <u>1,535</u> |

5 Governance costs

| | 2022 | 2021 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| Statutory Audit fees | 57 | 54 |
| Internal Audit fees | 133 | 117 |
| | <u>190</u> | <u>171</u> |

Fees for tax advisory services for 2021/22 were £62,031 (2020/21: £39,414)

6 Allocation of support costs

| | 2022 | 2021 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Executive office | 1,317 | 1,216 |
| HR & corporative services | 3,484 | 3,112 |
| IT | 2,323 | 1,873 |
| Delivery | 72 | 100 |
| Finance | 791 | 1,542 |
| Communications | 653 | 538 |
| Publications | 488 | 440 |
| | <u>9,128</u> | <u>8,821</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:

| | 2022 | 2021 |
|-----------|-------------|-------------|
| | No | No |
| Employees | <u>325</u> | <u>292</u> |

The staff costs in respect of the above employees were:

| | 2022 | 2021 |
|-----------------------|---------------|---------------|
| | £'000 | £'000 |
| Wages and salaries | 13,985 | 12,004 |
| Social security costs | 1,275 | 1,298 |
| Pension contributions | 992 | 866 |
| Total costs expended | <u>16,252</u> | <u>14,168</u> |

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

| | 2022 | 2021 |
|---------------------|-------------|-------------|
| | No | No |
| £60,001 - £70,000 | 10 | 12 |
| £70,001 - £80,000 | 13 | 11 |
| £80,001 - £90,000 | 3 | 7 |
| £90,001 - £100,000 | 3 | 1 |
| £100,001 - £110,000 | 5 | 2 |
| £110,001 - £120,000 | 3 | 1 |
| £120,001 - £130,000 | 3 | 1 |
| £130,001 - £140,000 | 2 | - |
| £140,001 - £150,000 | - | 1 |
| £150,001 - £160,000 | 1 | 2 |
| £160,001 - £170,000 | 1 | 2 |
| £170,001 - £180,000 | 2 | 2 |
| £210,001 - £220,000 | - | 1 |
| £230,001 - £240,000 | - | 2 |
| £240,001 - £250,000 | 1 | - |
| £360,001 - £370,000 | 1 | - |
| £430,001 - £440,000 | - | 1 |
| Total | <u>48</u> | <u>46</u> |

7 Staff Costs (continued)

TCL made contributions of £388,184 (2021: £353,739) to the pension plans of 48 (2021: 46) 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 2022.

Redundancy & termination payments made to staff and charged to Statement of Financial Activities during the year totalled £251,928 (2021: £81,094).

Total employee benefits of the key management personnel of TCL and the group as detailed under the Reference and Administrative details were £1,130,211 (2021: £1,268,964).

None of the Council Members, who are regarded as Directors, received any remuneration for services as a Director during the year. No expenses were reimbursed to Council Members (2021: £0).

8 Net income

Net income is stated after charging/ (crediting):

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Depreciation | 1,110 | 1,015 |
| Amortisation of development costs & goodwill | 197 | 119 |
| Lease of land and buildings (including service charge) | 3,405 | 3,353 |
| Audit of these financial statements | 57 | 54 |
| Amounts received by auditor and their associates in respect of: | | |
| Other services relating to taxation – advisory basis | 38 | 39 |
| Foreign exchange (gains)/losses | (143) | 259 |

9a Intangible fixed assets (Group)

| | Development | | Total |
|-----------------------|--------------------|-----------------|--------------|
| Cost | Costs | Goodwill | Cost |
| | £'000 | £'000 | £'000 |
| As at 1 April 2021 | 3,987 | 1,880 | 5,867 |
| Additions | 1,556 | - | 1,556 |
| Disposals | (418) | - | (418) |
| At 31 March 2022 | <u>5,125</u> | <u>1,880</u> | <u>7,005</u> |
| Amortisation | | | |
| As at 1 April 2021 | 2,095 | 1,880 | 3,975 |
| Additions | 199 | - | 199 |
| Disposals | (395) | - | (395) |
| At 31 March 2022 | <u>1,899</u> | <u>1,880</u> | <u>3,779</u> |
| Net book value | | | |
| At 31 March 2022 | <u>3,226</u> | - | <u>3,226</u> |
| At 31 March 2021 | <u>1,892</u> | - | <u>1,892</u> |

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

| | Development Costs £'000 |
|-----------------------|--|
| Cost | |
| As at 1 April 2021 | 2,985 |
| Additions | 1,504 |
| Disposals | <u>(418)</u> |
| At 31 March 2022 | <u>4,071</u> |
| Amortisation | |
| As at 1 April 2021 | 1,393 |
| Charge for the year | 75 |
| Disposals | <u>(395)</u> |
| At 31 March 2022 | <u>1,073</u> |
| Net book value | |
| At 31 March 2022 | <u>2,998</u> |
| At 31 March 2021 | <u>1,592</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 2021 | 577 | 280 | 1,727 | 11,601 | 949 | 15,134 |
| Additions | 5 | 1 | 68 | 2,126 | 46 | 2,246 |
| Disposals | - | - | 14 | (140) | - | (126) |
| At 31 March 2022 | <u>582</u> | <u>281</u> | <u>1,809</u> | <u>13,587</u> | <u>995</u> | <u>17,254</u> |
| Depreciation | | | | | | |
| As at 1 April 2021 | 526 | 280 | 1,620 | 9,805 | 750 | 12,981 |
| Additions | 18 | 1 | 120 | 848 | 131 | 1,118 |
| Disposals | - | - | - | (8) | - | (8) |
| At 31 March 2022 | <u>544</u> | <u>281</u> | <u>1,740</u> | <u>10,645</u> | <u>881</u> | <u>14,091</u> |
| Net Book Value | | | | | | |
| At 31 March 2022 | <u>38</u> | <u>-</u> | <u>69</u> | <u>2,942</u> | <u>114</u> | <u>3,163</u> |
| At 31 March 2021 | <u>51</u> | <u>-</u> | <u>107</u> | <u>1,796</u> | <u>199</u> | <u>2,153</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 2021 | 465 | 273 | 1,610 | 11,600 | 897 | 14,845 |
| Additions | - | 1 | 67 | 2,126 | 46 | 2,240 |
| Disposals | - | - | 14 | (140) | - | (126) |
| At 31 March 2022 | 465 | 274 | 1,691 | 13,586 | 943 | 16,959 |
| Depreciation | | | | | | |
| As at 1 April 2021 | 437 | 273 | 1,506 | 9,807 | 744 | 12,767 |
| Additions | 13 | - | 119 | 849 | 130 | 1,111 |
| Disposals | - | - | - | (8) | - | (8) |
| At 31 March 2022 | 450 | 273 | 1,625 | 10,648 | 874 | 13,870 |
| Net Book Value | | | | | | |
| At 31 March 2022 | 15 | 1 | 66 | 2,938 | 69 | 3,089 |
| At 31 March 2021 | 28 | - | 104 | 1,793 | 153 | 2,078 |

11 Investments

The movements in investments during the year were as follows:

| | Company investments in subsidiary undertakings £'000 |
|--------------------|--|
| Cost | |
| As at 1 April 2021 | 3,420 |
| Additions | 3 |
| At 31 March 2022 | 3,423 |

At 31 March 2022, 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 London (HK) Limited | Examination services | Hong Kong | 100% |
| Fundación Trinity College London Espana | Dormant | Spain | 100% |
| Trinity College London Spain SLU | 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 London (HK) Limited

Trinity College London (HK) Limited is a wholly owned subsidiary of TCL that began trading on 29 August 2019.

Fundación Trinity College London Espana

Fundación Trinity College London Espana is a not-for-profit company that was incorporated on 28 February 2020, registered as a Fundación on 28 June 2021, and is beneficially owned by TCL.

Trinity College London Spain SLU

Trinity College London Spain SLU is a company that was incorporated on 7 July 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 a wholly owned subsidiary of TCL. This company was previously dormant.

The net assets of the subsidiary companies at the balance sheet date are:

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Trinity College London India Private Limited | 197 | 172 |
| Trinity London (Thailand) Limited | - | 9 |
| Trinity College London Enterprises Limited | - | - |
| Trinity College London SELT Limited | 82 | 87 |
| Trinity College London Press Limited | 4 | 114 |
| Trinity College London (Italy) S.R.L. | 604 | 520 |
| Trinity College London (HK) Limited | 7 | 4 |
| Fundación Trinity College London Espana | 25 | 25 |
| Trinity College London Spain SLU | 5 | - |
| Trinity College London (New Zealand) Limited | 3 | - |

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

12 Stock

| | Group | Group | Company | Company |
|---------------------------------|--------------|--------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Publications and material stock | 472 | 439 | 51 | 39 |

13 Debtors

| | Group | Group | Company | Company |
|------------------------------------|--------------|--------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 2,672 | 2,339 | 2,439 | 2,083 |
| Value added taxation | 54 | 42 | 54 | 42 |
| Due from related party | 28 | 27 | 3,438 | 3,056 |
| Other debtors | 1,189 | 1,374 | 901 | 1,131 |
| Gain on foreign exchange contracts | (120) | 189 | (120) | 189 |
| Prepayments and deferred expenses | 1,745 | 1,753 | 1,689 | 1,619 |
| Accrued income | 255 | 12 | 235 | 12 |
| | 5,823 | 5,736 | 8,636 | 8,132 |

Due from related party for TCL includes a loan balance of £2,000,000 (2021: £2,000,000) that is receivable after more than one year.

14 Cash at bank and in hand

| | Group | Group | Company | Company |
|--------------------------------------|---------------|---------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank balances held in United Kingdom | 9,841 | 11,146 | 7,696 | 9,274 |
| Bank balances held overseas | 1,745 | 1,963 | 1,431 | 1,706 |
| | 11,586 | 13,109 | 9,127 | 10,980 |

15 Creditors-amounts falling due within one year

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Trade creditors | 1,397 | 1,062 | 1,444 | 1,133 |
| Taxation and social security | 446 | 400 | 369 | 344 |
| Related parties | - | - | 703 | 454 |
| Other creditors | 216 | 419 | 1 | 113 |
| Accrued expenses | 2,179 | 2,521 | 1,860 | 2,243 |
| Deferred income | 5,347 | 4,657 | 5,347 | 4,657 |
| | <u>9,585</u> | <u>9,059</u> | <u>9,724</u> | <u>8,944</u> |

All deferred income relates to examination invoices raised in advance of the examination delivery date. In accordance with TCL's income recognition policy, all amounts deferred in 2020/21 in respect of examinations taken place in 2021/22 have now been recognised in the Statement of Financial Activities.

16 Creditors-amounts falling due after one year

| | Group 2022 £'000 | Group 2021 £'000 | Company 2022 £'000 | Company 2021 £'000 |
|-------------------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Deferred expenses: rent free period | 4 | 9 | 4 | 9 |
| | <u>4</u> | <u>9</u> | <u>4</u> | <u>9</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 Provisions

| | Balance 1 April 2021 £'000 | Utilised £'000 | Additions £'000 | Balance 31 March 2022 £'000 |
|--------------------------|---|---------------------------|----------------------------|--|
| Dilapidation provisions | 448 | - | 123 | 571 |
| Restructuring provisions | 281 | (38) | 427 | 670 |
| Other provisions | - | - | 611 | 611 |
| | <u>729</u> | <u>(38)</u> | <u>1,161</u> | <u>1,852</u> |

The dilapidation provision relates to the estimated costs that will be incurred to restore the leased assets to their original condition at the end of the lease.

The restructuring provision relates to various projects which will enhance the operational excellence and product innovation offered by the business.

The other provision relates to on-going organisational review.

The amounts provided represent the best estimate of the expenditure which may arise.

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

| | 2022 | 2021 |
|--|--------------|----------------|
| | £'000 | £'000 |
| Net income | (394) | (2,023) |
| Interest receivable | (5) | (36) |
| Depreciation of tangible assets | 1,110 | 1,015 |
| Amortisation of development costs & goodwill | (197) | 119 |
| Foreign exchange hedging | (309) | 60 |
| (Increase)/decrease in stocks | (33) | 154 |
| (Increase)/decrease in debtors | (87) | 289 |
| (Increase)/decrease in creditors | 1,645 | (5,039) |
| Net cash flow from operating activities | <u>1,730</u> | <u>(5,461)</u> |

19 Analysis of changes in group cash and cash equivalent balances

| | 2022 | 2021 |
|--|---------------|---------------|
| | £'000 | £'000 |
| Net bank and cash balances at beginning of year | 13,109 | 21,001 |
| Net decrease in bank and cash balances | (1,523) | (7,892) |
| Net bank and cash balance at the end of the year | <u>11,586</u> | <u>13,109</u> |

20 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 | |
|------------------------|-----------------------------|--------------|--------------|--------------|--|--------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Commitments < 1 year | 1,770 | 1,675 | 5 | 24 | 1,775 | 1,699 |
| Commitments 1- 5 years | 1,312 | 1,970 | 2 | - | 1,314 | 1,970 |
| Commitments > 5 years | - | - | - | - | - | - |
| | <u>3,082</u> | <u>3,645</u> | <u>7</u> | <u>24</u> | <u>3,089</u> | <u>3,669</u> |

Lease payments in the year amounted to £2,843,566 (2021: £2,821,930).

21 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 £9,257,708 (2021: £3,404,692).

£308,695 was the movement in the fair value of fixed currency contracts (2021: £60,135).

These contracts are with settlement dates beyond the year end. Currency adverse reserves of £119,766 (2021: £188,929 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 (2021: £0 gain).

22 Guarantee by Council Members

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

23 Related party transactions

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

| | 2022 | 2021 |
|--|------|------|
| | £ | £ |
| Reimbursement of expenses to 0 (2021: 0) Members | - | - |

TCL conducted other transactions with its subsidiaries as follows:

| | 2022 | 2021 | 2022 | 2021 |
|--|--------------|--------------|---------------------|---------------------|
| | £'000 | £'000 | £'000 | £'000 |
| | Service Fees | Service Fees | Outstanding Balance | Outstanding Balance |
| Trinity College London SELT | 1,383 | 1,188 | (104) | (15) |
| Trinity London (Thailand) Limited | - | - | - | - |
| Trinity College London Press | (37) | (81) | 3,399 | 3,046 |
| Trinity College London Enterprises | - | - | - | - |
| Trinity College London India Pvt Ltd | 631 | 549 | (90) | (14) |
| Trinity College London (Italy) S.R.L. | 1,218 | 1,197 | (488) | (439) |
| Trinity College London (HK) Limited | 130 | 119 | 3 | (2) |
| Fundación Trinity College London Espana | - | - | 25 | 25 |
| Trinity College London Spain SLU | 48 | - | 9 | - |
| Trinity College London (New Zealand) Limited | 80 | - | (20) | - |

These amounts receivable by TCL 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 TCL from the subsidiaries totalled £2,733,657 (2021: £2,601,539).

During the year, the Council resolved to pay donations totalling £1,000,000 (2021: £1,500,000) to TL. A total amount of £1,500,000 cash was paid during the year. At 31 March 2022 £nil (2021: £500,000) remained outstanding.

24a Group Funds - movement in the year

| | Balance 1 April | Income | Expense | Donations/ transfers | Balance 31 March |
|----------------------------------|--------------------|--------|----------|-------------------------|---------------------|
| | 2021 | 2022 | 2022 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| General funds – general funds | 13,262 | 40,744 | (40,129) | (1,035) | 12,842 |
| General funds – designated funds | - | - | - | 35 | 35 |
| Restricted funds | 81 | - | (9) | - | 72 |
| Foreign exchange hedging reserve | 189 | (309) | - | - | (120) |
| | 13,532 | 40,435 | (40,138) | (1,000) | 12,829 |

24b Group funds - movements in the prior year

| | Balance 1 April 2020 £'000 | Income 2021 £'000 | Expense 2021 £'000 | Donations/ transfers 2021 £'000 | Balance 31 March 2021 £'000 |
|----------------------------------|---|----------------------------------|-----------------------------------|--|--|
| General funds – general funds | 15,282 | 33,884 | (34,369) | (1,535) | 13,262 |
| General funds – designated funds | - | - | - | - | - |
| 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> |

24c Charity Funds - movements in the year

| | Balance 1 April 2021 £'000 | Income 2022 £'000 | Expense 2022 £'000 | Donations/ transfers 2022 £'000 | Balance 31 March 2022 £'000 |
|----------------------------------|---|----------------------------------|-----------------------------------|--|--|
| General funds – general funds | 16,289 | 39,725 | (39,222) | (1,035) | 15,757 |
| General funds – designated funds | - | - | - | 35 | 35 |
| Restricted funds | 81 | - | (9) | - | 72 |
| Foreign exchange hedging reserve | 189 | (309) | - | - | (120) |
| | <u>16,559</u> | <u>39,416</u> | <u>(39,231)</u> | <u>(1,000)</u> | <u>15,744</u> |

24d Charity Funds - movements in the prior year

| | Balance 1 April 2020 £'000 | Income 2021 £'000 | Expense 2021 £'000 | Donations/ transfers 2021 £'000 | Balance 31 March 2021 £'000 |
|----------------------------------|---|----------------------------------|-----------------------------------|--|--|
| General funds – general funds | 18,721 | 32,594 | (33,491) | (1,535) | 16,289 |
| General funds – designated funds | - | - | - | - | - |
| 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> |

During the year, TCL has designated £35,000 of its general funds to a specific Language Access Fund dedicated to supporting funding for organisations which have undertaken to teach Ukrainians displaced or affected by the war with Russia. 5,000 Trinity GESE self-study apps have also been donated to refugee organisations.

25 Analysis of funds

The group's net assets belong to the various funds at 31 March 2022 as follows:

| | Fixed & intangible assets £'000 | Current assets £'000 | Current liabilities £'000 | Long Term liabilities £'000 | Net assets £'000 |
|--|--|-------------------------------------|--|--|---------------------------------|
| General funds | 6,389 | 17,809 | (9,585) | (1,856) | 12,757 |
| Restricted funds – Charles Tyler Smith | - | 22 | - | - | 22 |
| Restricted funds - Joy Cicely Wise | - | 50 | - | - | 50 |
| | <u>6,389</u> | <u>17,881</u> | <u>(9,585)</u> | <u>(1,856)</u> | <u>12,829</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.

26 Post balance sheet events

Following the year end, TCL established a Wholly Foreign Owned Enterprise (WFOE) in China, Shengyi Culture Consulting (Beijing) Co Ltd. This company is a 100% owned subsidiary of Trinity College London (HK) Limited.

There were no post balance sheet events at the time of signing these accounts other than those noted above.