

2683033

Trinity College London
(A company limited by guarantee)

Report and Financial Statements
for the year ended 31st December 2009

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Report of the Trustees for the year ended 31 December 2009

The trustees are pleased to present their report together with the audited financial statements of Trinity College London ("the charity") for the year ended 31 December 2009 which are also prepared to meet requirements for a directors' report and accounts for Companies Act purposes

The financial statements comply with the Charities Act 1993, the Companies Act 2006, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities ("SORP 2005")

Trustees' Report (continued)

Structure, Governance and Management

Reference and administrative details

Charity No	1014792
Company No	2683033
Registered office	89 Albert Embankment London SE1 7TP
Auditors	KPMG LLP 8 Salisbury Square London EC4Y 8BB
Principal Bankers	NatWest Bank Plc North Audley Street Branch P O Box 4UQ 30 North Audley Street London W1A 4UQ
Principal Solicitors	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB
Directors and trustees (Council Members)	<p>The directors of the charitable company ("Trinity College London" or "the charity") are its trustees for the purpose of charity law and throughout this report referred to as the Council. The trustees who held office during the year and since year end were as follows</p> <p>Sir Keith Stuart² (Chairman) The Right Honourable The Lord Geddes (resigned 30 June 2009) Dr Jennifer Barnes (resigned 31 December 2009) Mr Alan Britten CBE^{1 2} Mr Michael Butcher (appointed 1 April 2009) Mr Michael Esplen Mr Michael Hildesley (Deputy Chairman)¹ Sir Robert Scott¹ Mrs Vimmi Singh¹ (appointed 1 May 2009 and resigned 29 January 2010) Mr Norton York</p> <p>¹ member of the Board of Governors of Trinity Laban ² trustee of the Trinity College of Music Trust</p>
Audit Committee	Mr Michael Butcher (Chairman) Mr Alan Britten (appointed 9 June 2009) Mr Michael Hildesley Sir Keith Stuart (retired 30 June 2009)
Secretary	Mrs Fiona Butcher (appointed 22 September 2009) Mrs Paula Logan (resigned 22 September 2009)

Senior Management

Ms Sarah Kemp (Chief Executive)
Mrs Fiona Butcher (Director of Legal Services)
Miss Patricia Irving (Director of Finance)
Ms Janis Lines (Director of Human Resources & Corporate Services)
Mr Richard Michel (Director of Operations and IT)
Mr Clinton Rae (Director of Business Development UK & Ireland)
Mr Mark Stringer (Executive Director and Head of Academic Governance for Performing and Creative Arts)
Mrs Susan Yallop (Director of Marketing and Communications)

Governing Document

Trinity College London ("TCL") is a company limited by guarantee and a registered charity. It was established in 1992 when Trinity College of Music ("TCM") transferred the services offered by its External Examinations and Publications Departments into Trinity College of Music Trust ("TCMT" or "the Trust"). TCL was at the same time created and nominated to receive the examination and publishing activities in a three-way agreement. The objects of TCL are set out in its governing instrument, the Memorandum and Articles of Association.

Organisation

The governing body of TCL is the Council. Members of Council are unpaid. The Council meets regularly and retains full and effective control over the company. The Council monitors the performance of senior management and reviews the quality, effectiveness and timeliness of information provided to the Council by the senior management. 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, Council is considered to be the Board of Directors of TCL and Council members are considered to be the Directors.

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

Appointment of Council Members

A simple majority of Council Members must at all times be trustees of the Trust or nominated by the Trust. Additional Council Members who are neither trustees of the Trust nor nominated by the Trust may be appointed by the Members of Council.

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 term 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.

All Council members are involved in the selection of individuals nominated to replace those retiring. When considering selection, Council has regard for the requirement for any specialist skills needed. Newly appointed Council members are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the governing structure of the charity, the business plan and recent financial performance of the charity. Council members are encouraged to attend appropriate events in order to facilitate the undertaking of their role.

Related Parties

The charity is related to the TCMT by virtue of the fact that a majority of TCL Council members must either be trustees of TCMT or be nominated by the trustees of TCMT. TCL, in accordance with its Memorandum of Association, gives substantial financial support by way of unrestricted donations to TCMT. These donations are financed from surpluses after taking into account the reserve requirements of TCL.

TCL is also related to Trinity Laban Conservatoire of Music and Dance ("TL") by virtue of the fact that TL is the ultimate beneficiary of donations made to TCMT and has, in addition to its general charitable purpose, a specific object to support and further the interests of TL.

Related Parties (continued)

Although related charities, TCL, TCMT and TL are not related companies based on the fact that all entities have different objectives. During the year Council resolved to advance a short term unsecured loan of £500,000 to TL. The interest rate of the loan was bank deposit rate plus 0.5% calculated on a daily basis and payable in arrears. £250,000 of the loan was repaid on 27 April 2009 and the final £250,000 was repaid on 1 September 2009. The loan was advanced on 27 March 2009.

TCL owns 99% of the issued share capital of Trinity Brasil S/C Ltda, a company limited by guarantee and incorporated in Brazil which is presently dormant. TCL owns 49% of the issued share capital of Trinity London (Thailand) Ltd, a company incorporated in Thailand. The investments were made in order to facilitate the provision of examinations in these countries.

On 29 December 2009 Trinity College London (India) Private Limited was incorporated. The company will be a wholly owned subsidiary of TCL.

Risk Management

Council members are responsible for overseeing the management of the risks faced by TCL. During the year the Council discussed the revised Corporate Plan, setting out the major opportunities to be pursued and the risks to which the charity is exposed over the period to 2012. Council monitors progress against corporate objectives at each meeting, and a comprehensive review is carried out annually, on the basis of which detailed plans and budgets are then approved for the following year.

Council has assessed the major risks to which the charity is exposed, in particular those related to the operations and financing of the charity, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk management plan is reviewed and formally approved annually. The Senior Executives have been delegated to manage these risks on a day-to-day basis, putting in place systems and procedures to limit the impact on the charity if any of those risks should materialise.

The Audit Committee scrutinises the charity's operations, corporate practice, financial management and areas of risk and reports to the Council.

Objectives and Activities

Specific objectives of the charity include -

- to advance education for the public benefit, in particular but without limitation, by promoting education, instruction and educational assessment in
- performance and creative arts, and
- language and communication

These objectives are pursued primarily through the provision of examinations, assessments, consultancy, training and the publication of materials relevant thereto.

TCL maintains a close association with TCM, now integrated with Laban as TL, and at the same time exploits opportunities for the fullest development of all its educational services.

TCL's examinations are conducted in schools, in work places and in Public Examination Centres in the UK and 60 countries internationally. TCL is accredited by the Office of Qualifications and Examinations Regulation (formerly the UK Qualifications and Curriculum Authority) as an independent awarding body and relevant qualifications are recognised within the UK National Qualifications Framework. Staff in London process entries, administer the worldwide examination programme and issue certificates and diplomas.

A fundamental part of TCL's activities is the provision and sale of publications and supporting media. These provide resources for the study, appreciation and teaching of music. Publications are also made available in relation to drama and speech.

Objectives and Activities (continued)

TCL in collaboration with the Arts Council also run the Arts Award, which is a nationally recognised qualification based around any arts or media activity. There are no entry requirements, the only prerequisite is that you need to be aged between 11 and 25. The Arts Award in particular targets children and young adults from disadvantaged backgrounds.

Achievements and Performance

TCL's performance across the organisation during 2009 was positive, especially in light of the global economic situation. Candidate numbers stand at just above 527,000 per annum. The most significant growth continued to be in English Language qualifications in Italy and Spain, and Music where the UK and South East Asia markets performed well. Drama achieved similar levels of examination fee income to 2008 with the exception of India where candidate numbers showed an increase. The Dance & Drama Awards, Arts Award and the KS2 project all performed in line with objectives.

Financial Review

Incoming resources were £24,884,000 (2008 £21,171,000). Examination fees increased by 20%, publication income increased marginally by 9% and training fees increased by 19% due to timing of grant funding for KS2 and Arts Award. The decrease in publishing revenue was due to exceptional demand in the previous year for the new Trinity Guildhall music syllabus publications. During the year £1,475 of donations were received from third parties for the L'Aquila earthquake appeal, an area of Italy where TCL carries out significant numbers of examinations. This money is being held in a restricted fund until the money can be spent acquiring educational equipment to replace that which was destroyed in the earthquake.

Resources expended were £23,759,000 (2008 £20,348,000). The increase of 17% was due to a number of factors including increased examiner travel costs, examiner fees, increased staffing costs and legal fees as a result of the growth in the charity.

The net incoming resources for the year, including donations to TCMT were £1,125,000 (2008 £823,000). During the year Council resolved, in light of the level of reserves and subject only to the cash flow position, to pay donations totalling £800,000 (2008 £700,000) to TCMT.

The details of tangible and intangible fixed assets are set out in notes 9 and 10 to the financial statements respectively.

Public Benefit

In setting objectives and planning activities the Council have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. TCL's primary objective is to provide education for the public benefit. This is achieved primarily through its broad suite of assessments, examinations and moderations in Performing & Creative Arts and Languages. TCL's philosophy of assessment is based on a combination of technical skills and communication, be it in the arts or language, often demonstrated through one-on-one assessment and syllabuses designed to give students a broad education in the subject while achieving measurable progress. Evidence from teachers and candidates is that the skills gained in preparing to meet the standards set by TCL provide successful candidates with a range of benefits in communication, as well as self-confidence, which far exceed technical ability or recognition of achievement levels.

In addition, TCL provides teacher support and training, such as for teachers of English for Speakers of Other Languages (ESOL), for Key Stage 2 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 has contracts with Government Departments or Agencies extending assessments and/or training into new areas in support of wider initiatives for the public benefit.

TCL undertakes research and development of new concepts in appraisal of performance, communication skills and the measurement of creativity which are enhancing the importance of good communication and creativity in improving society as well as for the individual. TCL is an active member of associations committed to improving education and assessment, notably in the Performing Arts and English Language.

Public Benefit (continued)

Historically TCL has generated surpluses which have enabled donations to be paid to other educational charities 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 which have been subject to major natural disasters

The fees of the charity are set at a level to enable as much surplus as possible to be generated without alienating any market in which we operate in terms of affordability of our exams. Wherever practical, special terms are available for candidates who would otherwise find the exams unaffordable. Furthermore it should be noted that even in countries where TCL generates a loss on the examinations carried out we continue to examine there not just to promote the brand of TCL but also to promote the benefits of education in that country.

Reserves Policy

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

Group unrestricted general reserves have increased to £5,025,000 (2008 £3,955,000) at 31st December 2009. The free reserves of the charity (i.e. unrestricted funds excluding designated reserves and fixed assets) are £3,073,000. These reserves are available to the group to further its objectives and also to finance the growth in activity envisaged in the corporate plan. The Council consider this level of 'free reserves' to be appropriate.

Donations Policy

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

Plans for Future Periods

A restructure of the charity's London office and international networks took place in the first quarter of 2010. This involved reconfiguring some of Trinity's key executive posts in order to co-ordinate the work of the charity more effectively in rolling out its strategic plans. A more market-led approach will be delivered via Regional and Country Directors. In December 2009 Trinity established a new company, Trinity College London (India) Private Limited, based in Mumbai and subsequently appointed a Managing Director to coordinate Trinity's work in this market. Other Directors are now in post with briefs for the UK & Ireland and Continental Europe. Other appointments will be made in due course. From May onwards, Trinity will be implementing its new IT infrastructure which represents a significant investment for TCL. The main purpose of the new system is to improve customer service and to ensure more effective co-ordination of Trinity's operational, administrative and financial systems. Trinity is also continuing to invest in its academic structures, its quality assurance and research resources. Other areas of investment include marketing, product development and communication functions.

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

The Council "as trustees and directors" is responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Council 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 charitable company and the group and of the excess of income over expenditure for that period.

Statement of responsibilities of the Trustees of Trinity College London in respect of the Trustees' report and the financial statements (continued)

In preparing these financial statements the Council 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities

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

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Council



Sir Keith Stuart
Chairman
30 June 2010

Independent Auditors' Report to the Council of Trinity College London

We have audited the financial statements (the 'financial statements') of Trinity College London for the year ended 31 December 2009 set out on pages 10 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members of Council and auditors

The Members of Council (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities on pages 7 and 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with UK Generally Accepted Accounting Practice and have been properly prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the group financial statements give a true and fair view of the state of the charitable company's affairs and the group's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements.


K Wightman (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB

Dated

23 July 2010

Consolidated Statement of Financial Activities for the year ended 31st December 2009

[Including income and expenditure account]

	Note	Unrestricted Funds		Restricted Funds	Total Funds	Total Funds
		General	Designated			
		2009 £'000	2009 £'000	2009 £'000	2009 £'000	2008 £'000
Incoming resources						
Incoming resources from charitable activities						
Examination fees		22,401	-	-	22,401	18,678
Training fees		1,488	-	-	1,488	1,245
Publication income		792	-	-	792	721
Incoming resources from generated funds						
Voluntary income						
Donations		-	-	1	1	-
Investment income		27	-	-	27	87
Other incoming resources		175	-	-	175	440
Total Incoming Resources	2	24,883	-	1	24,884	21,171
Resources expended						
Charitable activities						
Provision of examinations	3	(22,157)	-	-	(22,157)	(18,838)
Production of publications	3	(741)	-	-	(741)	(762)
Donations	4	(800)	-	-	(800)	(700)
Governance	5	(61)	-	-	(61)	(48)
Total resources expended		(23,759)	-	-	(23,759)	(20,348)
Net incoming resources before transfers	8	1,124	-	1	1,125	823
Gross transfers between funds	24	(54)	54	-	-	-
Net movement in funds		1,070	54	1	1,125	823
Fund balances as at 1 st January		3,955	-	-	3,955	3,132
Fund balances as at 31 st December		5,025	54	1	5,080	3,955

All of the above results are derived from continuing activities
There were no gains or losses other than those reported above

The notes on pages 13 to 21 form part of these financial statements

Consolidated and Company Balance Sheets as at 31st December 2009

	Note	Consolidated 2009 £'000	Consolidated 2008 £'000	Company 2009 £'000	Company 2008 £'000
Fixed assets					
Tangible assets	9	1,944	420	1,944	420
Intangible assets	10	8	42	8	42
Investments	11	-	-	-	-
Total fixed assets		1,952	462	1,952	462
Current assets					
Stocks	12	226	225	226	225
Debtors	13	2,200	1,746	2,200	1,746
Cash at bank and in hand	14	5,783	5,009	5,783	5,009
		8,209	6,980	8,209	6,980
Creditors Amounts falling due within one year	15	(5,043)	(3,466)	(5,043)	(3,466)
Net current assets		3,166	3,514	3,166	3,514
Total assets less current liabilities		5,118	3,976	5,118	3,976
Creditors Amounts falling due after one year	16	(38)	(21)	(38)	(21)
Net assets		5,080	3,955	5,080	3,955
Funds					
Unrestricted general funds	24	5,025	3,955	5,025	3,955
Unrestricted designated funds	24	54	-	54	-
Restricted funds	24	1	-	1	-
Total Funds		5,080	3,955	5,080	3,955

The financial statements were approved by the Council on 30 June 2010 and signed on its behalf by -



Sir Keith Stuart
Chairman

Consolidated Cash Flow Statement
for the year ended 31st December 2009

	Note	Group 2009 £'000	Group 2009 £'000	Group 2008 £'000	Group 2008 £'000
Net cash flow from operating activities	17		<u>2,470</u>		<u>3,254</u>
Returns on investments and servicing of finance					
Interest Received		<u>27</u>		<u>87</u>	
			27		87
Capital expenditure					
Purchase of tangible fixed assets		<u>(1,723)</u>		<u>(337)</u>	
			(1,723)		(337)
Net increase in bank and cash balances	18		<u><u>774</u></u>		<u><u>3,004</u></u>

Notes to the financial statements for the year ended 31st December 2009

1 Principal accounting policies

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

1.1 Basis of preparation and consolidation

The financial statements have been prepared in accordance with applicable accounting standards and under the historic cost convention, modified to include the revaluation of investments, and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005)

The financial statements are drawn up on the going concern basis which assumes the group will continue in operational existence for the foreseeable future

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report on pages 2 to 8. The financial position of the charity, its cashflows and liquidity position are described in the primary financial statements on pages 10 to 12. 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 appropriate financial resources together with contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence the trustees believe that the charity is well placed to manage its business risks successfully despite the current uncertain economic outlook

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

The consolidated statement of financial activities and balance sheet include the financial statements of the charity (Trinity College London) and its subsidiaries as set out in note 11. The results of Trinity Brazil S/C Limited have been included in the consolidated statement of financial activities throughout the period

A separate Statement of Financial Activities, or income or expenditure account, has not been presented for the charity in accordance with Section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005. The income and expenditure of the charity are detailed in notes 2 and 3

1.2 Fund accounting

The general fund is an unrestricted fund which is available for use at the discretion of the Council in furtherance of the general objectives of the charity. Designated funds 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

1.3 Incoming resources

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income represents fees earned in respect of examinations taken during the period, sales of publications and bank interest receivable. Income excludes fees received in respect of examinations to be taken after the year end. Such fees are shown under creditors in the balance sheet as fees received in advance

1.4 Resources expended and support Costs

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT has been included with the item of expense to which it relates

1.4 Resources expended and support costs (continued)

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 to charitable activities on the basis of average staff numbers. Costs which are partly attributable to charitable activities and support activities are allocated on the basis of average staff numbers before total support costs are allocated to charitable activities.

1.5 Governance costs

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

1.6 Tangible fixed assets and depreciation

Depreciation is provided evenly on cost to write off fixed assets (over £500) 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 and fittings	25%
Other equipment	25%
Computer equipment	33%
Computerised administration system	20%
Computerised administration system 2	20%
Leasehold improvements	20%

The computerised administration system was fully written off last year due to a new system currently being implemented which will replace the existing computerised administrative system.

1.7 Intangible assets

Intangible assets include goodwill on the acquisition of The Guildhall Examinations Service. The goodwill is amortised through the SOFA in equal instalments over the estimated useful life of the assets.

1.8 Stocks

Stocks of publications and work in progress are stated at the lower of cost 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.

1.10 Taxation

The charity is not liable to taxation on the results of its activities as it is a registered educational charity. The charity is registered for Value Added Tax and has a partial exemption rating.

1.11 Pension scheme

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

1.12 Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

1.13 Investments

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

1.14 Debtors and incomplete examinations

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.

Incomplete examination process

An examination process is defined as incomplete where a final result is not recorded from 3 months after the date on which the examination was held. Provision against the examination fee is made pending investigation and resolution of the incomplete examination process.

2 Analysis of Income

	2009 £'000's	2008 £'000's
United Kingdom	8,931	8,480
Rest of Europe	9,415	7,687
Rest of World	6,511	4,917
	<u>24,857</u>	<u>21,084</u>
Interest receivable	27	87
Total incoming resources	<u>24,884</u>	<u>21,171</u>

3 Analysis of charitable expenditure

The support costs allocated to charitable activities are set out below

	2009 Activities Undertaken Directly £'000's	2009 Activities Funded by Grants £'000's	2009 Support Costs £'000's	2009 Total £'000's	2008 Total £'000's
Provision of examinations	(16,571)	-	(5,586)	(22,157)	(18,838)
Production of publications	(574)	-	(167)	(741)	(762)
Donations	(800)	-	-	(800)	(700)
Total Resources expended	<u>(17,945)</u>	<u>-</u>	<u>(5,753)</u>	<u>(23,698)</u>	<u>(20,300)</u>

Production of publication costs contain £190,000 (2008 £221,000) of costs relating to the provision of free publications and support materials.

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

4 Donations payable

	2009 £'000's	2008 £'000's
Donations payable to Trinity College of Music Trust	(800)	(700)
	<u>(800)</u>	<u>(700)</u>

5 Governance costs

	2009 £'000's	2008 £'000's
Audit fees	(29)	(19)
Legal & professional fees	(24)	(23)
Meeting costs	(8)	(6)
	<u>(61)</u>	<u>(48)</u>

6 Allocation of support costs

	2009 Examinations	2009 Publications	2009 Total	2008 Total
	£'000's	£'000's	£'000's	£'000's
Chief Executive's office	(1,271)	(39)	(1,310)	(424)
HR & Administration	(1,381)	(42)	(1,423)	(1,255)
Operations	(806)	(25)	(831)	(635)
Finance	(2,128)	(61)	(2,189)	(1,382)
Communications	-	-	-	(156)
Total Resources expended	(5,586)	(167)	(5,753)	(3,852)

The basis of cost allocation used is average staff numbers except for Finance for which the basis of cost allocation is incoming resources

7 Staff costs

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

	2009 No	2008 No
Employees	112	98

The staff costs in respect of the above employees were

	2009 £'000's	2008 £'000's
Wages and salaries	(4,438)	(3,698)
Social security costs	(373)	(295)
Pension contributions	(193)	(125)
	(5,004)	(4,118)

The company made contributions to the pension plans of 4 employees whose emoluments exceeded £60,000 in 2009

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

	2009 No	2008 No
£60,000 - £70,000	3	5
£70,000 - £80,000	3	-
£130,000 - £140,000	1	1
Total	7	6

None of the Council Members, who are regarded as Directors, received any remuneration during the year

8 Net incoming resources

Net incoming resources are stated after charging

	2009 £'000's	2008 £'000's
Depreciation	(199)	(322)
Amortisation of goodwill	(34)	(29)
Lease of land and buildings	(349)	(258)
Audit of these financial statements	(29)	(19)
Amounts received by auditors and their associates in respect of		
Other services relating to taxation	(114)	(22)
Exchange (losses)/gains	(1,086)	484

9 Tangible fixed assets

	Fixtures & Fittings	Other Equipment	Computer Equipment	Computer Admin System	Leasehold Improv's	Total
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Cost						
At 1 st Jan 2009	127	77	366	1,006	238	1,814
Additions	32	10	100	1,552	29	1,723
At 31 st Dec 2009	159	87	466	2,558	267	3,537
Depreciation						
At 1 st Jan 2009	(56)	(57)	(166)	(1,006)	(109)	(1,394)
Charge for the year	(26)	(17)	(103)	-	(53)	(199)
At 31 st Dec 2009	(82)	(74)	(269)	(1,006)	(162)	(1,593)
Net book value						
At 31 st Dec 2009	77	13	197	1,552	105	1,944
At 31 st Dec 2008	71	20	200	-	129	420

10 Intangible fixed assets

	Goodwill £'000's
Cost	
At 1 st January 2009	141
At 31 st December 2009	141
Amortisation	
At 1 st January 2009	(99)
Charge for the year	(34)
At 31 st December 2009	(133)
Net book value	
At 31 st December 2009	8
At 31 st December 2008	42

Goodwill arose on the acquisition of the Guildhall Examinations Service on 31st March 2004 and is being amortised over the period to 31st March 2010. In the opinion of the Directors, this represents a prudent estimate of the period over which the charity will derive economic benefit from the assets acquired as part of that business.

11 Investments

As at 31st December 2009, group undertakings comprise an investment in the following subsidiary undertaking -

	Country of incorporation	Group Interest
Trinity Brasil S/C Ltda	Brazil	99%

In view of operating conditions in Brazil, examinations are limited and are managed through Trinity College London's Head Office. Trinity Brasil S/C Ltda continues to be a registered company in Brazil, and the situation remains under review. Trinity Brasil S/C Ltda is a company limited by guarantee.

In the event of a winding up or dissolution, under the terms of the guarantee, liability is limited to the total sum of the corporate capital.

The assets and liabilities of the subsidiary are -

	2009 £'000's	2008 £'000's
Current liabilities – amount due to Trinity College London (note 13)	(254)	(254)
Net liabilities	<u>(254)</u>	<u>(254)</u>
Share capital	3	3
Profit and loss account	(251)	(251)
Shareholders' deficit	<u>(254)</u>	<u>(254)</u>

The subsidiary did not trade during the year ended 31st December 2009. The subsidiary had no income or expenditure during the year ended 31st December 2009.

The movements in investments during the year were as follows -

	£'000's
Cost	
At 1 st January 2009 and at 31 st December 2009	<u>3</u>
Provision	
At 1 st January 2009 and at 31 st December 2009	<u>(3)</u>
Net book value	
At 31 st December 2009	<u>-</u>
At 31 st December 2008	<u>-</u>

The provision of £3,000 (2008: £3,000) in the books of Trinity College London against the full cost of its investment in Trinity Brasil S/C Ltda remains at 31st December 2009.

Trinity College London also owns 49% of the share capital of Trinity London (Thailand) Limited. The company in Thailand is dormant and therefore the results are not disclosed in the financial statements.

12 Stock

	Group 2009 £'000's	Company 2009 £'000's	Group 2008 £'000's	Company 2008 £'000's
Publications stock	<u>226</u>	<u>226</u>	<u>225</u>	<u>225</u>

13 Debtors

	Group 2009 £'000's	Company 2009 £'000's	Group 2008 £'000's	Company 2008 £'000's
Trade debtors	1,211	1,211	1,144	1,144
Value added taxation	17	17	8	8
Other debtors	77	77	65	65
Deferred expenses	544	544	154	154
Accrued income	351	351	375	375
	<u>2,200</u>	<u>2,200</u>	<u>1,746</u>	<u>1,746</u>

The provision of £254,000 (2008 £254,000) in the books of Trinity College London against the full balance of the inter-company debt owed by Trinity Brasil S/C Ltda remains at 31st December 2009

Trade debtors are stated net of provisions for outstanding debts of £100,000 (2008 £1,073,000)

14 Cash at bank and in hand

	Group 2009 £'000's	Company 2009 £'000's	Group 2008 £'000's	Company 2008 £'000's
Bank balances held in the United Kingdom	4,912	4,912	2,246	2,246
Bank balances held overseas	871	871	2,763	2,763
	<u>5,783</u>	<u>5,783</u>	<u>5,009</u>	<u>5,009</u>

15 Creditors – amounts falling due within one year

	Group 2009 £'000's	Company 2009 £'000's	Group 2008 £'000's	Company 2008 £'000's
Trade creditors	(1,697)	(1,697)	(815)	(815)
Taxation and social security	(174)	(174)	(142)	(142)
Other creditors	(1,044)	(1,044)	(710)	(710)
Accrued expenses	(1,915)	(1,915)	(1,602)	(1,602)
Deferred income	(213)	(213)	(197)	(197)
	<u>(5,043)</u>	<u>(5,043)</u>	<u>(3,466)</u>	<u>(3,466)</u>

16 Creditors – amounts falling due after one year

	Group 2009 £'000's	Company 2009 £'000's	Group 2008 £'000's	Company 2008 £'000's
Deferred income – amortisation of rent free period	(38)	(38)	(21)	(21)
	<u>(38)</u>	<u>(38)</u>	<u>(21)</u>	<u>(21)</u>

A rent-free period was negotiated at the beginning of the new lease for the 2nd floor of the premises. The amount saved through this rent-free period was £52,080 which is being amortised over a 7 year period being the term of the lease

17 Reconciliation of net incoming resources to net cash flow from operating activities

	2009 £'000's	2008 £'000's
Net incoming resources	1,125	823
Donations payable	800	700
Donations paid	-	(550)
Interest receivable	(27)	(87)
Depreciation of tangible fixed assets	199	322
Amortisation of intangible fixed assets	34	29
Stocks – (Increase)	(1)	(33)
Debtors – (Increase)/Decrease	(454)	994
Creditors < 1 year – Increase	777	1,048
Creditors > 1 year – Increase	17	8
Net cash flow from operating activities	2,470	3,254

18 Analysis of changes in group bank and cash balances

	2009 £'000's	2008 £'000's
Net bank and cash balances at 1 st January	5,009	2,005
Net increase in bank and cash balances	774	3,004
Net bank and cash balances at 31 st December	5,783	5,009

19 Financial commitments

The annual commitment under an operating lease is analysed according to the period in which the lease expires as follows -

	2009 £'000's	2008 £'000's
Land and buildings leases expiring within 5 to 10 years	(352)	(352)

20 Financial instruments

The group receives a large percentage of its revenue in foreign currencies and covers this risk by using forward currency contracts. This policy is consistent with last year's policy.

As at the year end the group had contingent liabilities in respect of outstanding forward foreign exchange contracts amounting to £8,034,036 (2008 £4,693,514). This exposure is taken out to hedge our income in the ordinary course of business.

21 Guarantee by members

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

22 Related party transactions

As noted in the Report of the Directors', a majority of the company's Directors are either Trustees of the Trinity College of Music Trust or nominated by the Trustees

During the year expenses totalling £4,623 (2008 £346) were reimbursed to 3 Council members and £3,000 (2008 £6,000) was reimbursed for work undertaken by the previous Chairman in the administration of Trinity College London. No expenses were reimbursed to other members of Council in 2009

During the year Council resolved to pay donations totalling £800,000 (2008 £700,000) to the Trinity College of Music Trust. £600,000 was paid in February 2010 in respect of 2009 with a further £200,000 to be paid after the AGM in June 2010

23 Post balance sheet events

Trinity College London (India) Private Limited was incorporated on 29 December 2009. As at the year end the company was stand alone. It is the intention that the above company will become a 100% wholly owned subsidiary of Trinity College London

24 Funds – movements in the year

	Balance 1 st Jan £'000's	Income & transfers 2009 £'000's	Expense & transfers 2009 £'000's	Donations 2009 £'000's	Balance 31 st Dec £'000's
General fund	3,955	24,883	(23,013)	(800)	5,025
Designated fund – L'Aquila earthquake	-	54	-	-	54
Restricted fund – L'Aquila earthquake	-	1	-	-	1
	3,955	24,938	(23,013)	(800)	5,080

Following the earthquake in L'Aquila in the Abruzzo region of central Italy, which is a major area in which TCL examines, a designated fund was created for supporting small projects in medium term educational reconstruction. Private donations were received for the same purpose and were held in a restricted fund

During 2009 the restricted fund – L'Aquila earthquake received donations of £1,475. No donations have been made out of this fund in 2009. During 2009 the designated fund, L'Aquila earthquake made no donations however post year end the money is being used to build a music laboratory within a school in L'Aquila. The balance remaining in the restricted fund, L'Aquila earthquake as at 31st December 2009 was £1,475. The balance remaining in the designated fund – L'Aquila earthquake as at 31st December 2009 was £53,709

25 Net assets of the group's funds

The group's assets belong to the various funds at 31st December 2009 as follows -

	Fixed & Intangible Assets £'000's	Current Assets £'000's	Current Liabilities £'000's	Long Term Liabilities £'000's	Net Assets £'000's
General fund	1,952	8,154	(5,043)	(38)	5,025
Designated fund – L'Aquila earthquake	-	54	-	-	54
Restricted fund – L'Aquila earthquake	-	1	-	-	1
	1,952	8,209	(5,043)	(38)	5,080