

THE THOMSON FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE THOMSON FOUNDATION

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THE THOMSON FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees	Lord T Chandos, Chairman ¹ M Knight, Deputy Chairman ¹ J Corbin T Joseph C Lanz Dr G Power Thomson Foundation (Trustee) Limited ² Sir C Jones Dame R Marsden (appointed 11 March 2020) J Gibson (appointed 11 March 2020) ¹ Indicates member of the Finance Committee ² See Note 27 to the financial statements
Charity registered number	313750
Principal office	46 Chancery Lane London WC2A 1JE
Chief executive officer	Nigel Baker
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham GL50 3PR
Solicitors	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH Scully Twiss 71-75 Shelton Street London WC2H 9JQ Bates Wells 10 Queen Street Place London EC4R 1BE
Investment Managers	Smith & Williamson Investment Management LLP 25 Moorgate London EC2R 6AY

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

With effect from 26 January 2011 Thomson Media Foundation (Trustee) Limited became the sole Trustee of the charity, company number 07405128. From 22 May 2015 the name of that company changed to Thomson Foundation (Trustee) Limited.

The directors of Thomson Foundation (Trustee) Limited listed on page 1 have all served in office throughout the year except where indicated. The directors of Thomson Foundation (Trustee) Limited for the purposes of this report and the financial statements will be referred to as 'Trustees' of The Thomson Foundation.

The Trustees of The Thomson Foundation ("the Foundation") present their annual report along with the financial statements for the year ended 31 December 2020.

The financial statements have been prepared on the basis of the accounting policies set out on pages 14 to 17 and comply with the Foundation's Trust Deed and applicable law. The financial statements have been prepared under the Charities Act 2011 and SORP (FRS 102).

Constitution

The Foundation is constituted by Trust Deed dated 8 November 1962 and is registered with the Charity Commission for England and Wales as registered charity number 313750.

Organisational Structure

The Foundation operations are divided into two areas: Media Industry (providing training and consultancy for media organisations) and Development (providing project management, media skills training and consultancy for media-related programmes funded by governmental and philanthropic donors).

The day to day running of the Foundation has been delegated to the Chief Executive and the Senior Management Team.

Recruitment and Training of Trustees

The power of appointment of new or additional Trustees is vested in Thomson Foundation (Trustee) Limited. There is no limit as to the number of Trustees.

All the Trustees are entitled to nominate potential future Trustees. All such nominees are considered at a full meeting of the Trustee board in which there must be majority board approval of their appointment.

In making their determination, it is the intention that the Trustee board should be a diverse group of individuals in terms of the skills and experience relevant to the aims and objectives of the Foundation.

The induction of a new Trustee comprises meetings with the Chairman and the Chief Executive at which inter alia the following are discussed: the aims and strategy of the Foundation; its activities and operations; and the respective roles and responsibilities of the Trustees and of the executives. The new Trustee is also provided with copies of the following: the constituting Trust Deed, the latest statutory and internal management accounts, and the minutes of recent meetings of the Trustees.

Salaries and Benchmarks

The Foundation reviews the salaries of the Senior Management Team against similar charities within the media development sector.

Risk Management

The Trustees conduct an annual review of all types of risk to which the Foundation may be affected. The review was undertaken by the Chairman of the Finance Committee, Mark Knight, and the Head of Finance, Hans Boutier. Having gone through the risks, a paper was drafted for consideration by the Finance Committee who

THE THOMSON FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

approved it and recommended it to the Board of Trustees. The Trustees were satisfied that the systems are in place to manage exposure to major risks.

The most critical risk to The Thomson Foundation is the loss of funding due to political or economic factors, from our donors and media partners, which support our projects. The Thomson Foundation is striving to keep broadening its list of donors and client base to avoid being too dependent on any one in particular.

Due to the one-off nature of the majority of our projects the Foundation also faces uncertainties in predicting its income stream. However the large reserves held by the Foundation reduce any going concern risks to a very low level.

The Foundation's principal non-financial assets are its name and goodwill. The preservation (and enhancement) of the value of these assets is a function of the reputation of the Foundation which in turn flows from the success and efficacy of the management and conduct of its business.

Reputational risk can arise if funders withdraw their support because they are not in sympathy with the Foundation engaging with certain regimes. This potential risk would be addressed by all the Trustees before any such engagement is made.

The Trustees are aware of the updates to the Charity Governance Code, made in December 2020. This is currently under review and any action points will be considered.

Public Benefit

The Trustees have complied with the duty in S.172 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Charity has set out its charitable objects, objectives and how it achieves these on page 4.

Financial Review

Despite the Coronavirus outbreak and the worldwide lockdown, the Thomson Foundation, was able to keep supporting and training journalists across the globe. At the same time, we were able to honour commitments to deliver all our contracted programmes. It has required a large level of adaptation to allow team members to work from home and for consultants to provide training online.

As a result, total income from charitable activities and donations was £2,425k in 2020 compared with £2,535k in 2019.

The lower income also reflects the deceleration in the level of activities of our four-year project to strengthen independent media in 17 neighbouring countries, funded by the European Union and which ended in January 2021.

The ongoing investment in e-learning that started in 2017 has helped us compensate for the drastic reduction in face to face training (221 participants in 2020 compared with 1,348 in 2019), but greatly contributed to reaching more beneficiaries than even before the pandemic, with an additional 3,916 participants trained online this year.

Expenditure incurred on projects and overheads amounted to £2,641k, this resulting in a deficit, before gains on investments, for the year of £42k compared with £474k in 2019.

After a free-fall in the value of our investment during the first lockdown, the end of 2020 experienced a rally in our investment portfolio's valuation with a £538k gain compared to a larger gain of £1,494k attained in 2019.

THE THOMSON FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Investment Policy and Performance

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Investment Act.

The Foundation's investment policies are intended to provide long-term stability and liquidity sufficient for the financing of the Foundation's operations, while maintaining the real value of the endowment.

The Foundation's strategic asset allocation reflects a total-return objective of RPI +4% without specific focus on income-generating investments.

The market value of the Foundation's investments at the end of 2020 was £12,789k compared to £12,736k, in 2019, an increase of £53k after transfer of £450k worth of funds to cover the charity's operations and investments over the year.

Net investment income of £164k in 2020 remained at a similar level as in 2019 (£184k).

The Portfolio's total return was 5.5%, slightly over the RPI +4% target, which was 5.2% for the year.

Fundraising

The Foundation had no fundraising activities during 2020 that require disclosure under S162A of the Charities Act 2011.

Reserves Policy

The policy of the Trustees is to maintain, as far as possible, the Foundation's funds in order to generate investment income and to fulfil their responsibilities in supporting future projects. However, the Trustees have the power of discretion to convert the expendable endowed capital into unrestricted funds to support charitable activities as required.

The balance of unrestricted funds at the year-end was £1,094k (2019: £648k) and the expendable endowment funds balance was £12,648k (2019: £12,598k).

The level of free reserves held at the year end amounted to £1,088k. The Trustees do not have a formal policy for level of funds to be held as thanks to its endowment, the Foundation has significant headroom to meeting its funding requirements for at least the next five years.

Charitable Objects, Objectives & Activities

The Foundation is an independent charitable trust, established in 1962 by the newspaper and television proprietor, the first Lord Thomson of Fleet, to provide facilities for, and the encouragement of, educational, technical and vocational training.

The Foundation has concentrated its efforts on the media with a particular emphasis on developing countries and emerging economies.

Its primary activities are concerned with training in skills for digital media, television, radio, newspaper, magazine and news agency personnel; the encouragement of good management practices; technical assistance in broadcasting, print and digital media; help and advice in the development of new outlets for journalists and broadcasters, and media work with partner organisations (UN Agencies and NGOs) to disseminate information on key global issues like the environment and health.

THE THOMSON FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The Foundation has two over-riding and continuing objectives:

- To maintain and enhance the Foundation's leading international position in media development, training and consultancy; and
- To secure and sustain the human and financial resources necessary to enable the Foundation to achieve its goals.

Priorities for 2020:

1. To focus on securing projects to offset the impact of the end of the organisation's largest programme – the European Union's Open Media Hub which is due to conclude operational activities during the course of the year.

The Foundation was successful in securing significant new projects funded by the UK's Foreign Commonwealth and Development Office (FCDO) to support independent media in Belarus and Hungary, as well as access to information for journalists in Rwanda. Together with projects directly for media organizations, this enabled the Foundation to avoid a dip in revenues at the end of the Open Media Hub project.

2. Successful implementation of large-scale projects already contracted, most notably in the Western Balkans and Sudan.

Despite the travel limitations caused by the coronavirus pandemic, the Foundation successfully continued implementation of both projects by rapidly adapting them to digital learning. In the case of Sudan this involved the innovative use of messaging apps for digital learning. In the case of the Western Balkans, we supported a network of local trainers and consultants with digital learning resources.

3. To "test market" philanthropic funding for the Foundation's activities with foundations in the US and UK.

The initiative got underway in Q1, establishing a series of connections and meetings in the United States. However, the initiative was paused when the pandemic restricted relationship-building meetings. It is hoped to resume this initiative when conditions allow.

4. To continue to increase capacity in digital learning, with the aim of incorporating it in all programmes.

The Foundation's investment in digital learning over the previous three years enabled it to adapt rapidly to increased demands for digital learning caused by the pandemic. An estimated 95% of operational activity was carried out online from Q2 onwards. This shift from in-field activity to centralised creation of online content, prompted a re-alignment of staffing resource, including the recruitment of more staff to support key personnel.

Priorities for 2021:

1. Expand project work, through third-party funding, in Central and Eastern Europe to support independent news media which face growing existential pressures.
2. Continue to innovate in digital learning techniques to ensure the Foundation retains, and consolidates, its leadership position in the use of virtual learning in international media development.
3. Establish monetizable impact measurement frameworks, using data from digital learning programmes, to ensure funders receive quantifiable results from training programmes.
4. Continue to monitor the balance of in-field and online resource required to ensure the most efficient sustainability of operations as the pandemic develops.

THE THOMSON FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that The Thomson Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of The Thomson Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees on 21/06/21 and signed on their behalf by:



Lord Chandos
Chairman

THE THOMSON FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THOMSON FOUNDATION

Opinion

We have audited the financial statements of The Thomson Foundation (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

THE THOMSON FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THOMSON FOUNDATION (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity'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 the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE THOMSON FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THOMSON FOUNDATION (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and Charities SORP (FRS 102).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the recognition of income. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures for the recognition and classification of income, reviewing accounting estimates for biases, reviewing regulatory correspondence including that with the Charity Commission and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

THE THOMSON FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE THOMSON FOUNDATION
(CONTINUED)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 15 July 2021

THE THOMSON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income and endowments from:						
Donations and Grants	4	10	126	-	136	4
Charitable activities	5	2,299	-	-	2,299	2,535
Investments	6	164	-	-	164	184
Total income		2,473	126	-	2,599	2,723
Expenditure on:						
Raising funds	7	-	-	38	38	40
Charitable activities	8	2,477	126	-	2,603	3,157
Total expenditure		2,477	126	38	2,641	3,197
Net expenditure before net gains on investments		(4)	-	(38)	(42)	(474)
Net gains on investments		-	-	538	538	1,494
Net (expenditure)/income		(4)	-	500	496	1,020
Transfers between funds	19	450	-	(450)	-	-
Net movement in funds		446	-	50	496	1,020
Reconciliation of funds:						
Total funds brought forward		648	-	12,598	13,246	12,226
Net movement in funds		446	-	50	496	1,020
Total funds carried forward		1,094	-	12,648	13,742	13,246

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 14 to 29 form part of these financial statements.

THE THOMSON FOUNDATION


BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	13	1	33
Tangible assets	14	5	8
Investments	15	12,789	12,736
		<u>12,795</u>	<u>12,777</u>
Current assets			
Debtors	16	1,341	257
Cash at bank and in hand		510	773
		<u>1,851</u>	<u>1,030</u>
Creditors: amounts falling due within one year	17	(904)	(561)
Net current assets		<u>947</u>	<u>469</u>
Total assets less current liabilities		<u>13,742</u>	<u>13,246</u>
Total net assets		<u>13,742</u>	<u>13,246</u>
Charity funds			
Endowment funds	19	12,648	12,598
Restricted funds	19	-	-
Unrestricted funds	19	1,094	648
Total funds		<u>13,742</u>	<u>13,246</u>

The financial statements were approved and authorised for issue by the Trustees on 21/06/21 and signed on their behalf by:



Lord Chandos, Chairman



M Knight, Deputy Chairman

The notes on pages 14 to 29 form part of these financial statements.

THE THOMSON FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(912)	(736)
Cash flows from investing activities			
Dividends, interests and rents from investments		164	186
Purchase of tangible fixed assets		-	(9)
Proceeds from sale of investments		3,085	1,145
Purchase of investments		(2,668)	(676)
Transfer of cash held for investments		68	163
Net cash provided by investing activities		649	809
Change in cash and cash equivalents in the year		(263)	73
Cash and cash equivalents at the beginning of the year		773	700
Cash and cash equivalents at the end of the year	22	510	773

The notes on pages 14 to 29 form part of these financial statements

THE THOMSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Thomson Foundation was registered with the Charity Commission for England and Wales on 8 November 1962 (registered number 313750). Its registered address and principal office is 46 Chancery Lane, London WC2A 1JE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Thomson Foundation 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.

2.2 Going concern

The Trustees have undertaken planning and forecasting and continue to closely monitor Covid-19 and the developing situation. Despite the current circumstances the Trustees believe that the Foundation's financial resources, including the endowment, and contingency planning is sufficient to ensure the ability of the Foundation to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Income

Income from investments is included in the Statement of Financial Activities only if received, or declared and receivable.

Income from overseas training and consultancy projects is included in the Statement of Financial Activities when the charity becomes entitled to the income, when the provision of services is imminent and the corresponding costs have been incurred.

Income from donations is credited to the Statement of Financial Activities on a receivable basis.

Donations receivable for the general purpose of the charity are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where those wishes are legally binding on the Trustees.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure in the year is allocated as follows:

Raising funds represents fees incurred in connection with investment management advice and bank charges in connection with the custody and transactions of the investment portfolio.

Charitable activities relates to expenditure incurred in providing courses. This represents direct costs in connection with the implementation of courses and consultant assignments and the expenditure in relation to the management of these courses.

Support costs have been allocated between charitable activities and governance costs on the basis of staff time.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Governance costs are those associated with the constitutional and statutory requirements of the charity and are included within support costs.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the Balance Sheet date and the gain or loss on transaction is included in the Statement of Financial Activities.

2.7 Taxation

As a registered charity, The Thomson Foundation is entitled to tax exemptions on all its income and gains, properly applied for its charitable purposes.

2.8 Intangible assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

The estimated useful lives are as follows:

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

eLearning initiative	-	3 years straight line
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THE THOMSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	- over the term of the lease
Computer and other equipment	- 25% straight line

2.10 Investments

Fixed asset investments are included at market value at the Balance Sheet date. Investment gains and losses arising during the year are included within the Statement of Financial Activities.

2.11 Debtors

Trade debtors, accrued income and other debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid. Known bad debts are written off and specific provision is made for any debts considered to be doubtful, if appropriate.

2.12 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents and current investments are highly liquid and mature in no more than 3 months.

2.13 Liabilities and provisions

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement value.

2.14 Financial instruments

The Thomson Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.15 Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the Scheme.

2.17 Fund accounting

Unrestricted funds are those funds available for use by the charity for any charitable purposes at the direction of the Trustees.

The expendable endowment fund was created when the charity was formed as a result of shares being donated to the charity. The purposes and uses of the endowed funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Useful economic lives of tangible assets

The annual depreciation charges for the tangible fixed assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, economic utilisation and the physical condition of the assets. See Note 14 for the carrying amount of the tangible assets and Note 2.9 for the useful lives for each class of asset.

- Impairment of debtors

The charity makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtors, the ageing profile of debtors and historical experience.

THE THOMSON FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from donations and legacies

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	-	-	-	4
Government grants	10	126	136	-
	<u>10</u>	<u>126</u>	<u>136</u>	<u>4</u>
<i>Total 2019</i>	<u>-</u>	<u>4</u>	<u>4</u>	

Unrestricted Government grant income during the year relates to a Covid-19 discretionary grant.

Restricted Government grant income during the year relates to Grant funding received for Media and Journalism training

5. Income from charitable activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Income from charitable activities - Media and Journalism Training	2,299	2,299	2,535
	<u>2,299</u>	<u>2,299</u>	<u>2,535</u>
<i>Total 2019</i>	<u>2,535</u>	<u>2,535</u>	

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Income from listed investments	164	164	184
	<u>164</u>	<u>164</u>	<u>184</u>
<i>Total 2019</i>	<u>184</u>	<u>184</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Investment management costs

	Endowment funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Investment management fees	38	38	40
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	40	40	
	<hr/>	<hr/>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Media and Journalism Training	2,477	126	2,603	3,157
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	3,153	4	3,157	
	<hr/>	<hr/>	<hr/>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Media and Journalism Training	1,523	1,080	2,603	3,158
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	2,036	1,122	3,158	
	<hr/>	<hr/>	<hr/>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Media and Journalism Training 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	609	609	577
Depreciation and Amortisation	35	35	38
Premises	182	182	160
Travel & meetings	3	3	13
Communication	9	9	11
General office costs	51	51	15
Legal and professional	25	25	12
Information technology	41	41	38
Market research	12	12	19
Advertising	94	94	115
Storage	3	3	3
Audit fees	13	13	14
Bank charges	13	13	31
Restricted expenditure	-	-	4
(Losses)/Gains on foreign exchange	(11)	(11)	72
Trustees' fees and expenses	1	1	-
	<hr/> 1,080	<hr/> 1,080	<hr/> 1,122
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2019</i>	<hr/> 1,122	<hr/> 1,122	
	<hr/> <hr/>	<hr/> <hr/>	

10. Auditor's remuneration

	2020 £000	<i>2019 £000</i>
Fees payable to The Thomson Foundation's auditor in respect of:		
Auditors' fees - audit	10	10
Auditors' fees - non-audit services	18	11
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Staff costs

	2020 £000	2019 £000
Wages and salaries	518	488
Social security costs	50	50
Contribution to defined contribution pension schemes	41	39
	<u>609</u>	<u>577</u>

The average number of persons employed by the Charity during the year was as follows:

	2020 No.	2019 No.
Employees	<u>12</u>	<u>10</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Employees	<u>9</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	-
In the band £120,001 - £130,000	-	1

The remuneration of key management personnel was £390,391 (2019: £351,847). The key management personnel of the Foundation are the Chief Executive, Head of Finance, Director Innovation & Learning and the Director of Training & Communication. This figure included salary, benefits, employers' national insurance contributions and employers' pension costs.

Included within wages and salaries in the above note is costs of contractors totalling £18,047 (2019: £31,600).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, expenses totalling £NIL were reimbursed or paid directly to Trustee (2019: £NIL).

13. Intangible assets

	eLearning Initiative £000
Cost	
At 1 January 2020	96
At 31 December 2020	96
Amortisation	
At 1 January 2020	63
Charge for the year	32
At 31 December 2020	95
Net book value	
At 31 December 2020	1
At 31 December 2019	33

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Long-term leasehold property £000	Computer equipment £000	Total £000
Cost			
At 1 January 2020	117	25	142
At 31 December 2020	<u>117</u>	<u>25</u>	<u>142</u>
Depreciation			
At 1 January 2020	116	18	134
Charge for the year	-	3	3
At 31 December 2020	<u>116</u>	<u>21</u>	<u>137</u>
Net book value			
At 31 December 2020	<u>1</u>	<u>4</u>	<u>5</u>
<i>At 31 December 2019</i>	<u>-</u>	<u>8</u>	<u>8</u>

15. Fixed asset investments

	Listed investments £000
Valuation	
At 1 January 2020	12,736
Additions	2,668
Disposals	(3,085)
Revaluations	538
Movement in cash	(68)
At 31 December 2020	<u><u>12,789</u></u>

Barclays Bank has a charge over the Investment assets of the Charity which is given by The Thomson Foundation and its corporate Trustee, The Thomson Foundation (Trustee) Limited.

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16. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	340	<i>131</i>
Other debtors	2	<i>16</i>
Prepayments and accrued income	999	<i>110</i>
	<u>1,341</u>	<u><i>257</i></u>

17. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	252	<i>180</i>
Other taxation and social security	42	<i>15</i>
Other creditors	10	<i>10</i>
Accruals and deferred income	600	<i>356</i>
	<u>904</u>	<u><i>561</i></u>

	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 January 2020	151	<i>896</i>
Resources deferred during the year	113	<i>151</i>
Amounts released from previous periods	(151)	<i>(896)</i>
Deferred income at 31 December 2020	<u>113</u>	<u><i>151</i></u>

The deferred income balance relates to income received in advance for services, which relate to the next period.

18. Financial instruments

	2020	<i>2019</i>
	£000	<i>£000</i>
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>12,789</u>	<u><i>12,736</i></u>

Financial assets measured at fair value comprise the investment portfolios.

THE THOMSON FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains £000	Balance at 31 December 2020 £000
Unrestricted funds						
General Funds	648	2,473	(2,477)	450	-	1,094
Endowment funds						
Endowment Funds	12,598	-	(38)	(450)	538	12,648
Restricted funds						
Deepening Digital - Hungary	-	85	(85)	-	-	-
Belarus crisis coverage	-	41	(41)	-	-	-
	-	126	(126)	-	-	-
Total of funds	13,246	2,599	(2,641)	-	538	13,742

THE THOMSON FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains £000</i>	<i>Balance at 31 December 2019 £000</i>
Unrestricted funds						
General Funds	482	2,719	(3,153)	600	-	648
Endowment funds						
Endowment Funds	11,744	-	(40)	(600)	1,494	12,598
Restricted funds						
Restricted donations	-	4	(4)	-	-	-
Total of funds	<u>12,226</u>	<u>2,723</u>	<u>(3,197)</u>	<u>-</u>	<u>1,494</u>	<u>13,246</u>

The endowment fund is an expendable endowment fund and was created when the charity was formed as a result of shares being donated to the charity.

Restricted income for Deepening Digital - Hungary relates to funds to be spent to implement digital growth strategies for local media in Hungary.

Restricted income for the Belarus Crisis coverage is to support the professional media coverage.

The restricted donations received to fund students attending courses is a regular donation from the Jean Rich Foundation. This is to fund a placement for an overseas student to attend one of the summer courses which is run by The Thomson Foundation.

The transfer of £450,000 from expendable endowment funds to unrestricted funds in the year is the conversion of expendable endowment capital in order to cover cash flow shortfalls on the charity's activities during the year.

THE THOMSON FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Endowment funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	5	-	5
Intangible fixed assets	1	-	1
Fixed asset investments	-	12,789	12,789
Current assets	1,851	-	1,851
Creditors due within one year	(763)	(141)	(904)
Total	<u>1,094</u>	<u>12,648</u>	<u>13,742</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Endowment funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	8	-	8
Intangible fixed assets	33	-	33
Fixed asset investments	-	12,736	12,736
Current assets	1,030	-	1,030
Creditors due within one year	(423)	(138)	(561)
Total	<u>648</u>	<u>12,598</u>	<u>13,246</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income for the period (as per Statement of Financial Activities)	496	<i>1,020</i>
Adjustments for:		
Depreciation charges	3	<i>6</i>
Amortisation charges	32	<i>32</i>
(Gains) on investments	(538)	<i>(1,494)</i>
Dividends, interests and rents from investments	(164)	<i>(186)</i>
(Increase)/Decrease in debtors	(1,085)	<i>1,069</i>
Increase/(Decrease) in creditors	344	<i>(1,183)</i>
Net cash used in operating activities	(912)	<i>(736)</i>

22. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	510	<i>773</i>

23. Analysis of changes in net debt

	At 1 January 2020 £000	Cash flows £000	At 31 December 2020 £000
Cash at bank and in hand	773	(263)	510
	773	(263)	510

24. Pension commitments

The total pension cost included in the Statement of Financial Activities was £41,422 (2019: £38,836) in relation to defined contribution pension plans. All pension costs are charged to the unrestricted funds, this is the fund from which wages and salaries are paid. At the year end the pension creditor totalled £29,248 (2019: £26,274).

THE THOMSON FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

25. Operating lease commitments

At 31 December 2020 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	100	100
Later than 1 year and not later than 5 years	401	401
Later than 5 years	167	267
	<u>668</u>	<u>768</u>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2020 £000	2019 £000
Operating lease rentals	<u>103</u>	<u>103</u>

26. Related party transactions

The Trustees referred to in these Financial Statements are the Directors of the Corporate Trustee of The Thomson Foundation, being The Thomson Foundation (Trustee) Ltd, company number 07405128.

In accordance with the Trust Deed, £NIL (2019: £NIL) has been accrued at the year end for an honorarium. However, one honorarium was paid in the year of £960 (2019: £746).

During the year, no Trustees received any remuneration (2019: £NIL).

During the year The Thomson Foundation paid a total of £65,809 and received a total of £68,346 on behalf of Thomson Media gGmbH - this included grants and overheads. Thomson gGmbH is a connected Charity. At the year end there was a net outstanding position of £4,416 owed to Thomson Media gGmbH (2019: £NIL).

27. Controlling party

Thomson Foundation (Trustee) Limited is the ultimate controlling party by virtue of its position as sole Trustee of The Thomson Foundation. A copy of that company's financial statements is available from Companies House.