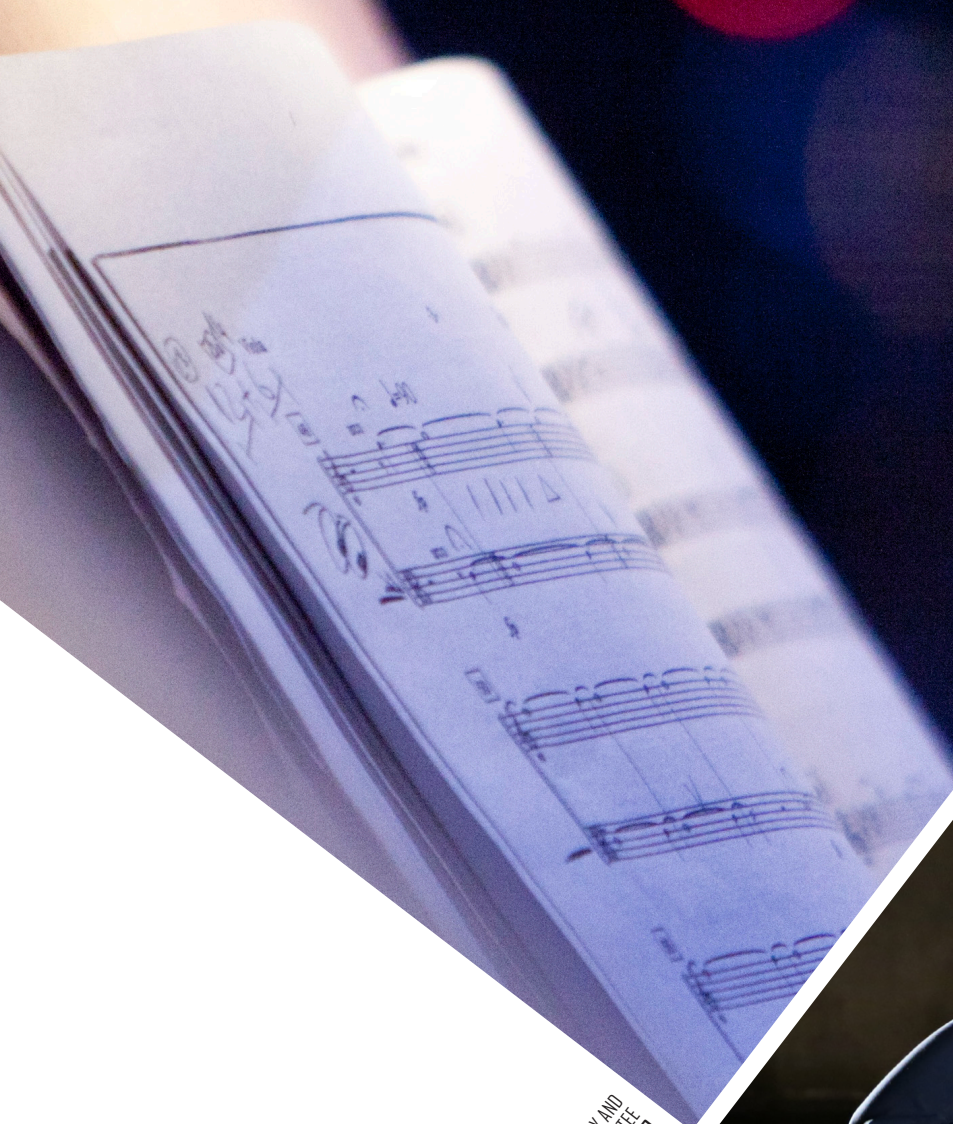


TRINITY LABAN CONSERVATOIRE
OF MUSIC & DANCE

FINANCIAL STATEMENTS 2013-14



A REGISTERED CHARITY AND
COMPANY LIMITED BY GUARANTEE
COMPANY REGISTRATION NO. 510800
CHARITY NO. 3099598

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Legal and Administrative Details

Patron	HRH The Duke of Kent KG	
Board of Governors		
Independent Governors	David Lipsey (Chair) Richard Brown Dr Esther Cavett (Joint Vice-Chair) Dr Geoffrey Copland CBE (Joint Vice-Chair) David Edmonds CBE (appointed March 2014) Joanna Embling Michael Hildesley (retired at end of term in March 2014) Sam Jackson (appointed March 2014) Martin Kettle (appointed March 2014) John Nicholls (resigned from the board in September 2013) Hilary Oliver Professor Nirmala Rao OBE (appointed October 2013) Francesca Robinson The Rt Hon Dame Joan Ruddock DBE MP (retired at end of term in March 2014) Vimmi Singh Elizabeth Wedmore	
Co-opted Governors	Councillor Helen Klier Councillor Peter Kotz	
Ex Officio Governors	Professor Anthony Bowne (Principal)	
Staff Governors	Hazel Lindley-Milton Timothy Palmer	
Student Governors	Gordon Waterson - President - Student Union (appointed August 2013) Lucy Drever - Vice President - Student Union (appointed August 2013) Ben Malinder – President - Student Union (retired August 2013)	
Secretary and Clerk to the Board	Dr Dave Dowland	
Registered Name and Office	Trinity Laban Conservatoire of Music and Dance King Charles Court Old Royal Naval College Greenwich SE10 9JF (Limited by guarantee) Company No: 51090, Charity No: 309998	
Company Secretary	Jonathan Peel	
Auditors	<i>External Auditors</i> Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP	<i>Internal Auditors</i> Baker Tilly 66 Chiltern Street London W1U 4JT
Bankers	<i>Allied Irish Bank (GB)</i> 10 Berkeley Square London N1J 6AA	<i>NatWest Bank</i> 10 Marylebone High Street London W1A 1FH
Photos	All photos provided by jk photography	

STRATEGIC REPORT OF THE BOARD

Strategic aims and objectives

Trinity Laban Conservatoire of Music and Dance's (Trinity Laban) charitable purposes as set out in its Memorandum of Association are:

- to advance the art and science of music, dance and associated art forms generally for the public benefit;
- to improve the professional and technical education of music, dance and other students.

Mission

Trinity Laban Conservatoire of Music and Dance is an international artistic and educational community that brings together performers and practitioners to train, collaborate, research and perform in inspiring creative, intellectual and physical spaces. We identify, support and develop talented and innovative performers and creators wherever they may be found and throughout their creative lives.

Vision

As a forward-thinking, contemporary conservatoire, Trinity Laban Conservatoire of Music and Dance:

- nurtures the individual voice and artistic personality of every student;
- develops reflective, innovative, collaborative and resourceful artists and practitioners;
- influences the future of its art forms through the contributions of its alumni and its research and creative practice;
- enriches the cultural, social and economic life of its local, national and international communities.



Progress against our 2010-2015 Strategic Plan

- Our students and graduates continue to excel, the Higher Education Statistical Agency statistics have placed Trinity Laban in the top ten UK higher education institutions (HEI's) for graduate employment throughout this period. Students and alumni have received many awards, prizes and accolades whilst we have delivered performances of outstanding quality, attracting widespread critical acclaim.
- We made our first submission to a UK government research assessment exercise with 68 outputs from 18 staff entered into the Research Excellence Framework 2014, outcome of which will be published later this year. Research student numbers have grown steadily from 16 to 24 and new Reader posts and the appointment of Trinity Laban's first two Professors have consolidated the development of a thriving research culture.
- Undergraduate demand has been consistently high and entry standards have reached new levels of excellence. Despite fears to the contrary, higher education tuition fees have not, to date, had an adverse effect on our recruitment of high calibre students from diverse backgrounds.
- Important milestones have been reached in our preparations towards application for taught-degree-awarding powers (TDAPS).

Principal activities undertaken this year

Trinity Laban Conservatoire of Music and Dance is a publicly funded HEI. Its principal activities are:

- the provision of specialist, practice-based higher education which prepares and equips students for successful careers as performers, composers and choreographers in the fields of music and contemporary dance to their own and the wider public benefit;
- the provision of lifelong learning opportunities in dance and music to students ranging from children and young people to professional practitioners and adult learners;
- the delivery of outreach and community-based projects and activities, which support economic and social well-being and widen access to the arts and higher education;
- the promotion of research and scholarship in its specialist disciplines that advances the art forms of music and dance, both individually and in collaborative contexts, and develops professional practice to the highest levels;

- the delivery of music and dance performances by its students, staff and associated professional artists and companies in a variety of venues to a wide spectrum of audiences.

Activities and achievements in 2013-2014 in the delivery of charitable purposes for the public benefit

This was an important year for Trinity Laban in which considerable achievements were realised at the same time as the Conservatoire engaged in intensive reflection and preparation for the future as it renewed its strategic and business plans.

The Board continues to examine and improve its own, and the organisation's, effectiveness to ensure that Trinity Laban is best positioned to serve the needs of its students, its art forms and the wider community of beneficiaries that we reach through our wide-ranging music and dance programmes.

In an external environment that remains challenging, with rapid and unpredictable change in funding arrangements, regulatory regimes and market conditions for HEI's, we take confidence from the distinctive and transformative contributions of Trinity Laban and its graduates outlined in this report.



Developing and strengthening the Institution

An important milestone was the development and ratification in July 2014 of a new Trinity Laban Strategic Plan 2014-2019, produced after extensive deliberation and consultation with staff across the Institution and with student representatives.

The Plan shows strong continuity of strategic direction and purpose, reflecting the shared values that have underpinned Trinity Laban since its inception, while identifying the developments and actions necessary for successful delivery of our ambitious aspirations.

The Strategy is linked to a Business and Investment Plan that sets out our financial plans and projections and student number forecasts as well as the targeted investments that will move us forward over the next period.

The acquisition of tDAPs remains an overriding priority as we are convinced that the ability to award our own degrees will enable us to realise greater benefits for our students, staff and academic and artistic partners.

Significant progress was made towards tDAP submission to the Privy Council, both in the preparation of the documentation for application and the consolidation of recent initiatives in learning and teaching enhancement and staff development. The Board looks forward to proceeding to the scrutiny phase during the next academic year.

As we move towards a fully deregulated undergraduate recruitment market in 2015-2016, the Board was encouraged by strong student recruitment this year, with growth in both the number and quality of entrants, testifying to the increasing international regard for Trinity Laban's provision.

We have invested in our recruitment infrastructure, as well as ongoing enhancement of our web and social media presence, to ensure that we are communicating what we offer as widely as possible, reaching out to a diverse range of prospective students with the talent and potential to succeed in music and dance.

Key Performance Indicators

The Conservatoire operates an organisational performance monitoring and reporting framework which includes a set of institutional Key Performance Indicators (KPIs) that are regularly reported to the Board. The KPIs were originally developed and introduced in 2007, in line with sector best practice as defined by the Committee of University Chairs guidance.

In 2013-2014, during preparation of our new Strategic Plan 2014-2019, senior management and the Board reviewed and updated the Key Performance Indicators to align with the agreed objectives and developmental

priorities for the next period. The revised framework, which will operate from August 2014, consists of 12 headline KPIs, underpinned by 27 data measures. These are mapped to the major goals and themes of the Strategic Plan, covering financial health and sustainability, student recruitment, student achievement and satisfaction, research growth and quality, staff engagement and satisfaction, knowledge exchange and public engagement impact, the condition and suitability of our estate and infrastructure and external profile. As a continuing strategic priority, the acquisition of tDAPs is also included in KPI reporting.

The Key Performance Indicator framework incorporates the monitoring and reporting requirements of HEFCE's annual sustainability assessment return and are regularly reported to our Board showing progress against our performance.



Promoting student achievement and student engagement

Trinity Laban's core purpose is to support its students to realise their creative potential at all stages of their artistic development, and to facilitate their transition into fulfilling and productive careers. It was especially gratifying, therefore, that the official measure of graduate employment released by the Higher Education Statistics Agency (HESA) in July 2014 once again placed Trinity Laban among the very strongest performers: 98.9% of most recent graduates were in employment or further study six months after leaving, the second highest figure among 150 HEIs across the UK.

This data reinforces institutional intelligence about the varied career paths enjoyed by our graduates as influential figures within the arts and arts education sectors. In the course of this report we highlight some of the many examples of individual and collective student and alumni successes during 2013-2014, and the achievements of the staff who have guided them.

Trinity Laban is fortunate to be able to call on a teaching staff complement of outstanding artists and educators, which is the foundation of excellent student learning and attainment. We have continued to build our support for staff to develop and share innovation and best practice in performance pedagogy, drawing on our world class research in areas such as performance science and health.

A new staff development policy came into effect at the start of the 2013-2014 academic year, and the Learning Enhancement team has been expanded to facilitate an increasing range of opportunities and activities. The newly configured Learning and Teaching Board provided strong leadership of learning and teaching initiatives. A Technology-Enhanced Learning (TEL) user group was also formed to oversee the implementation of the TEL Plan and champion the use of learning technology in creative practice within Trinity Laban. 2013-2014 saw an increasing number of staff achieve recognition for their expertise in higher education teaching and academic support by gaining Fellowship of the Higher Education Academy.

Our staffing establishment is supplemented by many distinguished visiting artists and companies who share their expertise with our students as conductors, choreographers or through master classes and workshops. In 2013-2014 these included, in Music, our Distinguished Artist in Residence pianist Pascal Rogé, opera stars Susan Bullock and Matthew Rose, renowned French harpist Sylvain Blassel, the Wihan Quartet, and celebrated Chilean guitarist José Antonio Escobar.

Musical Theatre students worked with Broadway and West End stars including Suzanne Thomas (Chess, Anything Goes, Mack and Mabel, Joseph and the Amazing Technicolor Dreamcoat and Sir Richard Eyre's Guys and Dolls (National Theatre)), Julie Armstrong (Annie, Stepping Out, Evita, Billy Elliot, Chicago, Chess (original cast), West Side Story, Godspell) and Sandro Franchini (Grease, Jesus Christ Superstar, Evita) amongst many others.

Choreographers for Transitions Dance Company provided a vibrant and varied programme of three works: Ikky Maas, a former dancer with Rambert Dance Company; Stephanie Bland, who has worked with Bill T. Jones, Angelin Preljocaj, Pina Bausch Tanztheater Wuppertal; and Dog Kennel Hill, an artistic collective which includes Henrietta Hale a former graduate of Transitions. Undergraduates had the opportunity to create new work for performance with artists within and from outside the institution. As ever, Historical Project was greatly valued by the students who performed extracts of repertory works by Wayne McGregor, taught by two members of Random Dance Company with McGregor (Professor of Choreography at Trinity Laban) overseeing the project; Shobana Jeyasingh, taught by members of her company; Sasha Waltz; and Rudolf Laban, a work recreated by Alison Curtis-Jones.

Trinity Laban looks at all times to work in partnership with students, fostering a cohesive and inclusive artistic community. Students are actively involved in determining the direction of the Conservatoire through representation on all boards and committees, which was extended to include attendance at Board sub-committees in 2013-2014.

Following a successful pilot scheme, we were pleased to continue the Student Ambassador programme whereby a pool of students was designated and trained to represent Trinity Laban in various ways throughout the year, taking part in communication, fundraising and recruitment work. The scheme offered a cohort of 19 Student Ambassadors a valuable developmental experience while allowing the Conservatoire to give stakeholders closer contact with the exceptional talent that exists within Trinity Laban.

Student successes

Postgraduate piano student Qiaojing Dai won the 6th Sheepdrove Piano Competition. The competition, which is open to students from all the major UK conservatoires, was founded in 2009 by the Sheepdrove Trust, under the patronage of Sir Roger Norrington.

MMus student Katherine Birtles was selected as one of the winning artists in Making Music's Awards for Young Concert Artists Scheme for 2014. Flautist Katherine prevailed over 75 other musicians, and went on to perform a solo recital at the Royal Overseas League as part of the Making Music AGM in May 2014.

BMus vocal student Nardus Williams was awarded the Audrey Strange Memorial Prize for Most Promising Young Singer at the 62nd annual Royal Overseas League music competition. Nardus made it through a series of preliminary rounds, competing against over 60 musicians to become one of the final six competitors.

Jenna Sung won the annual Jaques Samuel Intercollegiate piano competition, competing against students from the four main music colleges in London. The overall prize included the opportunity to perform at Fazioli concert hall in Italy, Wigmore Hall and St James's Piccadilly. The Wigmore Hall recital will be recorded and 500 professional CDs will be produced.

Jazz pianist Elliot Galvin, MMus student and BMus alumnus became European Young Jazz Musician of the Year 2014, as well as winning the Worshipful Company of Musicians' Silver Medal.

institutional profile building by demonstrating the success of UK and international alumni and promoting the distinct qualities and achievements of Trinity Laban.



Connecting with our alumni

The Conservatoire aims to maintain a lifelong relationship with its alumni across the world, offering programmes of support and information that reflect their needs at different stages of their careers, including continuing professional development (CPD), mentoring and networking opportunities. Over the past year, Trinity Laban's alumni relations programme has focused on growing the number of alumni on our database and reconnecting with those with whom we had lost touch. This work has seen the number of senior alumni on our database increase by over 16% during 2013-2014. There are now a number of communication channels through which alumni are kept up to date with news from Trinity Laban and the wider alumni community. We have been particularly active in reaching older and international alumni through targeted communications and reunion events.

Such work is invaluable in maintaining an on-going relationship between Trinity Laban and our alumni and creating warmth within the alumni community. It also supports Trinity Laban's student recruitment and

Alumni achievements in 2013-14

Ayanna Witter-Johnson was named as 'one to watch in 2014' by MOBO. During the year she released her second EP 'Black Panther' to great reviews, played UK and international venues and toured with Anoushka Shankar as a featured vocalist and multi-instrumentalist.

Emma Gladstone was appointed Artistic Director and Chief Executive of Dance Umbrella, London's leading international dance festival.

Loz Garratt (double bass) and Rory Simmons (trumpet) joined Jamie Cullum's band.

Liv Lorent, Artistic Director of BalletLORENT, was appointed an MBE in the New Year's Honours 2014, in recognition of her services to dance.

Hollywood composer John Powell composed the music for blockbusters 'Rio 2' and 'How To Train Your Dragon 2'.

Choreographer Rosemary Lee won the £10,000 bi-annual Bonnie Bird Award.

Musical Theatre graduate, Ria Horsford currently stars as Charlene in the internationally acclaimed, internet TV show, 'All about the McKenzies' while Becky Craven appeared as a major character in the cast of BBC TV's 'Waterloo Road'.

Matthew Bourne toured his new production 'Lord of the Flies'. He was also given the top award at the Critics Circle National Dance awards for lifetime achievement in dance.

Mairead Carlin became the newest member of smash hit US phenomenon, Celtic Woman.

Adam Gain became a company member of Candoco Dance Company joining fellow alumni Andrew Graham, Mirjam Gurtner and Susanna Recchia.

Harpist Claire Iselin completed her debut tour of the USA with a concert at Carnegie Hall.

Providing lifelong learning opportunities and promoting innovation in music and dance education

Alongside and integrating with our higher education (HE) delivery, provision of lifelong learning opportunities in music and dance, across the spectrum from children and young people to experienced professional practitioners looking to enhance or diversify their skills, is a fundamental and characteristic element of Trinity Laban's educational offering.

Junior Trinity in Music and the Trinity Laban Dance centre for advanced training (CAT) offered high-level, weekly tuition to around 400 children and young people from all backgrounds with exceptional talent and

potential in music and dance, of whom nearly half were in receipt of income-related bursaries. These programmes sit at the centre of a wider schools and youth programme that engages annually with some 10,000 participants through a combination of workshops, taster days, performances and long-term progression opportunities such as our Youth Dance Company and Animate Orchestra.



We seek to stimulate and share innovation in performing arts pedagogy at all levels and apply the expertise and knowledge gained through our higher education activity across the formal and informal dance and music education sector. Teacher development is also an increasingly significant part of our widening participation strategy to tackle inequalities in performing arts provision across the state maintained sector, and between state and independent schools. Three significant initiatives in this regard were taken forward in 2013-2014:

- Trinity Laban led a successful funding bid to the Mayor of London's Schools Excellence Fund for 'Teach Through Music', a collaborative professional development programme that will strengthen subject knowledge amongst specialist secondary school music teachers at Key Stage 3, thus improving pupil attainment and progression. Delivery is via a new 'World Class Arts and Learning' partnership including Trinity Laban, Trinity College London, Barbican, Guildhall School of Music and Drama, University of Greenwich and London Music Hubs.
- Junior Trinity's Fast Fiddlers, students from the String Time programme, were at the core of a Young Musicians Gala in aid of Junior Trinity's Bursary Fund, which gives young musicians of all backgrounds access to the highest quality musical training. Hosted by John Suchet and broadcast on Classic FM. The concert – which also featured award winning harpist and Trinity Laban alumnus Claire Iselin, and Trinity Laban piano star Naufal Mukumi – was developed by David Lipsey, Trinity Laban Chair and Chair of the Classical

Parliamentary Group with the support of Darren Henley OBE, Managing Director of Classic FM.

- We introduced a unique, accredited professional development programme for people working in music education and participation around the world, following a successful pilot in 2013. **The Teaching Musician** is a vocational and flexible postgraduate professional development programme with two streams available - Instrumental/Vocal Teaching and Creative Education Practice. The programme places practical approaches and skills within the context of relevant theory and the sharing of effective practice and is specifically designed to complement working life, with face to face teaching taking place over four weekends. The programme also provides engagement with other students, ideas, skills and approaches, through Trinity Laban's online Virtual Learning Environment.

Staff highlights: Faculty of Music

Marion Friend, Director of Junior Trinity, was awarded an MBE in the Queen's Birthday Honours List 2014 in recognition of her contribution to music education.

Dr Deirdre Gribbin, Composition Fellow, won a coveted Leverhulme Overseas Fellowship Award, arising from her residency and work with geneticists at the MRC Laboratory of Molecular Biology in Cambridge. A pioneer in the field of collaborative music and science, Dr Gribbin will work with scientists at the University of Toronto who are developing strategies for using music for pain management with disabled children.

Bass trombone professor, Roger Argente, was awarded the International Trombone Association President's Award for his many years of dedicated playing. Roger, who has been Principal Bass Trombonist with the Royal Philharmonic Orchestra for the last 22 years, also regularly appears with the London Symphony Orchestra, London Philharmonic Orchestra, Philharmonia, BBC Symphony Orchestra, and the Orchestra of the Royal Opera House

Trinity Laban Head of Performance Strategy (Music), Jonathan Tilbrook, conducted the Croatian Radio and Television Symphony Orchestra in Lisinski Concert Hall in Zagreb in the final concert in the orchestra's 2013-2014 Master Series; they played Respighi's Fountains of Rome; Baranovic's Sinfonietta; Carniva by Dvorak; and Anver Dorman's Spices, Perfumes, Toxins. The concert was broadcast live on radio and recorded for television presentation. Jonathan will then return in autumn 2014 to record one of the works performed.

Christine Croshaw, professor of piano, was honoured with a lifetime achievement award at the Music Teacher awards for her seminal contribution to music education.

Advancing our art forms through research and scholarship

Research is integral to our aim to lead and innovate in our art forms and it has been a strategic priority to gain recognition of our research work through entry to the Research Excellence Framework (REF) 2014. In November 2013, we duly submitted 19 staff and 72 associated research outputs to REF.

The submission was framed around three main research groupings within the Institution, which reflect our specialist character: Practice-led research in performance, composition and choreography, and with an emphasis on collaboration in all its forms; Text-based research that furthers knowledge of the two art forms of music and dance; and Performance Science including research that interfaces with our large and acknowledged Public Engagement programme.

The Conservatoire marked the growing strength of its research community through the establishment in 2013-2014 of a Trinity Laban Professoriate, and was delighted to be able to appoint two highly distinguished figures as its first two Professors: Wayne McGregor became Professor of Choreography, bringing world-renowned expertise as an artist researcher and creative pioneer; and Professor John Irving, eminent Mozart scholar and founder of Ensemble DeNOTE, took up a Personal Chair in Performance Practice.

Such colleagues not only contribute to the external profile, impact and quality of Trinity Laban's research output but provide invaluable inspiration and opportunity for fellow staff and students to engage with creative practice at the very highest level.

In 2014 the 4-year funded Arts Humanities and Research Council (AHRC) Musical Impact: Enhancing the Health and Wellbeing of Musicians commenced with our partners, Royal College of Music and Royal Northern College of Music. Dr Emma Redding is the Principal Investigator for Trinity Laban, and she supervises the PhD student recruited for the aspect of the project located at Trinity Laban. A further successful research bid is the three-year Leverhulme Trust funded dance project In the Dancer's Mind: Creativity, Novelty, Imagination, which commenced in summer 2014.

Staff highlights: Faculty of Dance

- Senior lecturer in contemporary dance Susan Sentler performed as part of online symposium **Waterwheel**, a celebration and investigation of water which saw 200 scientists, artists, activists and youth from five continents present and interact with audience online and in 18 nodes in countries including Australia, America, France, Greece and Israel to discuss water issues. In conjunction with World Water Day, Susan's performance was presented from a node in San Francisco.
- Dr. Valerie Preston-Dunlop, practical scholar and Honorary Fellow at Trinity Laban, collaborated with dance photographer and film maker Ros Chesher, and Trinity Laban faculty, alumni and students to produce **In Memoriam 2014**, a dance film celebration of the legacy of Rudolf Laban through the creation of an original movement choir work featuring 100 dancers and musicians.
- Choreographer, performer and Trinity Laban teacher, Lizzi Kew Ross led a new London walk, **Walking and Talking Books**, in March 2014. A key feature of The Culture Capital Exchange Winter Walking Weekend, the walk was part of the research for **Reading with Bach**, a brand new work from Lizzi Kew Ross & Co, which premiered at the Laban Theatre in April 2014.
- Will Aitchison, lead teacher with Trinity Laban's Centre for Advanced Training, was selected for Dance UK's 2014 Dance Teaching Mentoring Programme. Run in partnership with Youth Dance England, the National Dance Teachers Association and Dancers' Career Development, the eight month long programme builds on existent skills to enhance the potential for dance teachers to become leaders within the dance community.

Enriching our communities

Our flagship participatory programmes reach some of London's most socially excluded communities, using music and dance to promote social cohesion, health and well-being, skills development and cultural and economic regeneration. Partnership working with our local authorities of Greenwich and Lewisham and a wide range of arts and educational organisations and agencies enables us to take a strategic approach, allowing for the systematic development and enhancement of work and hence high quality outcomes to be achieved.

Our **Retired not Tired** programme, created in 2011, engages older people aged 60 and above in a mixture of music, dance and combined music and dance groups, providing regular opportunities for participants to take part in creative activity, interact socially and develop new skills. In 2013-2014, the programme was expanded to include **Older and Wiser**, a successful series of CPD events for practitioners working with those in their 'third' or 'fourth' age. A Research Fellow is employed by Trinity Laban and specifically attached to the Retired Not Tired programme. Her work is helping to examine the benefits of ongoing participatory arts practice for older people and the positive impact it can have on a range of areas including physical health, body confidence and awareness, mental wellbeing, independence and self-esteem.

Across our performance venues, including the Laban Theatre and Blackheath Halls as well as site-specific locations, we presented a wide-ranging programme of professional, student and community performances with attendances in excess of 75,000 of which 43% were free. Of particular note in the past year were a trio of exciting dance works which were the first to be commissioned by the National Portfolio Organisation partnership of Trinity Laban and Greenwich Dance under the banner of *Compass Commissions*. The pieces were selected from 137 entries and included *In Situ*, a site-sensitive live installation choreographed by Trinity Laban alumnus Tara D'Arquian performed at the atmospheric Caroline Gardens Chapel in Peckham. The Greenwich Dance & Trinity Laban Partnership welcomed the announcement that Arts Council England would continue to support its work as part of the National Portfolio from 2015 to 2018.

At The Blackheath Halls, many local arts organisations came together as part of the Lewisham Live festival, for showcase events including the Live Talent Showcase and Live at the Halls, which involved around 250 musicians from groups across the Borough. The seventh annual presentation of the Blackheath Community Opera, Rossini's *The Count of Ory*, once again gave the local community an opportunity to take part and see inside a fully staged opera. Over 100 singers and instrumentalists from the local community performed alongside primary school children, students from nearby special schools, students from Trinity Laban and a cast of professionals to create a production of great energy and originality as well as high artistic worth, which played to sold out audiences.

Development and fundraising

Trinity Laban seeks to maximise income for the delivery of its charitable purposes, and to use those funds with care and efficiency to provide the greatest possible benefit to our student body and those engaged with our far reaching music and dance programmes. Each year we are indebted to far too many trusts and individuals to be able to name them all in this report for their gifts which make such a vital difference, but all are deeply appreciated.

Donations which directly fund scholarships and bursaries are amongst our most valuable. Continued thanks are due to The Leverhulme Trust for its extensive support across music and dance, and to The Wolfson Foundation for its support to both senior and junior music students.

We are also indebted to Trinity College London and The Trinity College of Music Trust for their major contributions to scholarships, bursaries and helping to bridge the gap on capital funding; and to the Laban Centre for Movement and Dance Endowment Fund for its continuing support for Trinity Laban and our Faculty of Dance.

We are equally grateful to:

- The Derek Butler Trust for their most generous contribution to a new endowed fund, to create an annual scholarship in perpetuity bearing Derek Butler's name.
- The Friends of Junior Trinity for gifting their funds and assets to the Junior Department of Trinity Laban Conservatoire of Music and Dance. The resulting endowed fund will be used by Junior Trinity to encourage a lifelong interest in music and give students opportunities to develop to their maximum potential.
- Esteemed alumnus, Mr Byram Jeejeebhoy, for the creation of a new endowed fund to provide The Byram Jeejeebhoy Master Class for Violin, to be held on an annual basis at Trinity Laban, in perpetuity.
- The Richard Carne Trust and The Leverhulme Trust for their transformational support of our Junior Fellowship Programme, offering a rare and important opportunity for emerging artists in transition from student to early career musician.

- The Richard Carne Trust and The Hearn Foundation for generous support towards engaging Visiting Artists, providing mentoring for our wider student population.
- Everyone who has supported our Scholarship and Annual Funds, and all of our individual friends and donors.

Special tributes

The Board extends its thanks to the Principal and staff for their continuing commitment and to the outgoing Student Union Executive team for their invaluable contributions within and outside of Board meetings.

This year saw the retirement from the Board of two of its longest serving members, both of whom had brought extraordinary dedication and ability to their periods of office:

- The Rt Hon Dame Joan Ruddock served as a Governor of Laban, and then Trinity Laban, for over ten years. Drawing upon her political expertise and knowledge of the area as the local MP for Lewisham, and her profile as a figure of national prominence, Joan was a powerful and sustained advocate for Trinity Laban. She was at the heart of the organisation's success in securing the Creekside site at Deptford and in achieving the £12m lottery bid for the construction of the RIBA Stirling Prize winning Laban Building, one of the largest purpose built dance schools in the UK.
- In addition to serving as a Governor since 2001, Mike Hildesley played a pivotal role in the achievement of the merger of Trinity College of Music and Laban and in securing the World Heritage site in Greenwich. His financial and business expertise, as well as his understanding of governance, were critical to achieving success in a number of major strategic developments over the past decade. Working with our local communities, Mike also helped to bring new life to The Blackheath Halls both as a Board member and as Chair from 2007 to 2013.

The Board was delighted to be able to recognise their exceptional service to the Institution by the award of Honorary Companionship of Trinity Laban, the highest honour that it can bestow, and in concluding this review, would wish to record again its gratitude to them.

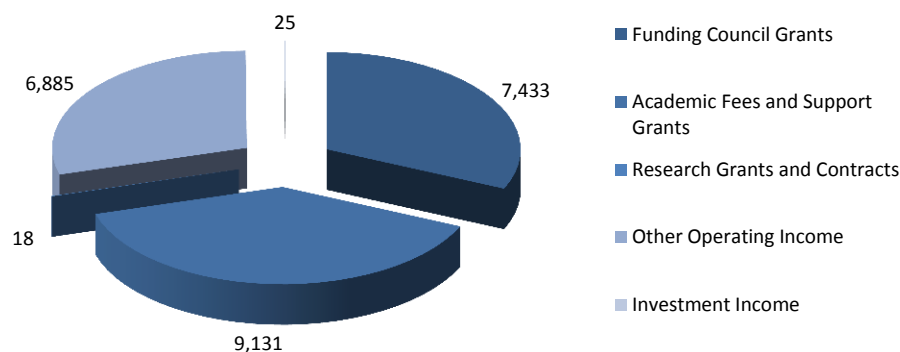
Financial review

The Financial Statements prepared by the Board of Governors comprise the results of Trinity Laban and its subsidiary undertakings, namely The Blackheath Halls and BCH Enterprises Limited.

The Board is pleased to report that the Conservatoire has made a surplus for the seventh consecutive year since merging the legacy institutions in 2005. The retained surplus was £1.5m (2012-13 £1.1m) and showed an improved income position primarily through achieving our targeted student numbers. Our permanent endowment funds also continue to grow thanks to sound investment and new donations.

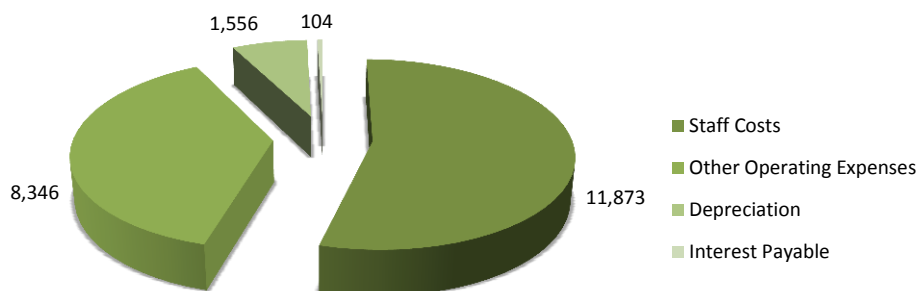
	2013-14	2012-13	2011-12	2010-11	2009-10
	£000s	£000s	£000s	£000s	£000s
Income	23,492	22,221	22,737	20,531	20,731
Expenditure	21,879	21,043	21,611	20,117	20,530
Operating Surplus	1,613	1,178	1,126	414	201
Transfer from / (to) Endowment Fund	(92)	(106)	(46)	44	67
Retained Surplus	1,521	1,072	1,080	458	268

Income by type 2013/14 (£000)



Total income increased by 5.7% to £23.5m for the year (2012-13 £22.2m). The principal variations consist of an increase in academic fees and support grants of £1.4m due to achieving our student number targets and the effect of the second year of the new £9,000 fee regime for undergraduate home/EU students. This increase needs to be offset by the reduction in funding council grant of £0.4m due to the above change in fee structures.

Expenditure by type 2013/14 (£000)



Total expenditure increased by 3.9% from the previous year at £21.9m (2012-13 £21.0m). The principal variations consist of an increase in staff costs of £0.9m (7.8%). This was primarily due to pay awards, continuing investment in research staffing and in the previous year (2012-13), there were four departmental restructures which lowered the payroll costs in that year but were partially offset by agency spend within other operating expenditure. Therefore other operating expenses decreased by £0.2m due to the agency costs reducing this year after permanent staff were employed following the above mentioned restructures. Depreciation increased by £0.3m due to the addition of the musical instruments to the fixed assets for the first time this year. Interest payable reduced by £80,000 due to £2.0m capital being paid off the bank loan at the start of the year.

Instruments

During 2013-14 a full valuation was undertaken of our musical instruments. Almost all of these assets have been generously donated over a number of years and include some valuable stringed instruments. The valuation totalled £5.9m and has been added to the balance sheet for the first time this year significantly increasing our fixed asset portfolio.

Endowment assets and investment performance

The Finance and General Purposes committee monitors the performance of the Conservatoire's investment portfolio. The overall objectives are:

- To maintain, at a minimum, over the medium term (defined as five years, unless otherwise stipulated by the Committee), the real value of all permanent endowments as income generating assets;
- To adopt a total returns approach to investment, generating the investment return from income and capital gains (or losses);
- To produce a consistent and sustainable return from the aggregate of all permanent endowments to support the relevant portion of the annual budgeted expenditure on scholarships, bursaries and prizes, and specific projects;
- To include no specific investment restrictions or limitations on the portfolio;
- To maximise, through a suitable combination of investment and income generation, the financial benefit obtained from all expendable endowments over the period that they remain current;
- To manage the investment assets, in which the endowments are invested, within a balanced portfolio, subject to a low to medium degree of risk;
- To include no specific investment restrictions or limitations on the portfolio;
- To benchmark the gross and net performance of the investments against recognised indices.

The Finance and General Purposes committee has established an investment policy which aims for a medium risk balanced portfolio, balanced with the need to generate income, both for current purposes and into the future. ('Medium risk' being a widely recognised term, the preference in this instance being for investments nearer the middle of overall risk classification. 'Balanced' referring to a suitable mix of income generation and capital growth). The endowment fund aims to distribute scholarships, bursaries and prizes of between 3% and 4% of endowment funds per academic year. This can be funded from both income and capital after making due allowance for preservation of capital values for future beneficiaries.

During the year, Investec continued as investment advisors to the Conservatoire. The overall investment portfolio increased to £5.6m in 2013-14 from £4.9m in 2012-13 due to dividend income and new endowments.

Capital projects

The main investments during the year were in accordance with our planned maintenance programme of £0.5m. However during the financial year we were able to release further funds of £0.4m from unused contingency monies to supplement a major capital refurbishment across the main campuses. This has enabled the support departments to be moved to more suitable accommodation, bringing whole teams together for the first time. This will ensure economies of scale and a better service to our students and academic staff.

Major financial risks

The Conservatoire continues to invest on a major international student recruitment exercise as part of a wider internationalisation strategy. During 2013-14 the Conservatoire has continued to take active steps to develop the opportunities to increase earned income from its commercial operations and to eliminate loss-making operations. This has been accompanied by setting cost reduction targets. The Conservatoire remains committed to reviewing its operations to ensure that both through its procurement and in ensuring the efficient delivery of its administrative processes that resources for academic delivery can be increased to ensure a high quality student experience. In fact, we took part in a procurement maturity assessment exercise in 2013-14 and are working our way through the results to ensure we are taking full advantage of all the cost saving opportunities this provides.

Capital funding from the Higher Education Funding Council for England (HEFCE) has all but been eliminated. Increasing capital expenditure on our estates is a priority to ensure we have a Conservatoire that is fit for purpose. This is dependent upon establishing significant cash balances together with the achievement of surpluses in excess of 3% in order to fund our own capital investment. These objectives will be challenging but are necessary to provide the framework to support the objectives of the Board in meeting its ambitions as well as those of its students.

Higher Education has now entered a period of fundamental and radical change as a result of the new arrangements for HE funding and students' tuition fees. The Conservatoire is aware of the major risks that it faces: the current domestic and international economic climate; changes in the HE funding model; student recruitment – Home and EU as well as international and the need to generate increased income from commercial activities and from donations and scholarship funding. The Conservatoire will be applying for the Funding Council's 'Institutional Specific Targeted Allocation' funding again during 2014-15 for the following 3 years. Such funding is critical to the Conservatoire sector as a whole due to the high cost of providing our specialist training.

Other major risks

The Conservatoire maintains a register of key risks, which currently identifies 14 high-level risks. The Key Risk Register is reviewed and revised by senior management twice a year and is then presented successively to the Risk Management Group, Audit Committee and Board of Governors. As well as the Register, the Key Risk report includes a movement map depicting changes in risk scores since the last report with a commentary on main factors underlying those movements.

Alongside risks to financial strength and sustainability covered above, the major risk areas can be summarised as follows:

- Strategic and reputational risks associated with changes in the policy environment and with institutional partnerships;
- Risks to academic and artistic quality and the student experience;
- Student recruitment: failure to achieve appropriate student numbers and profile;
- Estates risks: under-investment or lack of alignment with academic strategy;
- Human resources: failure to recruit, retain and develop an outstanding staff complement;
- Commercial risks: potential financial and/or reputational loss from commercial ventures;
- Risks associated with breaches of safeguarding policy and procedures.

Key risks are assessed in relation to their impact, likelihood and associated level of risk appetite. In 2013-14, the Conservatoire maintained strong control over its risk profile with no risks scored within the critical range. The highest scores were in the area of student recruitment and estates investment. Emerging risks were identified in respect of increasing pension liabilities and the uncertain effects of the relaxation and eventual removal of controls on home/EU undergraduate entrant numbers. A full review of the alignment of the Key Risk Register with strategic aims as set out in the new Strategic Plan will be undertaken in autumn 2014.

Equality and diversity policy statement

Trinity Laban Conservatoire of Music and Dance believes in principles of social justice, acknowledges that discrimination affects people adversely, and is committed to challenge all forms of inequality. To meet this objective, Trinity Laban will aim to ensure that:

- Individuals are treated fairly, with dignity and respect regardless of their sex, race, disability, sexual orientation, religion or belief and age;
- Everyone is given the opportunity to fulfil their potential;
- It promotes an inclusive and supportive environment for staff, students and visitors;
- It recognises the various contributions to the achievement of Trinity Laban's mission made by individuals from diverse backgrounds and with a wide range of experiences.

This Policy is wholly supported by Trinity Laban's Board of Governors and Senior Management Team and has been agreed following consultation with our recognised Trade Unions. Trinity Laban is committed to monitoring the impact and effectiveness of this Policy to assess whether any discrimination is occurring and, if appropriate, act to ensure it is eliminated.

People

Trinity Laban has developed a People Strategy which, coupled with its Communications Strategy, supports and encourages investment in its people and aims to foster an environment in which staff are motivated and encouraged.

There are regular communications with staff through newsletters, email circulars and staff events to keep staff informed and to encourage consultation and feedback on key issues, particularly important in view of the major changes effected by the Institution over the last few years and in light of the financial and economic factors affecting the Institution going forward. The Joint Negotiating and Consultative Committee, with Union Representation, is the formal consultative body to address specific decisions which are likely to directly affect staff interests.



Approved on behalf of the Board on **26th November 2014** and signed on its behalf by:

David Lipsey
Chair of Governors

Corporate Governance and Management

Constitution

Trinity Laban Conservatoire of Music and Dance was incorporated on 23 February 1981. Trinity Laban is a registered charity and a company limited by guarantee and incorporates The Blackheath Halls as a wholly owned subsidiary.

Trinity Laban is governed as described in the Memorandum and Articles of Association as approved by Privy Council and Charity Commission.

Corporate governance

In accordance with the Companies Act 2011 and the Institution's Articles, the Board of Governors is responsible for the administration and management of the Institution, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

As well as Directors of the Company, the Governors are also Trustees of the Registered Charity as provided under the Charities Act 2011 and, in submitting their annual report and audited financial statements for the year ended 31 July 2014, confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the general guidance on public benefit.

Public benefit is provided through our educational provision at HE and pre-HE levels, through scholarships, bursaries, together with our commitment to widening participation, outreach of learning participation, community engagement and development of our art forms and performance, as more fully described in the Report of the Board.

Trinity Laban is committed to exhibiting best practice in all aspects of corporate governance, including compliance with the code provisions set out in Section 1 of the Combined Code on Corporate Governance issued by the Financial Reporting Council, insofar as they relate to higher education institutions. The Board, as governing body, is responsible for the Institution's system of internal control and for reviewing its effectiveness. There is an on-going process for identifying, evaluating and managing the Institution's significant risks which is overseen by a Risk Management Group reporting regularly via the Audit Committee to the Board. This process accords with the internal control guidance for directors of the Combined Code as deemed appropriate for higher education.

The Institution also follows the Guide for Members of Governing Bodies of Universities and Institutions in England and Wales that was issued by the Committee of University Chairmen now the Committee of University Chairs and revised in 2009. The Institution has recently completed a branding review and website re-design which will ensure that information about all aspects of the institution is now more easily identified and accessible.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as each of the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Recruitment and appointment to the Board of Governors

Members of the Board of Governors - who are directors for the purpose of company law and trustees for the purpose of charity law - who served during the year and up to the date of this report are set out on page 2.

The Board has a majority of lay members. Lay members are independent governors who are neither employees nor students of the Institution. Also included in the Board membership are representatives of the staff and student bodies, nominated by those bodies.

Under the company's Articles, lay members are elected to serve on the Board for a period of four years after which they may be re-elected for a further four-year period and thereafter exceptionally year by year. The Board, through its Nominations Committee, seeks to recruit a diverse membership, to reflect the needs of its various stakeholders. The skills mix of the Board membership is also considered annually by the Nominations Committee which seeks to recruit to any new skill requirements and to replace any relevant skills which may have been lost due to retirement or resignation.

Lay members do not receive fees or other remuneration for serving as Directors/Trustees but are entitled to recover expenses as set out in the notes to the Accounts. Provision is also made for remuneration for any professional or business services to the company over and above their normal trustee responsibilities.

Governor/Trustee induction and training

All members undertake a process of induction according to need and experience, including a series of meetings and briefings with key staff, receipt of an information pack and regular invitations to internal and external events/seminars and conferences to provide continuous development.

Responsibilities and delegated authority

In compliance with the memorandum and articles of the Institution, and best practice guidance, the following primary responsibilities are issued to and accepted by all Board members:

Statement of primary responsibilities

- determine the educational character and mission of Trinity Laban through approval of long-term academic and business plans and key performance indicators;
- delegate authority to the Executive, working with the Directors, for the academic, corporate, financial, estate and personnel management of the Institution, and to establish and keep under regular review the policies, procedures and limits within such management functions;
- ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest in order to ensure the effective and efficient use of resources, the solvency of Trinity Laban and for safeguarding its assets;
- approve annual estimates of income and expenditure and ensure processes are in place to monitor and evaluate the performance and effectiveness of the Institution against the plans and approved key performance indicators, benchmarked against other comparable institutions where possible and appropriate;
- establish processes to monitor and evaluate the performance and effectiveness of the Board itself;
- conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
- safeguard the good name and values of the Institution;
- undertake the appointment, grading, suspension, appraisal, assignment, dismissal and determination of the pay and conditions of service of the head of the Institution as chief executive, and other senior post holders as identified by the Board, and to put in place suitable arrangements for monitoring their performance;
- appoint a secretary to the governing body and ensure that, if the person appointed has managerial responsibilities in the Institution, there is an appropriate separation in the lines of accountability;
- set a framework for the pay and conditions of service of all other staff and be responsible for establishing a human resources strategy;

- be the Institution's legal authority and, as such, to ensure that systems are in place for meeting all the Institution's legal obligations, including those arising from contracts and other legal commitments made in the Institution's name;
- make such provision as it thinks fit for the general welfare of students, in consultation with the academic board;
- act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the Institution;
- ensure that the Institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

The Board retains ultimate control over the Institution's affairs and meets at least four times a year to monitor the operations of the Institution. Under the Memorandum of Assurance and Accountability with the Higher Education Funding Council for England, the Board holds to itself the responsibilities for the ongoing strategic direction of the Institution, approval of major developments and receipt from the Institution's executive officers of regular reports on the Institution's day to day operations.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institution and to enable it to ensure that the financial statements are prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice "Accounting for Further and Higher Education" and other relevant accounting standards.

The Board delegates specific authority to committees as determined in its approved Schedule of Delegation. Each committee is chaired by a lay Board member. There is no separate investment committee but there is an investment review group, which is overseen by the Finance and General Purposes Committee.

There is also an Academic Board chaired by the Principal with external and staff membership, which ensures the standard of the delivery of the Institution's portfolio of courses and programmes; and monitors the relevant key performance indicators; Academic Board is established as required under the Memorandum and Articles of Association.

The Board has access to independent financial and legal advice, and the Company Secretary and Clerk to the Board ensure that proper Board procedures are followed. A register of Board Members' interests is also maintained. There were no related party transactions by Members of the Board with Trinity Laban during 2013-2014.

Internal control

The Board of Trinity Laban has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently and economically. This process accords with HEFCE guidance.

Risk management

The following processes have been established as regards risk management:

- A risk management policy and strategy have been adopted;
- Risk management workshops are held periodically for senior staff to identify the Institution's objectives and risks, and a control strategy is determined for each of the significant risks and opportunities;
- The Institution's Executive Group is charged with overseeing the management of risk;
- The Risk Management Group makes regular reports to the Executive and the Audit Committee which provides advice to the Board on the effectiveness of the establishment and implementation of risk management;
- Internal auditors' audit planning arrangements, methodology and approach have been tailored in such a way that their audit conforms to the latest professional standards reflecting the adoption of risk management.

The meeting calendar and agenda enable risk management and internal control to be considered on a regular basis during the year. Risk management has been incorporated fully into the corporate planning and decision making processes of the Institution.

The Board receives periodic reports from the Audit Committee concerning internal control, and regular reports are received from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

Financial control

In causing the financial statements to be prepared, the Board has ensured that they give a true and fair view of the state of the Institution's affairs and of the surplus or deficit and cash flows for that year, and that:

- suitable accounting policies are applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the Institution and to prevent and detect fraud; and
- secure the economical, efficient and effective management of the Institution's resources and expenditure.

The key elements of the Institution's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and of financial results;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance and General Purposes Committee; and
- a professional Internal Audit service whose annual programme is approved by the Audit Committee.

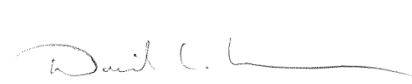
The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the Institution's system of internal control. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Disclosure of information to auditors

The directors have taken all the steps that they ought to have taken as directors in order to inform themselves of any relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with section 485 of the Companies Act 2006, Grant Thornton UK LLP were appointed as auditors during the year and have expressed their willingness to continue in that capacity.

Approved by order of the Board of Governors on **26 November 2014** and signed on its behalf by:



David Lipsey
Chair of Governors



Professor Anthony Bowne
Principal

Independent auditor's report to the governing body of Trinity Laban Conservatoire of Music and Dance

We have audited the financial statements of Trinity Laban Conservatoire of Music and Dance (the 'Conservatoire') for the year ended 31 July 2014 which comprise the primary statements such as the statement of principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated statement of historical cost surpluses and deficits, the parent and consolidated balance sheet, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the governing body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 124B (4) of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992. Our audit work has been undertaken so that we might state to the University's governing body 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 University and its governing body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governing body and auditor

As explained more fully in the Statement of Responsibilities set out on page 16, the governing body (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and the Education Reform Act 1988 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's (FRC's) website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and University's affairs as at 31 July 2014 and of its incoming resources and application of resources, including its income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matters prescribed by HEFCE's Financial Memorandum dated July 2010

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation; and
- funds provided by HEFCE have been applied in accordance with the funding council's Financial Memorandum and any other terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Under the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 we are required to report to you if, in our opinion, the Statement of Internal Control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the University.

Grant Thornton UK LLP.

David Barnes

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

27 November 2014

Statement of 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

Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of investments, and in accordance with the 2007 Statement of Recommended Practice: "Accounting for Further and Higher Education" (SORPHE) and applicable Accounting Standards; and also in accordance with the Accounts Direction Handbook. They conform to guidance published by the Higher Education Funding Council for England (HEFCE).

Going Concern

The directors have assessed that the group and parent charitable company has adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Basis of consolidation

The consolidated financial statements combine the financial statements of Trinity Laban and its subsidiary undertakings for the financial year to 31 July 2014. Further details of the subsidiary undertakings are disclosed in the Notes to the Accounts. A separate income and expenditure account for Trinity Laban has not been presented as permitted by section 408 of the Companies Act 2006.

Students Union

In accordance with FRS2 "Accounting for Subsidiary Undertakings", the Accounts do not include those of the Students Union as it is a separate legal entity in which the Conservatoire has no financial interest and no control or significant influence over its policy decisions.

Recognition of Income

Income represents fees and amounts earned in respect of tuition given and other activities during the period.

Income excludes fees received in respect of tuition to be taken after the year end. Such fees are shown in the balance sheet as fees received in advance.

Income from grants, donations, contracts and other services rendered is included to the extent of the completion of the related expenditure, contract or service concerned.

Donations, with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised within the statement of total recognised gains and losses and in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

Recurrent grants from the Higher Education Funding Council for England are recognised in the period in which they are receivable.

Non-recurrent grants from the funding council or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Access Funds

The Conservatoire acts as a paying agent for HEFCE Access Grants which are solely available for students.

Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of transaction.

Tangible fixed assets and depreciation

Land and buildings

Land and buildings are stated at cost. Depreciation is provided at rates estimated to write off the costs by equal annual instalments over their anticipated useful economic lives, as follows:

Freehold buildings	50 years
Alterations and building improvements	20 years
Leasehold land and buildings	Amortised over the remaining term of the lease by equal instalments
Leasehold improvements	Amortised over the lesser of the remaining term of the lease or 50 years by equal instalments

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grants account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July in any year. They are not depreciated until they are brought into use.

Equipment and other fixed assets

Equipment and other fixed assets costing less than £500 are written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

Equipment and other fixed assets	5 years
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Musical equipment

Musical instruments costing less than £500 are written off to the income and expenditure account in the year of acquisition. All other purchased musical instruments are capitalised at cost.

Donated musical instruments with a value of £500 and above have been incorporated at valuation following an assessment by Webb Valuations, an external professional valuation expert, in conjunction with Malcolm Tysoe, an expert valuer of stringed instruments, in April 2014. There has been no diminution in the value of these instruments since the valuation.

Capitalised musical instruments are depreciated over their useful economic life as follows:

Antique stringed instruments	Not depreciated
Other stringed instruments	20 years
Pianos	10-20 years
Other musical instruments	5-15 years

Depreciation is not provided on antique stringed instruments since the estimated remaining useful economic life of the tangible fixed assets exceeds 50 years and any depreciation charge would be deemed immaterial. In accordance with FRS 11 "Impairment of Fixed Assets and Goodwill", the carrying value of these assets is subject to an annual impairment review.

Impairment of fixed assets

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, or where an asset is deemed to have an economic life in excess of 50 years.

Investment policy and returns

Listed fixed asset and endowment asset investments are included in the balance sheet at market value.

The Conservatoire has adopted a total return policy for the investment of its permanent and expendable endowments. The Conservatoire can invest its endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment income for spending each year.

Income from endowments is included in the Income and Expenditure Account on the basis of the sustainable return (currently 3.0 to 4.0%) of the underlying investments. This is based on the estimated long term real rate of return from endowment asset investments. Any realised gains or losses from dealing in the related endowment assets are retained within the endowment in the balance sheet as part of the unapplied return.

The Board has decided that it is in the best interests of the Conservatoire to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital. The Board work towards a target return and regularly review the Conservatoire's investments in consultation with the Investment Managers within an agreed risk profile.

Endowment funds

Where charitable donations are to be retained for the benefit of the institution as specified by donors, these are accounted for as endowments. There are two main types:

- Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
- Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation status

The Conservatoire is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formally enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The Conservatoire receives no similar exemption in respect of Value Added Tax. The Conservatoire's subsidiary companies are subject to Corporation Tax and Value Added Tax in the same way as any commercial organisation.

Pensions

The Institution participates in four defined benefit schemes: the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), the London Pension Fund Authority (LPFA) - which was closed to new membership from 1 August 2005 - and its own scheme for non-academic staff which is administered by Legal & General (L&G) which became a closed scheme with effect from 31 December 2001. These schemes are externally funded and contracted out of the state earnings related pension scheme and cover most employees. A small number of employees are members of individual defined contribution pension schemes. The assets of the schemes are invested and managed independently of the finances of the Institution.

Defined benefit schemes

Contributions to these schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Institution in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries on the basis of quinquennial (TPS) and triennial valuations (USS, LPFA and L&G) using, respectively, the prospective benefits method and the projected unit method.

In respect of the L&G and LPFS schemes, the Institution has adopted FRS 17 "Retirement Benefits" in full. In accordance with FRS 17, the operating and financing costs of the Scheme are recognised separately in the Income and Expenditure Account. Service costs are systematically spread over the service lives of the employees and financing costs are

recognised in the period in which they arise. The cost of past service benefits enhancements, settlements and curtailments are also recognised in the period in which they arise.

The differences between actual and expected returns during the year, including changes in actuarial assumptions, are recognised in the Statement of Total Recognised Gains and Losses.

As permitted by FRS 17, the TPS and USS schemes have been accounted for as defined contribution schemes.

Defined contribution schemes

The amount of contributions payable to these pension schemes for the year is charged against the income and expenditure account.

Leases

Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

Subsidiary undertakings

The Conservatoire has a 100% holding in Blackheath Halls, a company limited by guarantee.

The Blackheath Halls is a non-profit organisation raising funds to advance education particularly by the encouragement of the arts.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2014

	Note	2014 £	2013 £
Income			
Funding Council grants	1	7,432,707	7,802,409
Academic fees and support grants	2	9,130,581	7,689,669
Research grants and contracts	3	18,086	30,255
Other operating income	4	6,683,778	6,470,826
Investment income	5	227,142	227,489
		<hr/>	<hr/>
Total income		23,492,294	22,220,648
Expenditure			
Staff costs	6	11,872,967	11,021,374
Other operating expenses	7	8,346,245	8,535,924
Depreciation	9	1,555,755	1,301,599
Interest payable	8	104,359	184,539
		<hr/>	<hr/>
Total expenditure		21,879,326	21,043,436
Surplus on continuing operations after depreciation of assets at cost and before tax		1,612,968	1,177,212
Taxation		-	(2,271)
Surplus on continuing operations after depreciation of assets at cost and tax		1,612,968	1,174,941
Deficit for the year transferred to accumulated income in endowment funds		(92,269)	(105,919)
		<hr/>	<hr/>
Surplus for the year retained within general reserves		1,520,699	1,069,022

All items of income and expenditure arise from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 July 2014

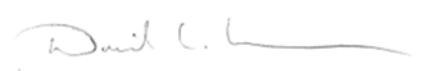
	Note	2014 £	2013 £
Surplus on continuing operations after depreciation of assets and disposal of assets and tax		1,612,968	1,174,941
Increase in market value of investments	10	74,365	456,738
New endowments	10	568,619	17,380
FRS 17 actuarial (losses)/gains	20	(846,000)	1,273,000
Write down of endowments		(52,000)	-
Adjustment to align charity and education SORP on consolidation	16	(46,207)	(278,638)
		<u>1,311,745</u>	<u>2,643,421</u>
Total recognised gain for the year		1,311,745	2,643,421
Reconciliation			
Opening reserves and endowments		10,072,531	7,429,110
Total recognised gain for the year		1,311,745	2,643,421
		<u>11,384,276</u>	<u>10,072,531</u>
Closing reserves and endowments		11,384,276	10,072,531

BALANCE SHEET

for the year ended 31 July 2014

	Note	Group 2014 £	Trinity Laban 2014 £	Group 2013 £	Trinity Laban 2013 £
Fixed assets					
Tangible assets	9	35,435,111	34,175,653	30,203,802	28,975,748
Endowment assets					
	10	5,586,736	5,586,736	4,903,483	4,903,483
Current assets					
Stock		4,501	1,358	5,410	1,456
Debtors	11	523,749	1,303,882	497,575	1,256,538
Cash at bank and in hand		1,139,622	1,112,413	734,859	674,229
		1,667,872	2,417,653	1,237,844	1,932,223
Creditors: amounts falling due within one year	12	(3,911,180)	(3,777,697)	(3,853,021)	(3,659,691)
Net current (liabilities)		(2,243,308)	(1,360,044)	(2,615,177)	(1,727,468)
Total assets less current liabilities		38,778,539	38,402,345	32,492,108	32,151,763
Creditors: amounts falling due after more than one year	13	(1,176,791)	(1,176,791)	(1,354,346)	(1,354,346)
Net assets excluding pension deficit		37,601,748	37,225,554	31,137,762	30,797,417
Pension deficit (FRS17)	20	(1,608,000)	(1,608,000)	(1,083,000)	(1,083,000)
Net assets including pension deficit		35,993,748	35,617,554	30,054,762	29,714,417
Deferred capital grants					
	14	24,609,472	24,017,880	19,982,231	19,436,846
Endowments					
	15	5,586,736	5,586,736	4,903,483	4,903,483
Reserves					
General reserve	16	7,405,540	7,620,938	6,252,048	6,457,088
Pensions deficit (FRS17)	20	(1,608,000)	(1,608,000)	(1,083,000)	(1,083,000)
Total reserves		5,797,540	6,012,938	5,169,048	5,374,088
Total funds		35,993,748	35,617,554	30,054,762	29,714,417

The financial statements were approved by the Board on 26 November 2014 and signed and authorised for issue on its behalf by:



David Lipsey
Chair of Governors



Professor Anthony Bowne
Principal

Company registration no. 51090

The notes on pages 31 to 46 form part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2014

	Note	2014 £	2013 (Restated) £
NET CASH INFLOW FROM OPERATING ACTIVITIES	A	1,661,344	2,196,507
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(104,748)	(116,120)
Interest received	5	672	4,670
Income from endowment and listed investments	5	201,470	222,819
		97,394	111,369
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Purchase of tangible fixed assets		(1,193,214)	(982,515)
Sale of tangible fixed assets		44,314	-
Net movement from purchase/sale of investments		(425,195)	(474,808)
Deferred capital grants received	14	117,564	859,095
Endowments received		568,619	17,380
Endowment bank account movement	B	(241,569)	(495,683)
Write down of endowment balances		(119,000)	506,315
		(1,248,481)	(570,216)
Net cash inflow before financing		510,257	1,737,660
FINANCING			
Repayment of debt - capital element	17	(105,494)	(2,084,322)
Net cash outflow from financing		(105,494)	(2,084,322)
INCREASE/(DECREASE) IN CASH	B	404,763	(346,662)

The prior year amounts have been reanalysed to be comparable to the current year.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
for the year ended 31 July 2014

Notes to the consolidated cash flow statement

	Note	2014 £	2013 (Restated) £
A NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES			
Surplus on continuing operations after depreciation of fixed assets at cost and tax		1,612,968	1,174,941
Fixed asset disposals		(28,407)	-
Income from endowment asset investments		(201,470)	(223,964)
Interest received	5	(25,672)	(4,670)
Interest payable	8	104,359	184,539
Release of capital grants	14	(1,337,034)	(1,150,870)
Depreciation	9	1,555,755	1,301,599
(Increase)/decrease in debtors	11	(26,174)	125,927
Decrease in year-end stocks		909	1,779
Increase in creditors	12,13	302,110	1,067,226
FRS 17 adjustment - Staff Costs	20	(296,000)	(280,000)
		1,661,344	2,196,507
Net cash inflow from operating activities			
The prior year amounts have been reanalysed to be comparable to the current year.			
B RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET DEBT			
Increase/(decrease) in bank & cash in hand (excluding overdraft)		404,763	(346,662)
Increase/(decrease) in endowment asset bank balances		241,569	(495,683)
Cash inflow from new loans		-	(89,014)
Cash outflow from repayment of loan	17	105,494	2,084,322
		751,826	1,152,963
Net debt at 1 August 2013		112,479	(1,040,484)
Net debt at 31 July 2014		864,305	112,479

NOTES TO THE FINANCIAL STATEMENTS

1	FUNDING COUNCIL GRANTS (HEFCE)	Note	2014 £	2013 £
	Recurrent grants			
	HEFCE teaching grant - recurrent		6,663,919	6,935,429
	HEFCE disability		19,917	15,273
	HEFCE HEIF non recurrent		402,489	414,932
	HEFCE other grants		70,135	42,191
	Deferred capital grants released in year	14		
	Land and buildings		-	74,696
	Learning and teaching		276,247	319,888
	Total Funding Council grants		<u>7,432,707</u>	<u>7,802,409</u>
2	ACADEMIC FEES AND SUPPORT GRANTS		2014 £	2013 £
	Higher education			
	Full time undergraduate home/EU fees		4,153,732	2,986,793
	Full time postgraduate home/EU fees		667,783	558,838
	Part time home/EU fees		463,834	373,149
	Overseas fees		1,177,680	1,147,682
	Research fees		70,666	79,282
	Other fees and support grants		2,596,886	2,543,925
	Total academic fees and support grants		<u>9,130,581</u>	<u>7,689,669</u>
3	RESEARCH GRANTS AND CONTRACTS		2014 £	2013 £
	UK based charities		18,086	30,255
	Total research grants and contracts		<u>18,086</u>	<u>30,255</u>
4	OTHER OPERATING INCOME		2014 £	2013 (Restated) £
	Other services rendered		248,786	508,683
	Residence and catering operations		1,765,956	1,677,419
	Donations and scholarships		2,173,374	2,198,024
	Release of capital grants	14	1,060,787	756,286
	Other grant income		667,975	613,649
	Other operating income		766,900	716,765
	Total other operating income		<u>6,683,778</u>	<u>6,470,826</u>

The prior year amounts have been reanalysed to be comparable to the current year.

5 INVESTMENT INCOME

	2014	2013
	£	(Restated)
		£
Income from expendable endowments	120,570	90,809
Income from permanent endowments	80,900	132,010
Bank deposit interest	672	4,670
FRS 17 Interest receivable	25,000	-
	<u>227,142</u>	<u>227,489</u>

The prior year amounts have been reanalysed to be comparable to the current year.

6 STAFF COSTS

	2014	2013
	£	£
Wages, salaries and fees	10,128,988	9,459,537
Social security costs	739,602	726,278
Other pension costs	1,004,377	835,559
	<u>11,872,967</u>	<u>11,021,374</u>

Of the staff costs £287,073 (2013: £255,512) related to The Blackheath Halls.

Directors' emoluments

The amount of directors' emoluments was £182,560 (2013: £171,150). All payments were in respect of services as members of staff and relate to the relevant period of office. One director (2013: 1) is accruing benefits under defined benefit pension schemes.

	2014	2013
	£	£
The emoluments of the highest paid director were:		
Salary	160,000	150,000
Pension contributions	22,560	21,150
	<u>182,560</u>	<u>171,150</u>

There were no other members of staff in receipt of annual remuneration exceeding £100,000.

Staffing number (FTEs)

	2014	2013
Academic	144	121
Academic support	48	47
Administrative	71	69
Blackheath Halls	16	15
	<u>279</u>	<u>252</u>

Remuneration of higher paid staff

	2014	2013
	Number	Number
£140,001 to £150,000	-	1
£150,001 to £160,000	1	-

7	OTHER OPERATING EXPENSES	2014	2013
		£	£
	Academic departments	915,618	788,639
	Academic support services	383,250	510,133
	Other support services	261,417	159,855
	Administration and central services	361,508	694,959
	Auditors' remuneration		
	External audit	41,734	75,690
	Internal audit	23,942	24,552
	Non audit services	7,438	9,790
	General education	555,467	425,939
	Scholarships, bursaries and prizes	1,533,786	1,436,390
	Premises	1,965,195	2,050,839
	Student accommodation costs	1,320,322	1,281,611
	Miscellaneous	976,568	1,077,527
		<hr/>	<hr/>
		8,346,245	8,535,924
		<hr/> <hr/>	<hr/> <hr/>
8	INTEREST PAYABLE	2014	2013
		£	£
	On bank loans and overdrafts		
	Not wholly repayable within five years	104,359	145,539
	FRS 17 interest payable	-	39,000
		<hr/>	<hr/>
		104,359	184,539
		<hr/> <hr/>	<hr/> <hr/>

9 TANGIBLE FIXED ASSETS

Group	Freehold buildings £	Long leasehold £	Freehold assets in the course of construction £	Equipment & other fixed assets £	Musical instruments £	Total £
Cost						
At 1 August 2013	32,128,967	12,850,685	424,989	8,501,547	238,426	54,144,614
Additions	55,018	678,303	6,802	193,944	5,865,570	6,799,637
Transfer on completion	-	431,791	(431,791)	-	-	-
Disposals	-	-	-	(25,147)	-	(25,147)
At 31 July 2014	<u>32,183,985</u>	<u>13,960,779</u>	<u>-</u>	<u>8,670,344</u>	<u>6,103,996</u>	<u>60,919,104</u>
Depreciation						
At 1 August 2013	12,056,008	4,749,437	-	7,046,425	88,942	23,940,812
Charge for year	497,261	220,959	-	535,552	301,983	1,555,755
On disposals	-	-	-	(12,574)	-	(12,574)
At 31 July 2014	<u>12,553,269</u>	<u>4,970,396</u>	<u>-</u>	<u>7,569,403</u>	<u>390,925</u>	<u>25,483,993</u>
Net book value						
At 31 July 2014	<u>19,630,716</u>	<u>8,990,383</u>	<u>-</u>	<u>1,100,941</u>	<u>5,713,071</u>	<u>35,435,111</u>
At 1 August 2013	<u>20,072,959</u>	<u>8,101,248</u>	<u>424,989</u>	<u>1,455,122</u>	<u>149,484</u>	<u>30,203,802</u>
	Freehold buildings £	Long leasehold £	Freehold assets in the course of construction £	Equipment & other fixed assets £	Musical instruments £	Total £
Trinity Laban						
Cost						
At 1 August 2013	30,620,051	12,059,725	-	8,246,411	224,406	51,150,593
Additions	55,018	658,193	-	171,490	5,865,020	6,749,721
Disposals	-	-	-	(25,147)	-	(25,147)
At 31 July 2014	<u>30,675,069</u>	<u>12,717,918</u>	<u>-</u>	<u>8,392,754</u>	<u>6,089,426</u>	<u>57,875,167</u>
Depreciation						
At 1 August 2013	11,252,276	3,974,120	-	6,873,527	74,922	22,174,845
Charge for year	497,261	208,295	-	529,751	301,936	1,537,243
On disposals	-	-	-	(12,574)	-	(12,574)
At 31 July 2014	<u>11,749,537</u>	<u>4,182,415</u>	<u>-</u>	<u>7,390,704</u>	<u>376,858</u>	<u>23,699,514</u>
Net book value						
At 31 July 2014	<u>18,925,532</u>	<u>8,535,503</u>	<u>-</u>	<u>1,002,050</u>	<u>5,712,568</u>	<u>34,175,653</u>
At 1 August 2013	<u>19,367,775</u>	<u>8,085,605</u>	<u>-</u>	<u>1,372,884</u>	<u>149,484</u>	<u>28,975,748</u>

10 ENDOWMENT ASSETS

	Group and company 2014 £	Group and company 2013 £
Market value		
At 1 August 2013	4,903,483	4,829,761
New endowments invested	568,619	17,380
Write down of endowment balances in year	(52,000)	(506,315)
Increase in market value of investments	74,365	456,738
Increase in cash balances held for endowment funds	92,269	105,919
	<u>5,586,736</u>	<u>4,903,483</u>
At 31 July 2014		
Represented by:		
Listed investments at market value	4,363,114	3,802,430
Cash balances	1,006,426	764,857
Other current assets (see note 12)	217,196	336,196
	<u>5,586,736</u>	<u>4,903,483</u>

11 DEBTORS

	Group 2014 £	Trinity Laban 2014 £	Group 2013 £	Trinity Laban 2013 £
Trade debtors	198,781	190,795	180,513	140,772
Due from subsidiary undertaking	-	854,135	-	889,637
Other debtors	150,879	88,208	83,285	19,255
Prepayments and accrued income	174,089	170,744	233,777	206,874
	<u>523,749</u>	<u>1,303,882</u>	<u>497,575</u>	<u>1,256,538</u>

Included in amounts due to subsidiary undertakings is £560,000 (2013 - £560,000), which is due in greater than one year

12 CREDITORS: amounts falling due within one year

	Group 2014 £	Trinity Laban 2014 £	Group 2013 £	Trinity Laban 2013 £
Bank overdraft	39,924	-	22,758	-
Bank loan	82,698	82,698	80,000	80,000
Mortgage loan	-	-	11,288	-
Other loan	22,254	22,254	22,254	22,254
Trade creditors	1,379,233	1,341,255	628,861	572,262
Taxation and social security	441,973	434,801	336,361	324,011
Other creditors	93,987	69,372	181,676	145,573
Accruals and deferred income	1,633,915	1,610,121	2,233,627	2,179,395
Due to endowment funds (note 10)	217,196	217,196	336,196	336,196
	<u>3,911,180</u>	<u>3,777,697</u>	<u>3,853,021</u>	<u>3,659,691</u>

13 CREDITORS: amounts falling due after more than one year

	Group	Trinity Laban	Group	Trinity Laban
	2014	2014	2013	2013
	£	£	£	£
VAT repayable	-	-	80,651	80,651
Bank loans	1,143,411	1,143,411	1,225,479	1,225,479
Other loan	33,380	33,380	48,216	48,216
	<u>1,176,791</u>	<u>1,176,791</u>	<u>1,354,346</u>	<u>1,354,346</u>

Amounts repayable after more than one year in respect of loans outstanding as at 31 July 2014 are analysed as follows:

	Final repayment date	Interest rate	Balance outstanding 2014	2013
Conservatoire				
Bank loan	2024	4.5%	1,143,411	1,225,479
Other loan	2017	0%	33,380	48,216
			<u>1,176,791</u>	<u>1,273,695</u>

The Conservatoire does not guarantee any of the borrowings of its subsidiary undertaking.

Analysis of loan repayments	Group	Trinity Laban	Group	Trinity Laban
	2014	2014	2013	2013
	£	£	£	£
In more than one year but no more than two years	252,720	252,720	252,720	252,720
In more than two years but no more than five years	412,460	412,460	427,296	427,296
In more than five years	511,611	511,611	593,679	593,679
	<u>1,176,791</u>	<u>1,176,791</u>	<u>1,273,695</u>	<u>1,273,695</u>

14 DEFERRED CAPITAL GRANTS

Group	Funding Council £	Donated Music Instruments £	Other £	Total £
At 1 August 2013	3,176,544	-	16,805,687	19,982,231
Grants received	104,935	5,800,504	58,836	5,964,275
Released to Income and Expenditure account (notes 1 and 4)	(276,247)	(317,469)	(743,318)	(1,337,034)
At 31 July 2014	3,005,232	5,483,035	16,121,205	24,609,472
Trinity Laban	Funding Council £		Other £	Total £
At 1 August 2013	3,176,544	-	16,260,302	19,436,846
Grants received	104,935	5,800,504	12,629	5,918,068
Released to Income and Expenditure account (notes 1 and 4)	(276,247)	(317,469)	(743,318)	(1,337,034)
At 31 July 2014	3,005,232	5,483,035	15,529,613	24,017,880

15 ENDOWMENTS

Group	Restricted Expendable £	Restricted Permanent £	Total £
At 1 August 2013 (or date of resolution)			
Original cost (restated)	822,499	2,245,198	3,067,697
Indexation of capital (restated)	160,675	337,593	498,268
Unapplied total return (restated)	1,047,576	289,942	1,337,518
Total	2,030,750	2,872,733	4,903,483
Movements in the reporting period:			
Investment income	46,489	69,694	116,183
Increase in market value of endowment asset investments	100,045	151,876	251,921
Released to Income & Expenditure account	(120,570)	(80,900)	(201,470)
New endowments	-	568,619	568,619
Endowments written down in the year	(52,000)	-	(52,000)
Total	(26,036)	709,289	683,253
At 31 July 2014			
Original cost	770,499	2,813,817	3,584,316
Indexation of capital	163,895	389,249	553,144
Unapplied total return	1,070,320	378,956	1,449,276
Total	2,004,714	3,582,022	5,586,736

The Conservatoire has adopted a total returns policy for the investment of its permanent endowments and has decided that it is in the best interest of the Conservatoire to account for its expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital. The opening balances have been restated to this effect.

16 RESERVES

	Group £	Trinity Laban £
General		
At 1 August 2013	6,252,048	6,457,088
Adjust for The Blackheath Halls restricted reserves building fund	(46,207)	-
Surplus for the year	1,612,968	1,577,119
Transfer to endowment fund	(92,269)	(92,269)
Transfer to pension reserves	(321,000)	(321,000)
	<u>7,405,540</u>	<u>7,620,938</u>
At 31 July 2014		
Pension reserve		
At 1 August 2013	1,083,000	
Transfer from pension reserves	(321,000)	
Change in actuarial valuation	846,000	
	<u>1,608,000</u>	
At 31 July 2014		

The Blackheath Halls' restricted reserves building fund has been reclassified to deferred capital grants to align the charity and education SORP on consolidation.

17 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	2014 £	2013 £
Loans and mortgages at 1 August 2013	1,387,237	3,382,545
New loan during the year	-	89,014
Capital repayments	(105,494)	(2,084,322)
	<u>1,281,743</u>	<u>1,387,237</u>
Loans and mortgages at 31 July 2014		

18 ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2013 £	Cash flows £	At 31 July 2014 £
Split of bank/mortgage/other loan balance			
Cash at bank and in hand	734,859	404,763	1,139,622
Endowment assets cash balances	764,857	241,569	1,006,426
Bank loans under 1 year	(91,288)	8,590	(82,698)
Other loans under 1 year	(22,254)	-	(22,254)
	<u>1,386,174</u>	<u>654,922</u>	<u>2,041,096</u>
Bank loans over 1 year	(1,225,479)	82,068	(1,143,411)
Other loans over 1 year	(48,216)	14,836	(33,380)
	<u>112,479</u>	<u>751,826</u>	<u>864,305</u>

19 ACCESS TO LEARNING FUNDS

The Conservatoire received and distributed HEFCE Access to Learning Funds as follows:	Group and Trinity Laban	
	2014	2013
	£	£
Cash at bank at 1 August 2013	907	8,249
Underspent funds clawed back by HEFCE re 2010/11	-	(6,966)
HEFCE grants	12,600	10,378
Dispersed to students	(12,734)	(10,443)
Contributions towards staff admin costs	-	(311)
	<hr/>	<hr/>
Balance under spent at 31 July	773	907
	<hr/>	<hr/>
Cash at bank at 31 July 2014	773	907

20 PENSION COSTS

PENSION SCHEMES

The two principal pension schemes for the Institution's staff are the Teachers' Pension Scheme (TPS) and the Universities Superannuation Scheme (USS) for administrative staff. In addition, administrative staff were eligible for membership of the London Pension Fund Authority (LPFA) up to 31 July 2005 and of the Legal & General Scheme (L&G) up to 31 December 2001.

Teachers' Pension Scheme (TPS)

Trinity Laban participates in TPS, a defined benefit pension scheme. TPS is an unfunded scheme and contributions are credited on a "pay-as-you-go" basis to the Exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in FRS 17 "Retirement benefits", the TPS is a multi-employer pension scheme and Trinity Laban is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the institution has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

As regards the scheme, the pensions cost is assessed every five years in accordance with advice from the government actuary. The last actuarial valuation carried out was in March 2001 using the prospective benefits method. An interim actuarial review was carried out in March 2006. This was not a full actuarial scheme review, but took account primarily of changes in membership composition since the last actuarial review. The 2001 actuarial review showed (1) investment return assumed at 7% per annum; (2) salary increases assumed at 5% per annum; (3) value of notional assets as £163,240,000 and (5) the proportion of members' accrued benefits covered by the actuarial valuation of the assets was 100%.

Following the implementation of Teachers' Pensions (Employers' Superannuation Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 April 2002 to 31 March 2003 the employer contribution was 8.35%. This rate increased to 13.5% from 1 April 2003. From January 2007 the employer contribution rate was revised to 14.1%.

Universities Superannuation Scheme (USS)

USS is a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustees, Universities Superannuation Scheme Limited. It is not possible to identify each Institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for, for FRS 17 purposes, as if it were a defined contribution scheme. The cost recognised within the income and expenditure account is equal to the contributions payable to the scheme for the year.

The latest actuarial valuation of the scheme was at 31 March 2011. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments, (i.e. the valuation rate of interest), and the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. To calculate the technical assumptions it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter. The valuation was carried out using the projected unit method.

20 PENSION COSTS (CONTINUED)

At the valuation date, the market value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million, indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 93% funded.

The Institution contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries. The Institution contribution rate has increased to 16% (from a previous rate of 14%) from 1 October 2009.

Surpluses or deficits which arise at future valuations may impact on Trinity Laban's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of the employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

A formal triennial actuarial valuation was carried out on 31 March 2014. The contribution rate will be reviewed as part of this valuation.

London Pension Fund Authority (LPFA)

This scheme, for administrative staff, is a defined benefit scheme and has been closed to new members since the merger of Trinity and Laban on 1 August 2005. The pension benefits for existing members continued to be provided under the LPFA scheme. The latest formal valuation was carried out as at 31 March 2010 using the projected unit method. The investment return assumed was 5.2% per annum and the effect of limited price indexation was assumed to give increases of 3.5% per annum. The actuarial valuation as at 31 July 2009 revealed a shortfall of £1,125,000 in the value of the assets of the scheme of £1,966,000 compared to the actuarial liability for pension benefits. This represents a funding level of 64% and the actuary recommended that this be increased over a 20 year period from 1 April 2006 at an enhanced contribution rate of £4,089 per month compared to the funding rate of £640 per month for the year ended 31 March 2006.

Legal and General (L&G)

This scheme, for administrative staff, is a defined benefit scheme and with effect from 31 December 2001, has become a closed scheme. The pension benefits for administrative staff in respect of service from that date will be earned within the Universities Superannuation Scheme.

The latest actuarial valuation was carried out as at 1 July 2003 using the projected unit method. The investment return assumed was 6.8% per annum and the effect of limited price indexation was assumed to give increases of 2.95% per annum. This actuarial valuation revealed a shortfall of (£1,038,000) in the value of the assets of the scheme of £5,411,000 compared to the actuarial liability for pension benefits.

The latest actuarial valuation was carried out as at 1 July 2003 using the projected unit method. The investment return assumed was 6.8% per annum and the effect of limited price indexation was assumed to give increases of 2.95% per annum. This actuarial valuation revealed a shortfall of £1,533,000 in the value of the assets of the scheme of £5,579,000 compared to the actuarial liability for pension benefits. This represents a funding level of 78% and the actuary recommended that this should be increased over a 10 year period from 1 July 2006 at an enhanced contribution rate of £16,000 per month compared to the previous funding rate of £5,500 per month.

TOTAL PENSION COSTS

The total pension cost, including administration charges, for each scheme for the Conservatoire was as follows:

	2014 £	2013 £
Contributions to TPS	534,318	543,918
Contributions to USS	628,033	674,209
Contributions to LPFA / LGPS	105,218	129,076
Contributions to L&G	299,014	284,191
Contributions to other schemes	2,872	3,898
	<hr/>	<hr/>
Total pension costs	<u>1,569,455</u>	<u>1,635,292</u>

20 PENSION COSTS (CONTINUED)

FRS 17 – DISCLOSURES IN RESPECT OF LONDON PENSION FUND AUTHORITY (LPFA) SCHEME

The major assumptions by the actuary in valuing liabilities were:

	2014	2013
	% pa	% pa
Discount rate	4.3	4.8
Expected pension increases (limited price indexation)	2.7	2.6
Inflation rate	2.7	2.6
Salary increases	4.4	4.3

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

LPFA	2014	2013
	%	%
Retiring today	22.1	21.5
Males	25.0	24.0
Females		
Retiring in 20 years		
Males	24.4	23.5
Females	27.2	25.9

The expected rate of return on the assets and the fair values of the assets of the LPFA scheme were as follows:

	2014	2014	2013	2013	2012	2012	2011	2011	2010	2010
	Expected	Fair	Expected	Fair	Expected	Fair	Expected	Fair	Expected	Fair
	rate of	Value	rate of	Value	rate of	Value	rate of	Value	rate of	Value
	return	£000s	return	£000s	return	£000s	return	£000s	return	£000s
	%		%		%		%		%	
Bonds	-	-	-	-	-	-	-	-	4.5	288
Equities	6.7	1,542	6.4	1,581	5.6	1,995	6.8	1,889	7.3	1,659
Alternative assets	6.0	250	5.4	269	4.6	450	5.8	383	6.3	361
Other bonds	-	-	-	-	-	-	5.3	55	5.4	48
Annuities	-	-	-	-	-	-	-	-	3.0	48
Target return portfolio	6.1	1,003	4.9	976	4.3	281	4.5	301	-	-
Cash	3.2	486	0.5	34	0.5	84	3.0	110	-	-
Cash flow matching	3.4	214	3.4	505	-	-	-	-	-	-
Total market value of assets		3,495		3,365		2,810		2,738		2,404
Present value of scheme liabilities		(4,595)		(4,098)		(3,981)		(3,323)		(3,514)
Deficit in the scheme		(1,100)		(733)		(1,171)		(585)		(1,110)

20 PENSION COSTS (CONTINUED)

Analysis of amount (credited to other finance income)/debited to finance costs

	2014 £000	2013 £000
Current service cost	89	110
Expected return on pension scheme assets	(182)	(146)
Interest on pension liabilities	198	156
Net return	105	120

Amounts recognised in the statement of total recognised gains and losses (STRGL)

	2014 £000	2013 £000
Actual return less expected return on pension scheme assets	(126)	385
Experience gains and losses arising on scheme liabilities	231	-
Impact of changes in assumptions relating to the present value of scheme liabilities	(453)	98
Actuarial (loss)/gain recognised in STRGL	(348)	483

Movement in (deficit) during the year:

	2014 £000	2013 £000
Scheme (deficit) as at 1 August 2013	(733)	(1,171)
Current service cost	(89)	(110)
Employer contributions	86	75
Other finance income	(16)	(10)
Actuarial (loss)/gain	(348)	483
Scheme (deficit) at 31 July 2014	(1,100)	(733)

History of experience gains and losses

	2014	2013	2012	2011	2010
Difference between actual and expected return on scheme assets					
Amount (£000)	(90)	385	(141)	92	65
Percentage of scheme assets	-2.6%	11.4%	-5.0%	3.4%	2.7%
Experience gains and losses of scheme liabilities					
Amount (£000)	195	0	0	740	0
Percentage of scheme assets	4.2%	0.0%	0.0%	22.3%	0.0%
Total amount recognised in statement of recognised gains and losses					
Amount (£000)	(348)	483	(562)	530	(92)
Percentage of scheme liabilities	7.6%	11.8%	14.1%	15.9%	0.0%

20 PENSION COSTS (CONTINUED)

FRS 17 – DISCLOSURES IN RESPECT OF LEGAL AND GENERAL (L&G) SCHEME

The major assumptions by the actuary in valuing liabilities were:

	2014	2013
	% pa	% pa
Discount rate	4.10	4.60
Expected pension increases (limited price indexation)	3.30	3.25
Inflation rate	3.30	3.25

The current mortality assumptions include sufficient allowance for future improvements mortality rates. The assumed life expectations on retirement age 65 are:

LEGAL & GENERAL	2014	2013
	%	%
Retiring today	23.9	23.8
Males	24.7	24.7
Females		
Retiring in 20 years		
Males	25.2	25.1
Females	25.8	25.8

The expected rate of return on the assets and the fair values of the assets of the L&G scheme were as follows:

	2014	2014	2013	2013	2012	2012	2011	2011	2010	2010
	Expected	Fair	Expected	Fair	Expected	Fair	Expected	Fair	Expected	Fair
	rate of	Value	rate of	Value	rate of	Value	rate of	Value	rate of	Value
	return	£000s	return	£000s	return	£000s	return	£000s	return	£000s
	%		%		%		%		%	
Bonds	4.1	1,414	4.3	1,208	3.9	1,112	5.4	1,068	5.3	854
Equities	7.2	4,132	7.3	3,819	6.5	3,163	6.6	2,955	7.0	2,603
Annuities	4.1	2,662	4.6	2,729	4.4	2,831	5.4	2,614	5.3	2,666
Cash	0.5	14	0.5	29	0.5	(118)	0.5	(87)	-	-
Total market value of assets		8,222		7,785		6,988		6,550		6,123
Present value of scheme (liabilities)		(8,730)		(8,135)		(8,414)		(7,195)		(7,295)
Deficit in the scheme		(508)		(350)		(1,426)		(645)		(1,172)

ANALYSIS OF THE MOVEMENT IN THE PRESENT VALUE OF THE SCHEME LIABILITIES (L&G SCHEME)

Value of liabilities as 31 July 2013	8,135	8,414
Interest cost	368	365
Experience (loss)/gain on liabilities	(45)	41
Gain/(loss) on changes in assumptions	546	(386)
(Decrease) in secured pensioners value	(189)	(222)
Benefits paid	(85)	(77)
Value of liabilities as 31 July 2014	8,730	8,135

20 PENSION COSTS (CONTINUED)

ANALYSIS OF MOVEMENT IN THE MARKET VALUE OF THE SCHEME ASSETS (L&G SCHEME)

	£000
Bid value of assets at 31 July 2013	7,785
Expected return on assets	457
Gain on asset return	3
Employer contributions (gross)	299
Expenses paid by the scheme	(48)
Change in secured pensioners value due to scheme experience	(189)
Benefits paid	(85)
	<hr/>
Bid value of assets at 31 July 2014	<u><u>8,222</u></u>

	2014 £000	2013 £000
Analysis of amount (credited to other finance income)/debited to finance cost		
Expected return on pension scheme assets	457	374
Interest on pension liabilities	(368)	(365)
	<hr/>	<hr/>
Net return	<u><u>89</u></u>	<u><u>9</u></u>

	2014 £000	2013 £000
Amounts recognised in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	3	445
Experience gains and losses arising on scheme liabilities	45	(41)
Impact on changes in assumptions relating to the present value of scheme liabilities	(546)	386
	<hr/>	<hr/>
Actuarial (loss)/gain recognised in STRGL	<u><u>(498)</u></u>	<u><u>790</u></u>

	2014 £000	2013 £000
Movement in (deficit) during the year:		
Scheme deficit at 1 August 2013	(350)	(1,426)
Contributions	299	315
Net financial return	89	9
Actuarial (loss)/gain	(498)	790
Expenses paid by the scheme	(48)	(38)
	<hr/>	<hr/>
Scheme (deficit) at 31 July 2014	<u><u>(508)</u></u>	<u><u>(350)</u></u>

20 PENSION COSTS (CONTINUED)

History of experience gains and losses	2014	2013	2012	2011	2010
Difference between actual and expected return on scheme assets					
Amount (£000)	3	445	(63)	225	274
Percentage of scheme assets	0.0%	5.7%	-0.9%	3.4%	4.5%
Experience gains and losses of scheme liabilities					
Amount (£000)	45	(41)	(65)	86	(22)
Percentage of scheme assets	50.0%	-0.5%	-8.0%	1.2%	0.3%
Total amount recognised in statement of recognised gains and losses					
Amount (£000)	546	386	(909)	307	(304)
Percentage of scheme liabilities	6.3%	4.7%	-10.8%	4.3%	0.0%

Movement in deficit during the year: Consolidated

	2014 £000	2013 £000
Scheme deficit at 1 August 2013	(1,083)	(2,597)
Current service cost	(89)	(110)
Employer contributions	385	390
Net financial return	89	9
Other finance income	(16)	(10)
Expenses paid by the scheme	(48)	(38)
Actuarial (loss)/gain	(846)	1,273
Scheme (deficit) at 31 July 2014	(1,608)	(1,083)

21 LEASE COMMITMENTS

At 31 July 2014, the Conservatoire and its group had annual commitments under non-cancellable operating leases expiring as follows:

	2014		2013	
	Land & buildings £000	Other £000	Land & buildings £000	Other £000
Less than 1 year	282	30	282	62
Between 2 - 5 years	1,128	18	1,128	41
More than 5 years	34,215	-	34,497	-
	35,625	48	35,907	103

22 SUBSIDIARY UNDERTAKINGS

The Conservatoire has a 100% holding in The Blackheath Halls, a company limited by guarantee.

The Blackheath Halls is a non-profit organisation raising funds to advance education by the encouragement of the arts.

23 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available under Financial Reporting Standard 8 Related Party Transactions not to disclose transactions included with the Group.

24 ULTIMATE CONTROLLING PARTY

The Group and Company had no ultimate controlling party as at 31 July 2014.