

FINANCIAL STATEMENTS 2014-15

TRINITY LABAN CONSERVATOIRE
OF MUSIC & DANCE

A REGISTERED CHARITY AND
COMPANY LIMITED BY GUARANTEE
COMPANY REGISTRATION NO. 510950
CHARITY NO. 308998



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Legal and Administrative Details

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| Patron | His Royal Highness The Duke of Kent KG GCMG GCVO ADC | |
| Board of Governors | | |
| Independent Governors | The Rt Hon The Lord Lipsey (Chair) Rebecca Allen (appointed July 2015) Richard Brown (retired at end of term in March 2015) Dr Esther Cavett (Joint Vice-Chair) Dr Geoffrey Copland CBE (Joint Vice-Chair) David Edmonds CBE (appointed March 2014) Joanna Embling (retired at end of term in March 2015) Sam Jackson Martin Kettle Hilary Oliver Professor Nirmala Rao OBE Francesca Robinson Vimmi Singh Elizabeth Wedmore (retired in March 2015) | |
| Co-opted Governors | Councillor Helen Klier Councillor Allan MacCarthy (appointed September 2014) | |
| Ex Officio Governors | Professor Anthony Bowne (Principal) | |
| Staff Governors | Hazel Lindley-Milton Timothy Palmer (retired September 2014) Aleks Szram (appointed November 2014) | |
| Student Governors | Mathilde Lepage-Bagatta - SU Vice President (Dance) (appointed August 2014) Katrina Wilson – SU President (appointed August 2014) Lucy Drever (SU Vice-President) (retired at end of term of office: August 2014) Gordon Waterson (SU President) retired at end of term of office: August 2014) | |
| 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 | Dr Dave Dowland (appointed 21 April 2015) | |
| Auditors | External Auditors Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP <i>Allied Irish Bank (GB)</i> 10 Berkeley Square London N1J 6AA | Internal Auditors Kingston City Group Kingston University Room 62, Kenry House Kingston upon Thames KT2 7LB <i>NatWest Bank</i> 10 Marylebone High Street London W1A 1FH |
| Bankers | | |
| Photos | All photos provided by jk photography | |

STRATEGIC REPORT OF THE BOARD

Strategic Aims and objectives

Trinity Laban's 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.



Principal activities

Trinity Laban Conservatoire of Music and Dance is a publicly funded higher education institution. 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 2014-15 in the delivery of charitable purposes for the public benefit

Strategic development

Reflecting on the first year of operation of Trinity Laban's new Strategic Plan 2014-2019, this report can look back on some notable milestones in the delivery of our major strategic priorities.

Outcomes from our first submission to the Research Excellence Framework, announced in December 2014, provided firm evidence of the vibrant research culture and energetic environment for practice-based research that we have created at Trinity Laban. We were ranked by the Times Higher as the top conservatoire in the country for 'research intensity' and out-performed many longer established research departments in our disciplines. 100% of our research impact was classified as 'internationally excellent' or 'world class', showing how our work is influencing performers, educators and policy-makers across the world.

In October 2014, our application for taught degree-awarding powers (tDAP) was approved to proceed to the scrutiny phase, which was duly completed during the 2014-2015 academic year. We now await consideration of the scrutiny team's report by the ACDAP Committee of the Quality Assurance Agency and its recommendation to the Privy Council on the award of powers. Successful conclusion of our tDAP application would consolidate the Conservatoire's position as an international centre of excellence and give greater flexibility to direct the development of our academic portfolio and initiate new developments and learning and teaching approaches.

We continued to expand our portfolio of international partnerships. We became the first UK conservatoire to be recognised by the Fulbright Commission for the award of a named Fulbright postgraduate scholarship. We also established formal agreements with Bårdar Akademiet AS (Norway), Ewha Womans University (Korea) and Korea National University of Arts (K-Arts). Students and staff from K-Arts and Ewha travelled to the UK to work with their Trinity Laban peers during the year, providing exciting opportunity for cultural exchange in our art forms through the development of collaborative projects.

Supporting our students and alumni

Trinity Laban's mission is to help our students to realise their full creative potential and establish careers as innovative artists who can shape the future of their disciplines. The Board is therefore delighted to report on continuing achievement. For a third consecutive year, we placed in the top three among all UK Higher Education Institutions for graduate employment: 99.1% of Trinity Laban's 2014 undergraduate leavers were in employment or further study six months after graduating. Within this report, we highlight some of the many student and alumni successes during 2014-2015, and the achievements of the staff who have guided them.

Our consistent ability to support the professional ambitions of our students arises from a combination of excellent teaching by a staff of outstanding artists and educators; rigorous interrogation and systematic updating of curricula and learning, teaching and assessment methods; and close regard for the student voice and the student experience. During 2014-2015, we undertook a comprehensive review of our postgraduate programmes, refreshing curricula to ensure they reflect the demands of creative practice in the twenty first century, and introducing new pathways and modules to meet the aspirations of the emerging generation of artistic leaders.

Our Learning and Teaching Plan aims to create an environment that values creativity, individuality and originality in thought and practice. Central to the Plan is enhancement of our support for pedagogic innovation and for the professional development of our teaching staff. A new Learning Enhancement Unit was established in September 2014, as a place where staff can find support for their developmental needs and where we focus on developing the infrastructure of learning and teaching to promote Trinity Laban as an international leader in Performing Arts based pedagogy. The Unit took forward a number of initiatives in 2014-2015:

- A Learning and Teaching seminar series was instituted with presentations from both Trinity Laban academics and external experts
- A dedicated Learning and Teaching day was held in the Faculty of Dance which enabled staff to share pedagogic good practice and teacher-led enquiry
- A new mechanism for capturing good practice in teaching was trialled in the Faculty of Music
- A review of Learning Support was undertaken and a set of recommendations agreed for implementation in 2016-2017

- An additional 17 staff gained recognition as Fellow or Senior Fellow of the Higher Education Academy. Each individual was given support by the Learning Enhancement Unit, either through workshop attendance or individual mentoring.

Alongside their inspirational teaching staff, students benefited from the presence of many internationally renowned visiting artists acting as conductors and choreographers or sharing their expertise in master classes and workshops. These included, in Music, violinist Tasmin Little, Czech violist Jiří Žigmund, tenor James Gilchrist and conductors Sir John Eliot Gardiner and Paul Daniel, who led the Trinity Laban Symphony Orchestra in an inspired performance of Mahler's 5th Symphony at London's Cadogan Hall. In Dance, leading choreographers Zoi Dimitriou, Miguel Pereira and Bawren Tavaziva made work for our graduate touring company, Transitions.

Student successes

Postgraduate piano student Naufal Mukumi won First Prize and several other prizes at the 16th International Competition Sta Cecilia in Portugal.

Jazz piano student Reuben James won the Rising Star category in the 2014 British Jazz Awards, attracting compliments from the world's jazz greats: Wynton Marsalis said: "We haven't heard anything like this in New York for over twenty years".

A new work by composition student Declan Kolakowski was performed at the Museum of the City of New York at a trade mission by London Mayor Boris Johnson. The piece was commissioned by the London Universities International Partnership especially for the visit, with the theme London: Connecting you with the World.

2014-2015 Richard Carne Junior Fellow, Claire Wickes, was named the new Principal Flute with English National Opera, after a successful trial period with the orchestra.

Young cellist Lauren Hele, who is studying at Trinity Laban's Junior Trinity music school, was awarded an ABRSM Silver Award following her distinction mark in her Grade 8 cello exam.

Jack McNeill, a first year musical theatre student, won Best Leading Man in the 2015 National Operatic and Dramatic Association biennial awards.

Piano student Giulio Potenza was invited by legendary Argentinian pianist Martha Argerich to perform in Lugano in the 2015 edition of her Martha Argerich Project, which includes concerts and masterclasses and serves as a showcase for outstanding musical talent from around the globe.

Trinity Laban's is committed to sustaining a warm and supportive relationship with our international community

of graduates throughout their creative lives. In July 2015, we conducted a major survey to improve our understanding of the best ways to engage with alumni. The survey provided rich information that will be used to develop our future services for graduates and build connections between alumni, current students and the Conservatoire. The Board was pleased to note that 94% of respondents attributed their professional success to the training they had received at Trinity Laban.

Alumni achievements

Drummer Moses Boyd won the Worshipful Company of Musicians 2014 Young Jazz Musician Award after a sold out performance at London's Pizza Express Dean Street jazz club. The listening audience voted Moses as the most outstanding performer and "team player" on the stand.

Recent dance graduate Sophie Farrell was accepted onto the prestigious CaraBdanza professional training programme in Madrid, where she is working with fellow alumnus Carolina Márquez.

Duncan Ward – a former Trinity Laban Junior Fellow and an alumnus of Junior Trinity – was been appointed Principal Conductor of Sinfonia Viva, a virtuoso ensemble with a national reputation for delivering original and extraordinary creative musical experiences. Duncan also made his debuts with the City of Birmingham Symphony Orchestra, Luxembourg Philharmonic, Deutsche Kammerphilharmonie Bremen and Symphony Orchestra of India.

Internationally acclaimed dancer, choreographer and teacher Kerry Nicholls was appointed Artistic Director of National Youth Dance Wales. Since graduating from Trinity Laban, Kerry has become known as one of Britain's foremost contemporary technique teachers, working with leading dance organisations such as Wayne McGregor|Random Dance, the Michael Clark Company, Ballet Preljocaj (France), Escala De Danza (Cuba) and the Beijing Dance Academy (China).

Trinity Laban piano graduate, and Leverhulme Junior Fellow in piano accompaniment, Panaretos Kyriatidis, won joint first prize at the Gerald Moore Award competition.

*Taylor Benjamin (Transitions 2007-2008) and Ian Garside (BA Dance Theatre 2005-2008) starred in **JOHN**, an extraordinary new dance work presented by renowned company DV8 at the National Theatre. **JOHN** was broadcast to cinemas in the UK and internationally.*

Samuel Boden (BMus 2006, MMus 2008) reprised his title role in Francesco Cavilli's L'Ormindo at the Sam Wanamaker Playhouse. He also played the role of Orphée in Gluck Orphée et Euridyce with the Nederlandse Reisopera.

Five Trinity Laban dance alumni were selected for Dance UK's Dance Teacher Mentorship scheme. Dance teachers Hayley Adams, Mary Davies, Lucy Evans, Jemima Hoadley and Jane McLean were considered by their peers to be future leaders in the dance world.

Manu Delago performed at Carnegie Hall with Björk as a drummer and Hang player. Manu also released his new album, supported by a 40 date European tour.

*Stage actor and dance alumnus Radhika Apte won the lead role in British producer Michael Ward's Indo-British film **Bombairiya**. Radhika made her Bollywood debut with Mahesh Manjrekar's **Vaah! Life Ho To Aisi** in 2005, and has since acted in Hindi, Marathu and English theatre.*

Laura Jurd, Peter Edwards and Phil Meadows all took home major prizes at the Parliamentary Jazz Awards one of the UK's most prestigious awards ceremonies for the jazz community. Laura won Jazz Instrumentalist of the Year; pianist, composer and bandleader Peter was named Jazz Newcomer of the Year; and Phil's ensemble Engines Orchestra, took the prize for Jazz Ensemble of the Year.



Providing lifelong opportunities in Dance and Music

Trinity Laban has a proud history of promoting and extending access to its art forms among participants of all ages and abilities. Our learning programmes extend from early years work with children from the age of two to professional development for artist-practitioners.

Outreach activities for young people include one-off workshops, longer term creative projects and live performances, curriculum based projects raising achievement of pupils and supporting and enriching the school's cultural offer, presentations and information for parents and carers, and regular after hours and holiday provision in music and dance. In 2014-2015, continuing programmes included:

Trinity Laban Young Dance Ambassadors programme. Young Dance Ambassadors, aged 15-19, participated in weekly sessions focusing on arts project management, teaching and leading skills and how to produce arts events. Working with Learning and Participation (Dance) they developed knowledge and practical skills before putting them into practice with their peers to produce a dance event or project. All Young Dance Ambassadors worked towards the Silver Arts Award, a qualification which teaches them to work independently and prepares them for further education and employment in the arts.

Super Sonics music performance workshops for primary school classes. These interactive sessions introduced Key Stage 2 pupils to the world of live musical performance. Workshops linked into a school's Wider Opportunities/KS2 Whole Class Instrumental Learning were designed to complement the National Curriculum, help children to hone skills in listening and appraising music and encourage instrumental learning.

Trinity Laban's **Centres for Advanced Training** provide the most concentrated opportunity for gifted young people to develop the skills needed for further progression in their art form. Junior Trinity in Music and the Trinity Laban CAT in Dance recruit by audition and offer intensive music and dance training for young people with exceptional talent, many of whom receive bursaries under the Department for Education's Music and Dance Scheme or directly from Trinity Laban.

The Board was pleased to note the continuing impact of our outreach and progression programmes in widening participation to conservatoire study at higher education level. Trinity Laban remains the leader in the conservatoire sector for recruitment from lower socio-economic groups - 34% of our UK undergraduate intake came from NS-SEC groups 4 to 7 – and over a third of undergraduates received income-related financial support

from the Conservatoire. Partnership working and engagement in national initiatives have been key factors in influencing change in the educational and artistic environments that dictate how far disadvantaged groups can access opportunity in our disciplines. Long-term relationships with partners such as our local boroughs, the national orchestras, prominent dance companies and agencies, Arts Council England, and Conservatoires UK have allowed for the systematic planning, development and enhancement of access work.

We showcased the achievements of young artists at a number of high-profile events through the year:

- Over 500 young singers and instrumentalists from across South East London performed together on the final night of the Music for Youth Schools Prom at the Royal Albert Hall, in the world première of a new commission by local composer, Kerry Andrew, inspired by Benjamin Zephaniah's poem *The London Breed*. Musicians were drawn from Trinity Laban's Animate Orchestra and Junior Trinity, alongside a 400 strong choir from the London Boroughs of Lambeth, Lewisham, Royal Greenwich and Southwark. The ensemble was supported by musicians and mentors from Trinity Laban, the London Philharmonic Orchestra and the music education hubs from the four boroughs.
- The Greenwich Dance and Trinity Laban partnership hosted the annual London U.Dance platform, presenting the most exciting youth dance groups in the capital performing brand new work. The April 2015 event focused on integrated dance and included work from SLiDE dance company and a collaboration between Trinity Laban Youth Dance Company and Cando2, featuring both disabled and non-disabled dancers, that was later selected for the U.Dance National Festival.

In 2014-2015, Trinity Laban's professional development programme provided relevant, flexible and high quality training to many music and dance artists, teachers, tutors and community practitioners including:

Teach Through Music

Teach Through Music was a year-long, fully subsidised professional development programme for Key Stage 3 music teachers in London schools, supported by the London Schools Excellence Fund. Trinity Laban led a partnership of world-class music education organisations which set out to create a 'Centre of Excellence' for KS3 music teaching in London, drawing on the expertise of teachers, the

Higher Education community and cultural organisations.

Safe Dance Practice

In Dance, a number of activities focused on safe and healthy practice for dancers and dance teachers. Specialist training days covered *Safe and Effective Dance Practice* and *the Healthy Dance Practice Certificate*, the latter offering the opportunity to take the new Certificate in Healthy Dance Practice awarded by Safe in Dance International. World-leading Trinity Laban experts in Dance Science, Edel Quin (MSc Dance Science Programme Leader), Sonia Rafferty (Senior Lecturer in Dance) and Charlotte Tomlinson (MSc Dance Science alumnus), also offered a free webinar presenting some of the issues raised in their newly-published textbook, *Safe Dance Practice: An applied dance science perspective*.

Enriching our communities

As stated in our core values, Trinity Laban views the arts as a force for both personal fulfilment and social good, and seeks to place music and dance at the centre of civic life. We promote to our students an ethos that esteems the active contribution of the artist in society, which we exemplify as an organisation that deploys its expertise and resources for the wider public benefit. Our public programming in 2014-2015 reached in excess of 80,000 beneficiaries.



Performance highlights

Among a huge range of professional, student and community performances, many offering free entry, 2014-2015 highlights included:

Students performing with **Colin Currie** in two events at the Southbank Centre as part of **Metal, Wood, Skin: The Colin Currie Percussion Festival**

Singers working with **John Eliot Gardiner** at the **Royal Greenwich Early Music Festival**

An expansion of the hugely popular series of **Side-by-Side** orchestral concerts at Blackheath Halls

New and touring works at the Laban Theatre by leading choreographers including **Zoi Dimitriou, Theo Clinkard, Rahel Vonmoos, Marina Collard, Alexander Whitley, Raimund Hoghe, Wendy Houstoun** and **Hagit Yakira**

Animate Orchestra and members of Junior Trinity performing at the Royal Albert Hall in the **Music for Youth Schools Prom**

A candle-lit performance by the Chamber Choir at **Shakespeare's Globe** in the presence of Judith Weir, Master of the Queen's Music

Musical performances across London, including the Contemporary Jazz Ensemble performing at the Southbank Centre in the **London Jazz Festival**, the annual **Gold Medal Showcase** at Kings Place, and **Paul Daniel** conducting the Trinity Laban Symphony Orchestra at Cadogan Hall

A first ever UK appearance for **K-Arts Dance Company** from the Korean National University of the Arts

The Daryl Runswick Composition Prize at the **National Portrait Gallery** and the music and dance research showcase performance **Parallax V** at the ICA

The **Royal Greenwich String Quartet Festival**, featuring a theme of film music works

Numerous student performances in the Laban Theatre, including Commissioned Works, Historical Project, End of Year Showcases

A national and international tour from **Transitions Dance Company**

A two-week musical theatre residency at Stratford Circus, featuring the shows **Spend, Spend, Spend** and **Lucky Stiff**

Britten's opera **A Midsummer Night's Dream** at Blackheath Halls

An increasingly important focus for our community work has been the use of dance and music to address significant public health issues including those associated with an ageing population, social isolation, obesity and mental health problems. Alongside **Retired not Tired**, our well-established music and dance programme for older people, a number of new projects were launched in 2014-2015:

Headstart – Dancing Ahead

Creative dance classes for young people to support transition to secondary school. Classes are experiential and centred on the interests of the participants who are fully involved in the creative outcomes of the activity. This group is targeted at young people at risk of mental health issues.

Headway

A weekly dance class for people who have suffered an acquired brain injury or stroke with the aim of improving wellbeing, balance and movement.

Pulse

A dance programme for 7-13 year olds that offers a supportive and encouraging environment where young people can learn different dance styles, watch professional dance performance, and learn about healthy eating. This dance programme is targeted at young people who do not access dance or physical activity and/or are above a healthy weight.

Advancing our art forms through research and scholarship

Alongside the welcome success in the Research Excellence Framework noted above, we can look back at another year of growth in the range and reach of our research activity.

The main phase of investigation commenced on the four-year, AHRC-funded *Musical Impacts* project, a collaborative interdisciplinary research programme delivered by members of Conservatoires UK working with industry bodies. Trinity Laban is leading on the strand *Making Music The physical and mental demands of practising and performing*, which studies the physical and mental demands of music making and training using cutting edge physiological monitoring equipment. Projects underway in 2014-2015 covered:

- Ergonomics of brass playing
- Demands of violin playing
- Energy expenditure
- Breath management strategies
- Musician awareness

In collaboration with Plymouth and Coventry Universities, our Dance Science department also secured funding from the Leverhulme Trust for a three year study examining what enables dancers to use mental imagery more effectively to generate movement material. It will also consider how such mental techniques and methods can best be taught, with a view to developing detailed training programmes for aspiring dancers to employ.

In 2014-2105, the annual Research Seminar Series featured a particularly strong lineup of speakers around the theme of Art and Politics, including distinguished scholars from the University of Glasgow, University of California San Diego and Pallant House Gallery, as well as Trinity Laban's own researchers. All the talks centred around political and/or ethical issues in the arts, and formed a companion to the Learning and Teaching Seminar Series.

Research students presented their work in the Research Degree Programme Week. Spanning a wide range of themes across both music and dance, topics included physiological responses to contemporary dance, the musical canon, creativity, novelty and imagination in the dancer's mind and a biochemical analysis of the skilled instrumentalist. The programme also included a number of professional development events and composer forums, presented by composers Rodney Sharman and Richard Barrett.

Staff highlights

*Internationally acclaimed jazz pianist and Head of Jazz, Simon Purcell, released his new album **Red Circle** on Whirlwind Recordings, launching the new recording at the Pizza Express Jazz Club in Soho as part of the London Jazz Festival. The album's band is made up of Trinity Laban jazz teachers - Chris Batchelor (trumpet), Julian Siegel (saxophone), Steve Watts (double bass) and Gene Calderazzo (drums).*

*Senior Dance Lecturer at Trinity Laban, Dr Naomi Lefebvre Sell, co-authored a chapter in a major new dance book, **Dance, Somatics and Spiritualities**. Naomi's chapter, **Dancing and Flourishing: Mindful Meditation in Dance-Making and Performing**, which she co-wrote with Professor Sarah Whatley, explores the role of meditation within dance practice and considers how its integration within dance training might influence pedagogical approaches in the dance studio*

Head of Composition, Dominic Murcott, was co-curator of a festival celebrating the work of cult American composer

Conlon Nancarrow at the prestigious Whitney Museum of American Art in New York City.

*Programme Leader for MA Choreography, Tony Thatcher, saw his work featured in **Morriña**, a new film by Bruno Mathez, with music by Miguel Mera. **Morriña** (which translates as 'a sense of longing that is so strong that it can even cause death') was screened as part of **Cinesonica**, a concert series put on by City University which explored the relationships between sound, simulation and moving images, with a particular focus on embodied movement.*

*Gabriella Dall'Olio, Head of Harp Studies, performed with the Berlin Philharmonic Orchestra and Sir Simon Rattle in two concert presentations of Berlioz's epic **Damnation of Faust**.*

*Dr Jonathan Owen Clark, Head of Research and Professor John Irving, Professor of Historical Performance, shared their expertise as both performers and researchers at the conference **Music-Dance: Sound and Motion in Contemporary Discourse and Practice**, held at the Fondazione Giorgio Cini Istituto per la Musica in Venice, as part of the Institute of Music's 30th anniversary celebrations.*

Development and fundraising

Trinity Laban continuously seeks philanthropic support from a wide range of public and private sector sources. The funds raised are vital, providing scholarships for those who may otherwise be unable to sustain their studies, support for our extensive outreach programmes and enabling us to continuously enhance our world-class estates and learning facilities.

We are particularly grateful to Trinity College London for the outstanding generosity, which they continue to provide through the Trinity College of Music Trust, and to the Laban Centre for Movement and Dance Endowment Fund.

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 for the support of Arts Council England and to the two local authorities in which Trinity Laban is based; the Royal Borough of Greenwich and the London Borough of Lewisham

We are also especially grateful to:

- The Richard Carne Trust and The Hearn Foundation for ongoing generous support towards engaging Visiting Artists; providing mentoring for our wider student population.
- 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 estates of Margaret Shields and alumnus Alan Tregonning, which will fund annual scholarships in their respective names.
- Former Governor, Richard Brown, who so generously supported the renovation of one of Trinity Laban's Steinway pianos.
- The family and friends of alumnus, Colin Blythe, who have generously donated to the fund set up in his memory, which will support student bursaries.
- Mrs Patricia Collins, who has endowed a new prize at Trinity Laban in memory of her husband, jazz trumpeter, Mick Collins.

As always, we are indebted to far too many trusts and individuals to be able to name them all in this report; however their gifts have made a crucial difference and all are deeply appreciated.

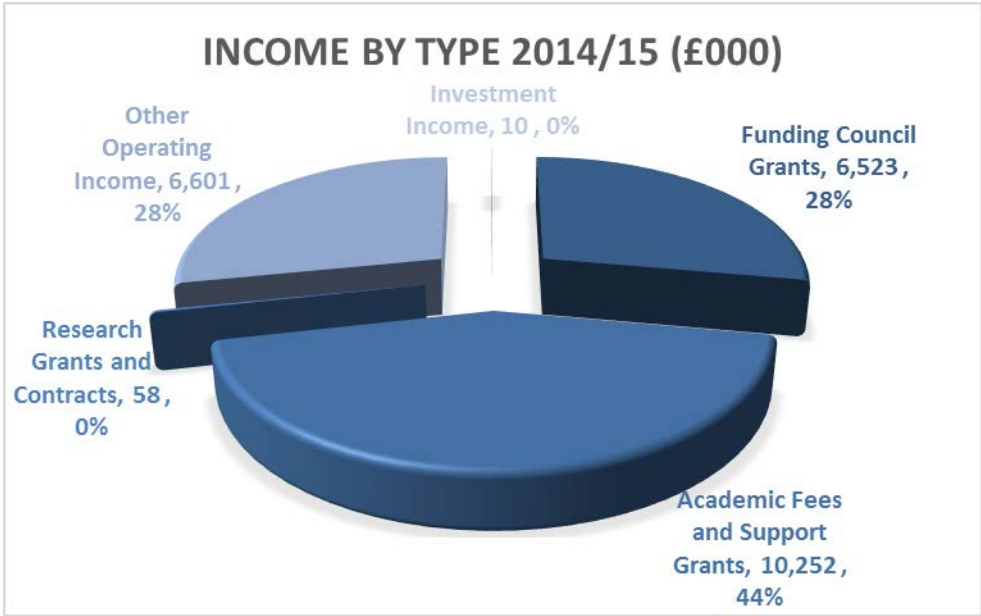
Special tributes

The Board expresses deep gratitude to three of its members who retired during the year – Elizabeth Wedmore (Chair of the Audit Committee), Richard Brown and Joanna Embling. They have made a highly significant contribution to the development of Trinity Laban over many years. The Board also wishes to express strong appreciation to Tracey Price, Director of Finance, who left in September 2015 for the next stage of her career. Her role in the consolidation of the Finance department for the integrated institution has been pivotal.

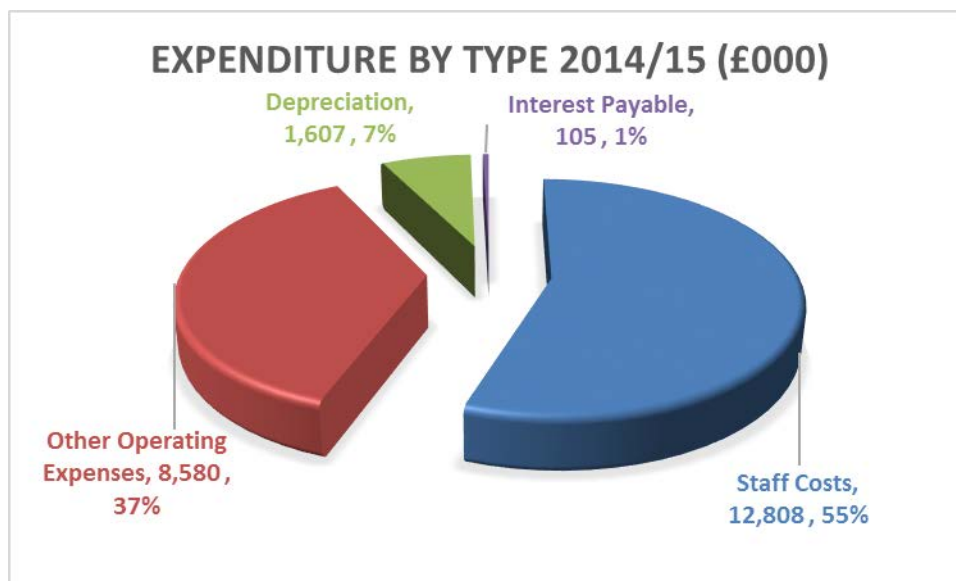
Financial review

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 eighth consecutive year since merging the legacy institutions in 2005. The retained surplus was £0.5m (2013-14 £1.5m) and showed slightly reduced income following reduced HEFCE grants and reductions to investment income. Expenditure grew in line with the strategic plan and budget, which coupled with the static income, led to a reduced surplus.



Total income decreased slightly by 0.2% to £23.44m for the year (2013-14 £23.49m). The main reasons for this static position were the reduction in HEFCE grants, offset by an increase in academic fees and support grants, a reduction in investment income linked to prior year adjustments for endowments, and a small reduction in other operating income.



Total expenditure increased by 5.8% from the previous year at £23.1m (2013-14 £21.9m). The principal variations consist of an increase in staff costs of £0.9m (7.7%), and other operating expenses £0.3m (3.7%). The staff cost increase had three main components, namely additional staff numbers £0.37m, salary increases £0.36m, and a further shift from agency staff to employed staff £0.18m. The latter factor should be offset by a reduction in agency spend within other operating expenditure, but other items such as additional work on estates development, the institution's application for teaching degree awarding powers, increased bursaries and an increase in volume in our Learning and Participation programmes outweighed it. Other operating expenditure was also increased by a £49k prior year write-off in one of the Conservatoire's subsidiary companies.

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. Work continued on reviewing and consolidating the accounts used for endowment transactions, resulting in charges to the endowment funds in respect of transactions from prior years. The overall investment portfolio decreased to £5.5m in 2014-15 from £5.6m in 2013-14 as dividend income net of current year charges (£0.1m) and new endowments (£0.25m) were more than offset by transfers from endowments in respect of prior year expenditure (£0.5m). The prior year expenditure had two components, namely investment management fees that had not previously been expensed (£0.172m), plus endowment expenditure that had been paid from the institution's main bank account without being reimbursed by the endowment funds (£0.372m).

Additions to fixed assets

Additions to buildings amounted to £0.23m, equipment £0.24m and musical instruments £0.07m as set out in Note 9.

Major financial risks

The Conservatoire continues to operate in a competitive environment for student recruitment and is alert to the consequences of not meeting its planned recruitment targets. Strategies are in place to recruit from within the EU and other international markets, with equal importance placed on supporting existing students to maximise retention and progression.

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 still receives a significant proportion of its income from the Higher Education Funding Council's 'Institutional Specific Targeted Allocation'. Such funding is critical to the Conservatoire sector as a whole due to the high cost of providing our specialist training, and the results of the review of this funding are expected during 2015/16.

Demographic changes continue to exert upward pressure on pension costs. Higher employer pension contributions have been included in the Conservatoire's financial forecasts to recognise the need to reduce the accumulated pension fund deficits.

Other major risks

The Conservatoire maintains a register of key risks, which currently identifies 15 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. 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.

Key risks are assessed in relation to their impact, likelihood and associated level of risk appetite and are also aligned to institutional strategic aims, as set out in the Strategic Plan. Alongside risks to financial strength and sustainability covered in the financial commentary, the major risk areas remain:

- 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;
- Risks associated with breaches of safeguarding policy and procedures.

During 2014-2015, the areas of most critical risk were assessed to be student recruitment and the external funding and policy environment, and these were addressed in mitigating action plans that were monitored by senior management. Data quality was identified as increasingly important issue which could affect decision-making, funding and regulatory compliance; a risk relating to data quality failure has therefore been added to the key risk register. The Board and management continue to maintain close oversight of the overall risk profile of the Conservatoire.

Key performance indicators

Trinity Laban monitors, evaluates and reports the achievement of the Institution against its Strategic Plan in a number of ways which, at the level of the Board of Governors, includes regular review of Key Performance Indicators (KPIs). KPIs were originally introduced in 2007, in line with sector best practice as defined by the Committee of University Chairs guidance. The configuration of the headline KPIs and underlying measures has been adapted over the subsequent period in response to the development of the Institutional Strategy, reviews of the framework by Board and senior management, and emerging external requirements such as the HEFCE annual sustainability assessment. In 2014-2015, 12 headline KPIs, underpinned by 27 data measures, were monitored and reported using traffic light status indicators (3 green, 6 amber-green, 3 amber, 0 red at the time of the last report). The Board KPIs are selected to reflect the most critical factors to the Institution's success, as well as the primary developmental initiatives within the Strategic Plan – currently, acquisition of Taught Degree-Awarding Powers.

Monitoring and reporting of Key Performance Indicators aims to:

- Support an effective and transparent governance process, and efficient communication between Board and management
- Satisfy accountability requirements of external bodies
- Identify successful approaches and drive improvement
- Enable timely identification of performance issues and risks to the achievement of high-level strategic and operational objectives

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, encouraged and engaged.

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 **25 November 2015** and signed on its behalf by:



Lord 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 company limited by guarantee, and a registered charity regulated by the Higher Education Funding Council for England (HEFCE) in its capacity as Principal Regulator. Trinity Laban owns 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 oversight of the Institution and ensuring effective systems of internal control and accountability. The Board is required to present audited financial statements for each financial year.

The Governors are Directors of the Company and Trustees of the Registered Charity as provided under the Charities Act 2011. The Board confirms, that, through the submission of the annual report and audited financial statements for the year ended 31 July 2015, it has 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 the educational provision at Higher Education and pre-Higher Education levels; widening participation, community engagement and outreach activities and through the development of the art forms and performances.

Trinity Laban aligns its practices to the guidance of the UK Corporate Governance Code (formerly the Combined Code on Corporate Governance) so far as it relates to Higher Education institutions; the reports of the Committee on Standards in Public Life, and the Code of the UK Committee of University Chairs (CUC). The Board keeps its governance arrangements under regular review and evaluated its alignment to the 2014 version of the CUC Code in 2015, building on earlier reviews.

The Board is responsible for the institutional system of internal control. 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 guidance in the CUC Code and the requirements of HEFCE.

The Institution maintains public information on governance arrangements through its web site.

The corporate governance procedures, structures and risk management processes described in this section have been in place throughout the year ended 31 July 2015, and up to the date of approval of these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with law and regulations. Company law requires the directors to prepare financial statements for each financial year. The Directors have prepared 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

The members of the Board of Governors who served during the year and up to the date of this report are listed on page 2. The Governors are directors for the purpose of company law and trustees for the purpose of charity law.

The Board has a majority of independent members: neither employees nor students of the Institution. The Board also includes student representatives and members elected by staff.

Under the company's Articles, Independent 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 with any further extension approved only exceptionally. . The Board, through the Nominations Committee, seeks to recruit a diverse membership. The Nominations Committee periodically considers the skills mix of the Board as a means of succession planning.

Independent members do not receive fees or other remuneration for serving as Governors, Directors and Trustees but are entitled to recover expenses as outlined in the notes to the Accounts. Provision is made for remuneration for governors for business services to the Institution beyond their duties as members of the Board.

Governor/Trustee induction and training

All members receive induction, addressing their particular needs and interests, including a series of meetings and briefings with staff, receipt of information packs and regular invitations to internal and external events/seminars and conferences as a means of continuous development.

Responsibilities and delegated authority

The Board maintains the following Statement of Primary Responsibilities, in accordance with the Memorandum and Articles. The Board will:

- 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 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 the approved Schedule of Delegation. Each committee is chaired by an independent board member. The committees include the Finance and General Purposes Committee, the Audit, Nominations and HR & Remuneration committees. There is no separate investment committee but there is an investment review group, which is overseen by the Finance and General Purposes Committee.

The Academic Board is established as required under the Memorandum and Articles of Association. Academic Board is chaired by the Principal and includes staff and student members, with one observer each from the Board of Governors and Trinity College London. The Board is responsible for overseeing the academic health of the Institution.

The Registrar and Company Secretary and Clerk to the Board provides procedural and regulatory guidance to the Board and access to independent financial and legal advice. A register of Board Members' interests is maintained.

There were no related party transactions involving members of the Board with Trinity Laban during 2014/15.

Internal control

The Board of Trinity Laban is responsible 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 of the Institution. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can 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 personnel 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 schedule of business provides for 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.

Data quality

The Institution operates with regard to the guidance of HEFCE and the Audit Commission on the management of data. There is an approved Data Quality Framework, setting the arrangements for the Institution to maintain accurate, valid, timely and reliable data in order to manage activities effectively and meet internal and external reporting and accountability requirements. The Principal's Management Group is responsible for the implementation of policies and measures to deliver data quality. The Audit Committee oversees the adequacy and effectiveness of the institution's arrangements for the management and assurance of data submitted to HEFCE, the Student Loan Company, the Higher Education Statistics Agency and other bodies. The Board of Governors has overall responsibility for the fulfilment of the legal and regulatory obligations of the Institution for data.

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.

HEFCE assurance audit

HEFCE conducted an Assurance Audit in 2015, resulting in a positive conclusion.

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 **25 November 2015** and signed on its behalf by:



Lord 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 2015 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 Conservatoire's 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 Conservatoire'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 Conservatoire 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 18, 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 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 Conservatoire's affairs as at 31 July 2015 and of its surplus and of 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 Governors' 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 Memorandum of Assurance and Accountability dated June 2014

In our opinion, in all material respects:

- funds from whatever source administered by the Conservatoire 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 Memorandum of assurance and accountability, and any other terms and conditions attached to them; and
- The requirements of HEFCE's accounts direction have been met.

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 by the Conservatoire, 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

25 November 2015

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 2015. 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 |
|----------------------------------|---------|

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 The 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 2015

| | Note | 2015 £ | 2014 £ |
|--|-------|-------------------|-------------------|
| Income | | | |
| Funding Council grants | 1 | 6,522,768 | 7,432,707 |
| Academic fees and support grants | 2 | 10,252,227 | 9,130,581 |
| Research grants and contracts | 3 | 57,645 | 18,086 |
| Other operating income | 4 | 6,601,048 | 6,683,778 |
| Investment income | 5 | 10,699 | 227,142 |
| | | <u>23,444,387</u> | <u>23,492,294</u> |
| Expenditure | | | |
| Staff costs | 6 | 12,807,956 | 11,893,548 |
| Other operating expenses | 7 | 8,629,579 | 8,325,664 |
| Depreciation | 9 | 1,606,573 | 1,555,755 |
| Interest payable | 8 | 104,941 | 104,359 |
| | | <u>23,149,049</u> | <u>21,879,326</u> |
| Surplus on continuing operations after depreciation of assets at cost and before tax | | 295,338 | 1,612,968 |
| Taxation | | - | - |
| Surplus on continuing operations after depreciation of assets at cost and tax | | 295,338 | 1,612,968 |
| Deficit/(surplus) for the year transferred from/(to) accumulated income in endowment funds | 10,16 | 235,845 | (92,269) |
| | | <u>531,183</u> | <u>1,520,699</u> |

All items of income and expenditure arise from continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 July 2015

| | Note | 2015 £ | 2014 £ |
|--|------|--------------------------|--------------------------|
| Surplus on continuing operations after depreciation of assets and disposal of assets and tax | | 295,334 | 1,612,968 |
| Increase in market value of endowment asset investments | 10 | 272,270 | 22,365 |
| New endowments | 10 | 252,581 | 568,619 |
| FRS 17 actuarial losses | 20 | (381,000) | (846,000) |
| Adjustment to align charity and education SORP on consolidation | 16 | - | (46,207) |
| | | <u>439,185</u> | <u>1,311,745</u> |
| Total recognised gain for the year | | <u>439,185</u> | <u>1,311,745</u> |
| Reconciliation | | | |
| Opening reserves and endowments | | 11,384,276 | 10,072,531 |
| Total recognised gain for the year | | 439,185 | 1,311,745 |
| | | <u>11,823,461</u> | <u>11,384,276</u> |
| Closing reserves and endowments | | <u>11,823,461</u> | <u>11,384,276</u> |

BALANCE SHEET

for the year ended 31 July 2015

| | Note | Group 2015 £ | Trinity Laban 2015 £ | Group 2014 £ | Trinity Laban 2014 £ |
|--|------|--------------------|----------------------------|--------------------|----------------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | 34,367,522 | 33,111,660 | 35,435,111 | 34,175,653 |
| Endowment assets | 10 | 5,504,080 | 5,504,080 | 5,586,736 | 5,586,736 |
| Current assets | | | | | |
| Stock | | 9,691 | 1,948 | 4,501 | 1,358 |
| Debtors | 11 | 581,097 | 1,451,928 | 523,749 | 1,303,882 |
| Cash at bank and in hand | | 939,869 | 928,525 | 1,139,622 | 1,112,413 |
| | | 1,530,657 | 2,382,401 | 1,667,872 | 2,417,653 |
| Creditors: amounts falling due within one year | 12 | (3,476,071) | (3,315,948) | (3,911,180) | (3,777,697) |
| Net current liabilities | | (1,945,414) | (933,547) | (2,243,308) | (1,360,044) |
| Total assets less current liabilities | | 37,926,188 | 37,682,193 | 38,778,539 | 38,402,345 |
| Creditors: amounts falling due after more than one year | 13 | (1,070,078) | (1,070,078) | (1,176,791) | (1,176,791) |
| Net assets excluding pension deficit | | 36,856,110 | 36,612,115 | 37,601,748 | 37,225,554 |
| Pension deficit (FRS17) | 20 | (1,587,000) | (1,587,000) | (1,608,000) | (1,608,000) |
| Net assets including pension deficit | | 35,269,110 | 35,025,115 | 35,993,748 | 35,617,554 |
| Deferred capital grants | 14 | 23,445,649 | 22,854,057 | 24,609,472 | 24,017,880 |
| Endowments | | | | | |
| Expendable | 15 | 1,957,339 | 1,957,339 | 2,004,714 | 2,004,714 |
| Permanent | 15 | 3,546,741 | 3,546,741 | 3,582,022 | 3,582,022 |
| Endowments | 15 | 5,504,080 | 5,504,080 | 5,586,736 | 5,586,736 |
| Reserves | | | | | |
| General reserve | 16 | 7,906,381 | 8,253,978 | 7,405,540 | 7,620,938 |
| Pensions deficit (FRS17) | 20 | (1,587,000) | (1,587,000) | (1,608,000) | (1,608,000) |
| Total reserves | | 6,319,381 | 6,666,978 | 5,797,540 | 6,012,938 |
| Total funds | | 35,269,110 | 35,025,115 | 35,993,748 | 35,617,554 |

The financial statements were approved by the Board on 25 November 2015 and signed and authorised for issue on its behalf by:



Lord Lipsey
Chair of Governors



Professor Anthony Bowne
Principal

Company registration no. 51090

The notes on pages 34 to 49 form part of the financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2015

| | Note | 2015 £ | 2014 £ |
|--|------|------------------|------------------|
| NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES | A | (106,361) | 1,345,331 |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | | |
| Interest paid | 8 | (104,941) | (104,359) |
| Interest received | 5 | 1 | 672 |
| (Expenditure)/Income from endow ment and listed investments | 5 | (67,302) | 201,470 |
| | | (172,242) | 97,783 |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS | | | |
| Purchase of tangible fixed assets | 9 | (561,276) | (6,799,637) |
| Sale of tangible fixed assets | | - | 40,980 |
| Deferred capital grants received | 14 | 138,450 | 5,918,068 |
| Deficit/(surplus) for the year transferred from/(to) accumulated income in endow ment funds | 16 | 235,845 | (92,269) |
| Transfer from endow ment for expenditure in prior years | 10 | 371,662 | - |
| | | 184,681 | (932,858) |
| Net cash (outflow)/inflow before financing | | (93,922) | 510,257 |
| FINANCING | | | |
| Repayment of debt - capital element | 17 | (105,831) | (105,494) |
| Net cash outflow from financing | | (105,831) | (105,494) |
| (DECREASE) / INCREASE IN CASH | B | (199,753) | 404,763 |

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
for the year ended 31 July 2015

Notes to the consolidated cash flow statement

| | Note | 2015 £ | 2014 £ |
|---|-------|-----------------------|-----------------------|
| A NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES | | | |
| Surplus on continuing operations after depreciation of fixed assets at cost and tax | | 295,338 | 1,612,968 |
| Loss/(profit) on fixed asset disposals | | 22,288 | (28,408) |
| Expenditure/(Income) from endow ment asset investments | 5 | 67,302 | (201,470) |
| Interest received | 5 | (78,001) | (25,672) |
| Interest payable | 8 | 104,941 | 104,359 |
| Release of capital grants | 14 | (1,302,273) | (1,337,034) |
| Depreciation | 9 | 1,606,573 | 1,555,755 |
| (Increase) in debtors | 11 | (57,348) | (26,174) |
| (Increase)/decrease in year end stocks | | (5,190) | 909 |
| (Decrease) in creditors | 12,13 | (435,991) | (13,902) |
| FRS 17 adjustment - Staff Costs | 20 | (324,000) | (296,000) |
| | | <u>(106,361)</u> | <u>1,345,331</u> |
| B RECONCILIATION OF NET CASH FLOW MOVEMENT IN NET FUNDS | | | |
| (Decrease) / increase in bank & cash in hand (excluding overdraft) | 18 | (199,753) | 404,763 |
| Increase in endow ment asset bank balances | 18 | 86,439 | 241,569 |
| Cash outflow from repayment of loan | 17 | 105,831 | 105,494 |
| | | <u>(7,483)</u> | <u>751,826</u> |
| Net funds at 1 August 2014 | | <u>864,305</u> | <u>112,479</u> |
| Net funds at 31 July 2015 | | <u>856,822</u> | <u>864,305</u> |

NOTES TO THE FINANCIAL STATEMENTS

1 FUNDING COUNCIL GRANTS (HEFCE)

| | Note | 2015 £ | 2014 £ |
|---|------|------------------|------------------|
| Recurrent grants | | | |
| HEFCE teaching grant - recurrent | | 5,878,727 | 6,663,919 |
| HEFCE disability | | 21,475 | 19,917 |
| HEFCE HEIF non recurrent | | 353,549 | 402,489 |
| HEFCE other grants | | 27,531 | 70,135 |
| Deferred capital grants released in year | | | |
| Learning and teaching | 14 | 241,486 | 276,247 |
| Total Funding Council grants | | 6,522,768 | 7,432,707 |

2 ACADEMIC FEES AND SUPPORT GRANTS

| | | 2015 £ | 2014 £ |
|---|--|-------------------|------------------|
| Higher education | | | |
| Full time undergraduate home/EU fees | | 5,190,562 | 4,153,732 |
| Full time postgraduate home/EU fees | | 545,155 | 667,783 |
| Part time home/EU fees | | 569,817 | 463,834 |
| Overseas fees | | 1,465,128 | 1,177,680 |
| Research fees | | 46,768 | 70,666 |
| Other fees and support grants | | 2,434,797 | 2,596,886 |
| Total academic fees and support grants | | 10,252,227 | 9,130,581 |

3 RESEARCH GRANTS AND CONTRACTS

| | | 2015 £ | 2014 £ |
|--|--|---------------|---------------|
| UK based charities | | 57,645 | 18,086 |
| Total research grants and contracts | | 57,645 | 18,086 |

4 OTHER OPERATING INCOME

| | | 2015 £ | 2014 £ |
|-------------------------------------|----|------------------|------------------|
| Other services rendered | | 243,911 | 248,786 |
| Residence and catering operations | | 1,869,483 | 1,765,956 |
| Donations and scholarships | | 1,796,022 | 1,971,904 |
| Release of capital grants | 14 | 1,060,787 | 1,060,787 |
| Other grant income | | 811,182 | 667,975 |
| Other operating income | | 819,663 | 968,370 |
| Total other operating income | | 6,601,048 | 6,683,778 |

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

5 INVESTMENT INCOME

| | 2015 £ | 2014 £ |
|---|----------------------|-----------------------|
| Income from expendable endowments | 84,555 | 120,570 |
| Income from permanent endowments | 47,984 | 80,900 |
| Investment management fees prior years | (171,655) | - |
| Investment management fees current year | (28,186) | - |
| Bank deposit interest | 1 | 672 |
| FRS 17 Interest receivable | 78,000 | 25,000 |
| | <u> </u> | <u> </u> |
| Total investment income | <u>10,699</u> | <u>227,142</u> |

6 STAFF COSTS

| | 2015 £ | 2014 £ |
|--------------------------|--------------------------|--------------------------|
| Wages, salaries and fees | 10,835,467 | 9,859,911 |
| Social security costs | 781,919 | 753,714 |
| Other pension costs | 1,514,570 | 1,575,924 |
| FRS 17 adjustment | (324,000) | (296,000) |
| | <u> </u> | <u> </u> |
| | <u>12,807,956</u> | <u>11,893,548</u> |

Of the staff costs £323,003 (2014: £307,654) related to The Blackheath Halls.

The prior year amounts have been reanalysed to make them comparable with the current year.

Remuneration of higher paid staff

The amount of directors' emoluments was £186,211 (2014: £182,560). All payments were in respect of services as members of staff and relate to the relevant period of office. One director (2014: 1) is accruing benefits under defined benefit pension schemes.

| | 2015 £ | 2014 £ |
|---|-----------------------|-----------------------|
| The emoluments of the highest paid director (the Principal) were: | | |
| Basic salary | 163,200 | 160,000 |
| Pension contributions | 23,011 | 22,560 |
| | <u> </u> | <u> </u> |
| | <u>186,211</u> | <u>182,560</u> |

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

Staffing number (FTEs)

| | 2015 | 2014 |
|------------------|-------------------|-------------------|
| Academic | 72 | 70 |
| Academic support | 72 | 68 |
| Administrative | 63 | 58 |
| Blackheath Halls | 17 | 17 |
| | <u> </u> | <u> </u> |
| | <u>224</u> | <u>213</u> |

| 7 OTHER OPERATING EXPENSES | 2015 | 2014 |
|-------------------------------------|------------------|------------------|
| | £ | £ |
| Academic departments | 867,133 | 910,634 |
| Academic support services | 319,844 | 354,584 |
| Other support services | 232,459 | 260,738 |
| Administration and central services | 720,591 | 571,144 |
| Auditors' remuneration | | |
| External audit | 57,634 | 37,152 |
| Internal audit | 23,735 | 23,942 |
| Tax compliance services | 5,610 | 4,582 |
| Non audit services | 4,900 | 7,438 |
| General education | 705,118 | 550,443 |
| Scholarships, bursaries and prizes | 1,615,974 | 1,533,786 |
| Premises | 1,794,511 | 1,961,602 |
| Student accommodation costs | 1,356,249 | 1,320,322 |
| Miscellaneous | 925,821 | 789,297 |
| | <u>8,629,579</u> | <u>8,325,664</u> |

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

| 8 INTEREST PAYABLE | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| On bank loans and overdrafts | | |
| Not wholly repayable within five years | 104,941 | 104,359 |
| | <u>104,941</u> | <u>104,359</u> |

9 TANGIBLE FIXED ASSETS

| Group | Freehold buildings £ | Long leasehold £ | Equipment & other fixed assets £ | Musical instruments £ | Total £ |
|-----------------------|-------------------------|---------------------|-------------------------------------|--------------------------|-------------------|
| Cost | | | | | |
| At 1 August 2014 | 32,183,985 | 13,960,779 | 8,670,344 | 6,103,996 | 60,919,104 |
| Additions | 22,158 | 230,489 | 240,254 | 68,375 | 561,276 |
| Disposals | - | - | - | (29,000) | (29,000) |
| At 31 July 2015 | <u>32,206,143</u> | <u>14,191,268</u> | <u>8,910,598</u> | <u>6,143,371</u> | <u>61,451,380</u> |
| Depreciation | | | | | |
| At 1 August 2014 | 12,553,269 | 4,970,396 | 7,569,403 | 390,925 | 25,483,993 |
| Charge for year | 509,125 | 264,457 | 490,373 | 342,618 | 1,606,573 |
| On disposals | - | - | - | (6,708) | (6,708) |
| At 31 July 2015 | <u>13,062,394</u> | <u>5,234,853</u> | <u>8,059,776</u> | <u>726,835</u> | <u>27,083,858</u> |
| Net book value | | | | | |
| At 31 July 2015 | <u>19,143,749</u> | <u>8,956,415</u> | <u>850,822</u> | <u>5,416,536</u> | <u>34,367,522</u> |
| At 1 August 2014 | <u>19,630,716</u> | <u>8,990,383</u> | <u>1,100,941</u> | <u>5,713,071</u> | <u>35,435,111</u> |
| Trinity Laban | | | | | |
| | Freehold buildings £ | Long leasehold £ | Equipment & other fixed assets £ | Musical instruments £ | Total £ |
| Cost | | | | | |
| At 1 August 2014 | 30,675,069 | 12,717,918 | 8,392,754 | 6,089,426 | 57,875,167 |
| Additions | 19,871 | 192,657 | 233,448 | 68,375 | 514,351 |
| Disposals | - | - | - | (29,000) | (29,000) |
| At 31 July 2015 | <u>30,694,940</u> | <u>12,910,575</u> | <u>8,626,202</u> | <u>6,128,801</u> | <u>58,360,518</u> |
| Depreciation | | | | | |
| At 1 August 2014 | 11,749,537 | 4,182,415 | 7,390,704 | 376,858 | 23,699,514 |
| Charge for year | 509,126 | 222,205 | 482,213 | 342,508 | 1,556,052 |
| On disposals | - | - | - | (6,708) | (6,708) |
| At 31 July 2015 | <u>12,258,663</u> | <u>4,404,620</u> | <u>7,872,917</u> | <u>712,658</u> | <u>25,248,858</u> |
| Net book value | | | | | |
| At 31 July 2015 | <u>18,436,277</u> | <u>8,505,955</u> | <u>753,285</u> | <u>5,416,143</u> | <u>33,111,660</u> |
| At 1 August 2014 | <u>18,925,532</u> | <u>8,535,503</u> | <u>1,002,050</u> | <u>5,712,568</u> | <u>34,175,653</u> |

10 ENDOWMENT ASSETS

| | Group and company 2015 £ | Group and company 2014 £ |
|---|-----------------------------------|-----------------------------------|
| Market value | | |
| At 1 August 2014 | 5,586,736 | 4,903,483 |
| New endowments invested | 252,581 | 568,619 |
| Investment income | 132,539 | 116,183 |
| Expenditure on scholarships, prizes and other | (168,543) | (201,470) |
| Investment management fees prior years | (171,655) | - |
| Investment management fees current year | (28,186) | - |
| Increase in market value of endowment asset investments | 272,270 | 199,922 |
| Transfer from endowment reserves for expenditure in prior years | (371,662) | - |
| | <u>5,504,080</u> | <u>5,586,736</u> |
| At 31 July 2015 | | |
| Represented by: | | |
| Listed investments at market value | 4,428,433 | 4,363,114 |
| Cash balances | 1,092,865 | 1,006,426 |
| Other current assets (see note 12) | (17,218) | 217,196 |
| | <u>5,504,080</u> | <u>5,586,736</u> |

The net endowment income and expenditure of £235,845 has been reflected in the income and expenditure account.

The prior year movement in the market value has been reanalysed to be comparable with the current year.

| 11 DEBTORS | Group 2015 £ | Trinity Laban 2015 £ | Group 2014 £ | Trinity Laban 2014 £ |
|---------------------------------|--------------------|-------------------------------|--------------------|-------------------------------|
| Trade debtors | 165,178 | 145,674 | 198,781 | 190,795 |
| Due from subsidiary undertaking | - | 923,778 | - | 854,135 |
| Other debtors | 185,077 | 165,202 | 150,879 | 88,208 |
| Prepayments and accrued income | 230,842 | 217,274 | 174,089 | 170,744 |
| | <u>581,097</u> | <u>1,451,928</u> | <u>523,749</u> | <u>1,303,882</u> |

Included in amounts due to subsidiary undertakings is £560,000 (2014 - £560,000), which is due in greater than one year

| 12 CREDITORS: amounts falling due within one year | Group 2015 £ | Trinity Laban 2015 £ | Group 2014 £ | Trinity Laban 2014 £ |
|---|--------------------|-------------------------------|--------------------|-------------------------------|
| Bank overdraft | 25,345 | - | 39,924 | - |
| Bank loan | 83,580 | 83,580 | 82,698 | 82,698 |
| Other loan | 22,254 | 22,254 | 22,254 | 22,254 |
| Trade creditors | 966,799 | 923,296 | 1,379,233 | 1,341,255 |
| Taxation and social security | 417,870 | 407,368 | 441,973 | 434,801 |
| Other creditors | 240,682 | 209,148 | 93,987 | 69,372 |
| Accruals and deferred income | 1,736,759 | 1,687,520 | 1,633,915 | 1,610,121 |
| Due to endowment funds (note 10) | (17,218) | (17,218) | 217,196 | 217,196 |
| | <u>3,476,071</u> | <u>3,315,948</u> | <u>3,911,180</u> | <u>3,777,697</u> |

13 CREDITORS: amounts falling due after more than one year

| | Group 2015 £ | Trinity Laban 2015 £ | Group 2014 £ | Trinity Laban 2014 £ |
|------------|--------------------|----------------------------|--------------------|----------------------------|
| Bank loans | 1,058,952 | 1,058,952 | 1,143,411 | 1,143,411 |
| Other loan | 11,126 | 11,126 | 33,380 | 33,380 |
| | 1,070,078 | 1,070,078 | 1,176,791 | 1,176,791 |

Amounts repayable after more than one year in respect of loans outstanding as at 31 July 2015 are analysed as follows:

| Conservatoire | Final repayment date | Interest rate | Balance outstanding 2015 £ | Balance outstanding 2014 £ |
|---------------|-------------------------|------------------|-------------------------------------|-------------------------------------|
| Bank loan | 2024 | 4.5% | 1,058,952 | 1,143,411 |
| Other loan | 2017 | 0% | 11,126 | 33,380 |
| | | | 1,070,078 | 1,176,791 |

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

| Analysis of loan repayments | Group 2015 £ | Trinity Laban 2015 £ | Group 2014 £ | Trinity Laban 2014 £ |
|--|--------------------|----------------------------|--------------------|----------------------------|
| In more than one year but no more than two years | 178,286 | 178,286 | 252,720 | 252,720 |
| In more than two years but no more than five years | 250,740 | 250,740 | 412,460 | 412,460 |
| In more than five years | 641,052 | 641,052 | 511,611 | 511,611 |
| | 1,070,078 | 1,070,078 | 1,176,791 | 1,176,791 |

14 DEFERRED CAPITAL GRANTS

| Group | Funding Council £ | Donated Music Instruments £ | Other £ | Total £ |
|---|------------------------|--------------------------------------|-------------------|-------------------|
| At 1 August 2014 | 3,005,232 | 5,483,035 | 16,121,205 | 24,609,472 |
| Grants received | 125,950 | - | 12,500 | 138,450 |
| Released to Income and Expenditure account (notes 1 and 4) | (241,486) | (317,469) | (743,318) | (1,302,273) |
| At 31 July 2015 | 2,889,696 | 5,165,566 | 15,390,387 | 23,445,649 |
| | Funding Council | Donated Music Instruments | Other | Total |
| Trinity Laban | £ | £ | £ | £ |
| At 1 August 2014 | 3,005,232 | 5,483,035 | 15,529,613 | 24,017,880 |
| Grants received | 125,950 | - | 12,500 | 138,450 |
| Released to Income and Expenditure account (notes 1 and 4) | (241,486) | (317,469) | (743,318) | (1,302,273) |
| At 31 July 2015 | 2,889,696 | 5,165,566 | 14,798,795 | 22,854,057 |

15 ENDOWMENTS

| Group | Restricted Expendable £ | Restricted Permanent £ | Total £ |
|--|-------------------------------|------------------------------|------------------|
| At 1 August 2014 (or date of resolution) | | | |
| Original cost (restated) | 770,499 | 2,813,817 | 3,584,316 |
| Indexation of capital (restated) | 163,895 | 389,249 | 553,144 |
| Unapplied total return (restated) | 1,070,320 | 378,956 | 1,449,276 |
| Total | 2,004,714 | 3,582,022 | 5,586,736 |
| Movements in the reporting period: | | | |
| Investment income | 47,984 | 84,555 | 132,539 |
| Expenditure on scholarships, prizes and other | (43,310) | (125,233) | (168,543) |
| Investment management fees prior years | (62,146) | (109,509) | (171,655) |
| Investment management fees current year | (10,204) | (17,982) | (28,186) |
| Unrealised gain on investment assets | 42,429 | 74,766 | 117,195 |
| Realised gain on endowment assets sold | 56,143 | 98,932 | 155,075 |
| New endowments | 56,284 | 196,297 | 252,581 |
| Transfer from endowment reserves for expenditure in prior years | (134,555) | (237,107) | (371,662) |
| Total | (47,375) | (35,281) | (82,656) |
| At 31 July 2015 | | | |
| Original cost | 826,783 | 3,010,114 | 3,836,897 |
| Indexation of capital | 172,878 | 420,253 | 593,131 |
| Unapplied total return | 957,678 | 116,374 | 1,074,052 |
| Total | 1,957,339 | 3,546,741 | 5,504,080 |

The Conservatoire has adopted a total returns policy for the investment of its permanent endowments and has decided that it is 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.

16 RESERVES

| | Group £ | Trinity Laban £ |
|---|--------------------|--------------------|
| General | | |
| At 1 August 2014 | 7,405,540 | 7,620,938 |
| Surplus for the year | 295,335 | 427,534 |
| Transfer from endowment reserves for expenditure in prior years | 371,661 | 371,661 |
| Transfer from endowment reserves for 2014-15 net expenditure | 235,845 | 235,845 |
| Transfer to pension reserves | (402,000) | (402,000) |
| | <u>7,906,381</u> | <u>8,253,978</u> |
| At 31 July 2015 | | |
| Pension reserve | | |
| At 1 August 2014 | (1,608,000) | |
| Transfer from general reserves | 402,000 | |
| Change in actuarial valuation | (381,000) | |
| | <u>(1,587,000)</u> | |
| At 31 July 2015 | | |

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

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Loans and mortgages at 1 August 2014 | 1,281,743 | 1,387,237 |
| Capital repayments | (105,831) | (105,494) |
| | <u>1,175,912</u> | <u>1,281,743</u> |
| Loans and mortgages at 31 July 2015 | | |

18 ANALYSIS OF CHANGES IN NET FUNDS

| Split of bank/mortgage/other loan balance | At 1 August 2014 £ | Cashflows £ | At 31 July 2015 £ |
|---|--------------------------|------------------|-------------------------|
| Cash at bank and in hand | 1,139,622 | (199,753) | 939,869 |
| Endowment assets cash balances | 1,006,426 | 86,439 | 1,092,865 |
| Bank loans under 1 year | (82,698) | (882) | (83,580) |
| Other loans under 1 year | (22,254) | - | (22,254) |
| | <u>2,041,096</u> | <u>(114,196)</u> | <u>1,926,900</u> |
| Bank loans over 1 year | (1,143,411) | 84,459 | (1,058,952) |
| Other loans over 1 year | (33,380) | 22,254 | (11,126) |
| | <u>864,305</u> | <u>(7,483)</u> | <u>856,822</u> |

19 ACCESS TO LEARNING FUNDS

| The Conservatoire received and distributed HEFCE Access to Learning Funds as follows: | Group and Trinity Laban | |
|---|-------------------------|-------------------|
| | 2015 | 2014 |
| | £ | £ |
| Cash at bank at 1 August 2014 | 773 | 907 |
| HEFCE grants | - | 12,600 |
| Dispersed to students | - | (12,734) |
| Outstanding balance written down | (773) | - |
| | <u> </u> | <u> </u> |
| Balance under spent at 31 July | - | 773 |
| | <u> </u> | <u> </u> |
| Cash at bank at 31 July 2015 | <u> </u> | <u>773</u> |

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%.

20 PENSION COSTS (CONTINUED)

Universities Superannuation Scheme (USS)

The company participates in the Universities Superannuation Scheme (USS), 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 trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014: 16%). The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £648,946 (2014: £628,033).

There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced for the using the following assumptions:

| | 2015 | 2014 |
|---------------------------|--|------|
| Discount rate 3.3% 4.5% | 3.3% | 4.5% |
| | 3.5% in the first year and 4.0% thereafter | |
| Pensionable salary growth | | 4.4% |
| Price inflation (CPI) | 2.2% | 2.6% |

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

| | |
|---------------------------|---|
| Male members' mortality | S1NA ["light"] YoB tables – No age rating |
| Female members' mortality | S1NA ["light"] YoB tables – rated down 1 year |

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

| | 2015 | 2014 |
|-----------------------------------|------|------|
| Males currently aged 65 (years) | 24.2 | 23.7 |
| Females currently aged 65 (years) | 26.3 | 25.6 |
| Males currently aged 45 (years) | 26.2 | 25.5 |
| Females currently aged 45 (years) | 28.6 | 27.6 |

| | 2015 | 2014 |
|--------------------------|---------|---------|
| Existing benefits | | |
| Scheme assets | £49.0bn | £41.6bn |
| FRS 17 liabilities | £67.6bn | £55.5bn |
| FRS 17 deficit | £18.6bn | £13.9bn |
| FRS 17 funding level | 72% | 75% |

20 PENSION COSTS (CONTINUED)

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 triennial valuation was carried out by the scheme's actuary Barnet Waddingham as at 31 March 2013 using the projected unit method, with the valuation results taking into account changes to the scheme from 1 April 2014. 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 £1,533,000 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:

| | 2015 | 2014 |
|--------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Contributions to TPS | 429,813 | 534,318 |
| Contributions to USS | 648,946 | 628,033 |
| Contributions to LPFA / LGPS | 117,201 | 105,218 |
| Contributions to L&G | 306,263 | 299,014 |
| Contributions to other schemes | 12,347 | 2,872 |
| | <hr/> | <hr/> |
| Total pension costs | <u>1,514,570</u> | <u>1,569,455</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:

| | 2015 | 2014 |
|---|------|------|
| Discount rate | % pa | % pa |
| Expected pension increases (limited price indexation) | 3.8 | 4.3 |
| Inflation rate | 2.6 | 2.7 |
| Salary increases | 4.4 | 4.4 |

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

| | 2015 | 2014 |
|----------------------|------|------|
| LPFA | % | % |
| Retiring today | | |
| Males | 22.2 | 22.1 |
| Females | 25.0 | 25.0 |
| Retiring in 20 years | | |
| Males | 24.5 | 24.4 |
| Females | 27.3 | 27.2 |

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

| | 2015 | 2015 | 2014 | 2014 | 2013 | 2013 | 2012 | 2012 | 2011 | 2011 |
|-------------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| | 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 | Value | return | Value | return | Value |
| | % | | % | | % | £000s | % | £000s | % | £000s |
| Bonds | - | - | - | - | - | - | - | - | - | - |
| Equities | - | 1,646 | 6.7 | 1,542 | 6.4 | 1,581 | 5.6 | 1,995 | 6.8 | 1,889 |
| Alternative assets | - | 334 | 6.0 | 250 | 5.4 | 269 | 4.6 | 450 | 5.8 | 383 |
| Other bonds | - | - | - | - | - | - | - | - | - | 55 |
| Annuities | - | - | - | - | - | - | - | - | - | - |
| Target return portfolio | - | 723 | 6.1 | 1,003 | 4.9 | 976 | 4.3 | 281 | 4.5 | 301 |
| Cash | - | 481 | 3.2 | 486 | 0.5 | 34 | 0.5 | 84 | 3.0 | 110 |
| Cashflow matching | - | 538 | 3.4 | 214 | 3.4 | 505 | - | - | - | - |
| Total market value of assets | | 3,722 | | 3,495 | | 3,365 | | 2,810 | | 2,738 |
| Present value of scheme liabilities | | (4,995) | | (4,595) | | (4,098) | | (3,981) | | (3,323) |
| Deficit in the scheme | 5.8 | (1,273) | | (1,100) | | (733) | | (1,171) | | (585) |

For accounting years after 1 January 2015, the expected rate of return and the interest cost will be replaced by a single net interest cost, which will effectively set the expected return equal to the discount rate. Therefore, for the year to 31 July 2015 the expected return was 5.8% per annum, which has been used to determine the profit and loss charge for the year ended 31 July 2015.

20 PENSION COSTS (CONTINUED)

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

| | 2015 £000 | 2014 £000 |
|--|-----------------|--------------------|
| Expected return on pension scheme assets | 204 | 182 |
| Past service cost | - | - |
| Loss on curtailment and settlements | - | - |
| Interest on pension liabilities | (197) | (198) |
| Net return | <u>7</u> | <u>(16)</u> |

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

| | 2015 £000 | 2014 £000 |
|--|---------------------|---------------------|
| Actual loss less expected return on pension scheme assets | (50) | (126) |
| Experience gains and losses arising on scheme liabilities | - | 231 |
| Impact of changes in assumptions relating to the present value of scheme liabilities | (158) | (453) |
| Actuarial loss recognised in STRGL | <u>(208)</u> | <u>(348)</u> |

Movement in deficit during the year:

| | 2015 £000 | 2014 £000 |
|---------------------------------------|-----------------------|-----------------------|
| Scheme deficit as at 1 August 2014 | (1,100) | (733) |
| Current service cost | (89) | (89) |
| Employer contributions | 117 | 86 |
| Past service cost | - | - |
| Loss on curtailments | - | - |
| Net financial return | - | - |
| Other finance income | 7 | (16) |
| Actuarial loss | (208) | (348) |
| Scheme deficit at 31 July 2015 | <u>(1,273)</u> | <u>(1,100)</u> |

History of experience gains and losses

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------|-------|-------|-------|-------|
| Difference between actual and expected return on scheme assets | | | | | |
| Amount (£000) | (50) | (90) | 385 | (141) | 64 |
| Percentage of scheme assets | -1.3% | -2.6% | 11.4% | -5.0% | 2.3% |
| Experience gains and losses of scheme liabilities | | | | | |
| Amount (£000) | - | 195 | - | - | 740 |
| Percentage of scheme assets | 0.0% | 4.2% | 0.0% | 0.0% | 22.3% |
| Total amount recognised in statement of recognised gains and losses | | | | | |
| Amount (£000) | (208) | (348) | 483 | (562) | 530 |
| Percentage of scheme liabilities | 4.2% | 7.6% | 11.8% | 14.1% | 15.9% |

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:

| | 2015 | 2014 |
|---|------|------|
| Discount rate | % pa | % pa |
| Expected pension increases (limited price indexation) | 3.7 | 4.1 |
| Inflation rate | 3.1 | 3.3 |
| | 3.1 | 3.3 |

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

| | 2015 | 2014 |
|-----------------------------|------|------|
| LEGAL & GENERAL | % | % |
| Retiring today | | |
| Males | 23.7 | 23.9 |
| Females | 24.6 | 24.7 |
| Retiring in 20 years | | |
| Males | 25 | 25.2 |
| Females | 25.7 | 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:

| | 2015 | 2015 | 2014 | 2014 | 2013 | 2013 | 2012 | 2012 | 2011 | 2011 |
|---------------------------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|--------------|-------------------------|----------------|-------------------------|--------------|
| Bonds | Expected rate of return | Fair Value | Expected rate of return | Fair Value | Expected rate of return | Fair Value | Expected rate of return | Fair Value | Expected rate of return | Fair Value |
| Equities | % | £000s | % | £000s | % | £000s | % | £000s | % | £000s |
| Annuitants | 4.1 | 1,569 | 4.1 | 1,414 | 4.3 | 1,208 | 3.9 | 1,112 | 5.4 | 1,068 |
| Cash | 7.2 | 4,569 | 7.2 | 4,132 | 7.3 | 3,819 | 6.5 | 3,163 | 6.6 | 2,955 |
| Total market value of assets | 4.1 | 2,444 | 4.1 | 2,662 | 4.6 | 2,729 | 4.4 | 2,831 | 5.4 | 2,614 |
| Present value of scheme (liabilities) | 0.5 | 27 | 0.5 | 14 | 0.5 | 29 | 0.5 | (118) | 0.5 | (87) |
| Deficit in the scheme | | 8,609 | | 8,222 | | 7,785 | | 6,988 | | 6,550 |
| | | (8,923) | | (8,730) | | (8,135) | | (8,414) | | (7,195) |
| | | (314) | | (508) | | (350) | | (1,426) | | (645) |

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

| | |
|---|--------------|
| Value of liabilities as 1 August 2014 | 8,730 |
| Interest cost | 353 |
| Experience loss on liabilities | (111) |
| Gain on changes in assumptions | 364 |
| Decrease in secured pensioners value due to scheme experience | (323) |
| Benefits paid | (110) |
| Value of liabilities as 31 July 2015 | 8,923 |

20 PENSION COSTS (CONTINUED)

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

| | |
|---|-------------|
| | £000 |
| Bid value of assets at 1 August 2014 | 8,222 |
| Expected return on assets | 465 |
| Gain on asset return | 100 |
| Employer contributions (gross) | 296 |
| Expenses paid by the scheme | (41) |
| Change in secured pensioners value due to scheme experience | (323) |
| Benefits paid | (110) |

| | |
|--|--------------|
| Bid value of assets at 31 July 2015 | 8,609 |
|--|--------------|

| Analysis of amount (credited to other finance income)/debited to finance cost | 2015 | 2014 |
|---|-----------|-----------|
| | £000 | £000 |
| Expected return on pension scheme assets | 465 | 457 |
| Interest on pension liabilities | (353) | (368) |
| Expenses paid by the scheme | (41) | (48) |
| Net return | 71 | 41 |

| Amounts recognised in the statement of total recognised gains and losses (STRGL) | 2015 | 2014 |
|--|--------------|--------------|
| | £000 | £000 |
| Actual return less expected return on pension scheme assets | 100 | 3 |
| Experience gains and losses arising on scheme liabilities | 111 | 45 |
| Impact on changes in assumptions relating to the present value of scheme liabilities | (384) | (546) |
| Actuarial loss recognised in STRGL | (173) | (498) |

| Movement in deficit during the year: | 2015 | 2014 |
|---------------------------------------|--------------|--------------|
| | £000 | £000 |
| Scheme deficit at 1 August 2014 | (508) | (350) |
| Contributions | 296 | 299 |
| Net financial return | 71 | 41 |
| Actuarial (loss) | (173) | (498) |
| Scheme deficit)at 31 July 2015 | (314) | (508) |

20 PENSION COSTS (CONTINUED)

| History of experience gains and losses | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|------|------|-------|--------|------|
| Difference between actual and expected return on scheme assets | | | | | |
| Amount (£000) | 100 | 3 | 445 | (63) | 225 |
| Percentage of scheme assets | 1.2% | 0.0% | 5.7% | -0.9% | 3.4% |
| Experience gains and losses of scheme liabilities | | | | | |
| Amount (£000) | 111 | 45 | (41) | (65) | 86 |
| Percentage of scheme assets | 1.3% | 0.5% | -0.5% | -8.0% | 1.2% |
| Total amount recognised in statement of recognised gains and losses | | | | | |
| Amount (£000) | 384 | 546 | 386 | (909) | 307 |
| Percentage of scheme liabilities | 4.3% | 6.3% | 4.7% | -10.8% | 4.3% |

| Movement in deficit during the year: | 2015 | 2014 |
|---|-----------------------|-----------------------|
| Consolidated | £000 | £000 |
| Scheme deficit at 1 August 2014 | (1,608) | (1,083) |
| Current service cost | (89) | (89) |
| Employer contributions | 413 | 385 |
| Net financial return | 78 | 25 |
| Actuarial (loss)/gain | (381) | (846) |
| Scheme deficit at 31 July 2015 | <u>(1,587)</u> | <u>(1,608)</u> |

21 LEASE COMMITMENTS

At 31 July 2015, the Conservatoire and its group had annual commitments under non-cancellable operating leases expiring as follows:

| | 2015 | | 2014 | |
|---------------------|--------------------------|------------------|--------------------------|------------------|
| | Land & buildings £000 | Other £000 | Land & buildings £000 | Other £000 |
| Less than 1 year | - | 10 | - | 12 |
| Between 2 - 5 years | - | 58 | - | 17 |
| More than 5 years | 271 | 14 | 282 | - |
| | <u>271</u> | <u>82</u> | <u>282</u> | <u>29</u> |

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 2015.

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