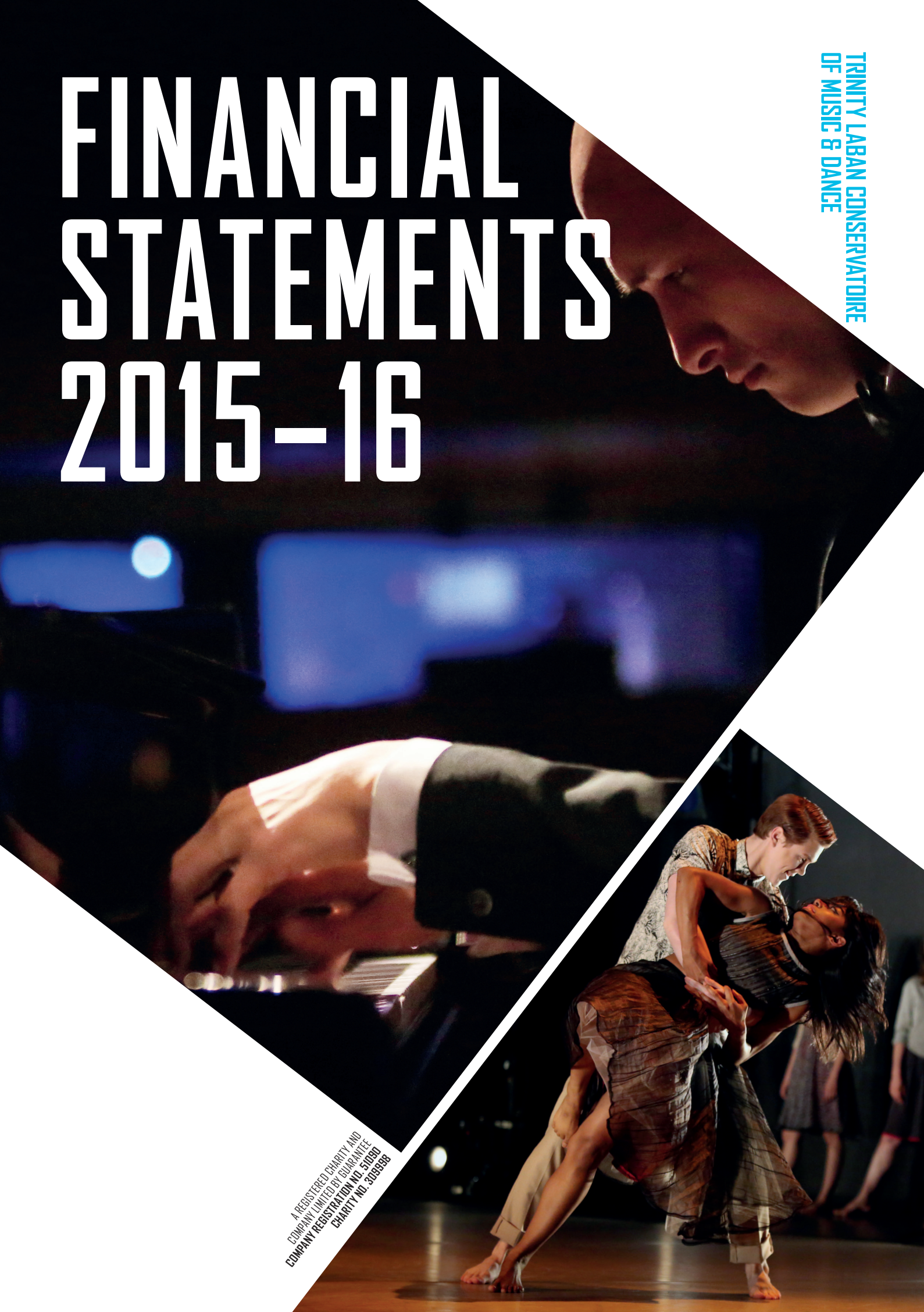


FINANCIAL STATEMENTS 2015-16

TRINITY LABAN CONSERVATOIRE
OF MUSIC & DANCE

A REGISTERED CHARITY AND
COMPANY LIMITED BY GUARANTEE
COMPANY REGISTRATION NO. 510280
CHARITY NO. 2089588



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Legal and Administrative Details

Patron	His Royal Highness The Duke of Kent KG GCMG GCVO ADC	
Board of Governors		
Independent Governors	The Rt Hon The Lord Lipsey (Chair)	
	Dr Esther Cavett (Joint Vice-Chair)	
	Dr Geoffrey Copland CBE (Joint Vice-Chair)	
	Rebecca Allen	
	David Edmonds CBE	
	Deborah Harris (appointed July 2016)	
	Sam Jackson	
	Martin Kettle	
	Hilary Oliver	
	Professor Nirmala Rao OBE	
	Bill Robinson (appointed April 2016)	
	Francesca Robinson	
	Vimmi Singh (retired April 2016)	
Co-opted Governors	Councillor Helen Klier Councillor Allan MacCarthy	
Ex Officio Governors	Professor Anthony Bowne (Principal)	
Staff Governors	Hazel Lindley-Milton (retired September 2015) Aleks Szram Laura Witt (appointed November 2015)	
Student Governors	Lewis Raines –SU President (appointed August 2015) Katrina Wilson – SU President (retired September 2015) Hannah Redfearn- SU Vice President (Dance), (appointed August 2015) Mathilde Lepage-Bagatta –Vice President (Dance) (retired September 2015)	
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	Internal Auditors Kingston City Group Kingston University Room 62, Kenry House Kingston upon Thames KT2 7LB
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London N1J 6AA	NatWest Bank 10 Marylebone High Street London W1U 4BT
Photos	Lidia Crisafulli , Chris Nash, James Keates, Alicia Clarke, Marie Klimis	

STRATEGIC REPORT OF THE BOARD 2015-2016

Aims and objectives

Trinity Laban Conservatoire of Music and Dance's ("the Conservatoire") 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;



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 2015-16 in the delivery of charitable purposes for the public benefit

Progress against our Strategic Plan

2015-2016 was a landmark year for Trinity Laban Conservatoire of Music and Dance. In February 2016, Her Majesty's Privy Council conferred upon Trinity Laban indefinite powers to award taught degrees. This fulfilled a major strategic ambition of the Conservatoire since its formation, and provided the strongest possible external validation of its rigorous academic standards, outstanding teaching staff, sound governance and management, and the educational and artistic achievement of its students. The ability to validate its own degrees gives greater control over our academic direction and more flexibility to tailor our training to the demands of contemporary careers in dance, music and musical theatre. The powers consolidate Trinity Laban's international standing as a leading higher education institution in its specialisms of dance and music.

Another important milestone was a successful outcome to HEFCE's latest Review of Institution Specific Targeted Allocations (RISTA). The RISTA assessed the entitlement of specialist HEIs to enhanced public funding on grounds of their world leading teaching and the impact of their graduates on the industries for which they are prepared. An international peer review concluded that Trinity Laban met these testing criteria, highlighting evidence in its submission of artistic experimentation and achievement, risk taking and social engagement. An Institution Specific Targeted Allocation has thus been secured for a further four years which provides crucial underpinning for the delivery of intensive conservatoire training for professional practice in music and contemporary dance.

A key element of our Strategic Plan is the enhancement of our estate to provide the highest quality learning facilities for our students and to meet future academic and operational requirements. In 2015-2016, the Board was pleased to record good progress with improvements to our existing buildings, which have included enhancement of student social and informal learning spaces at the Creekside site to complement the student hub already in place at King Charles Court; refurbishment of the Laurie Grove facility with particular regard for the needs of Musical Theatre; and general redecoration works across both Faculties. We also took forward plans for larger scale capital works, notably at our main concert venue, Blackheath Halls. Grant funding was secured from Viridor Credits and Arts Council England for the first phase of a major programme of renovation at the Halls, which includes roof replacement and installation of new seating,

modern stage equipment, and improved backstage facilities. Works commenced in summer 2016.

While welcoming these positive developments, the Board is mindful of growing challenges in the external environment over the past year. Most significantly, the UK's planned exit from the European Union will have long-term implications for UK higher education providers, and creates immediate uncertainty for EU partnership and student and staff recruitment. Trinity Laban has longstanding artistic and educational links to the EU, not least through the many European students who come to study with us. The Board of Governors and senior management are committed to maintaining Trinity Laban's international reach and outlook, and protecting the many benefits and opportunities offered to students from cultural exchange across national borders.

The year 2015/16 has seen increased student recruitment activity both in the UK and overseas with closer faculty working. Our headline international student recruitment activity has recently seen successful visits to China, Hong Kong, Japan, South Korea and USA and our Home and EU student recruitment activity has recently seen successful visits within the UK and to Italy, Norway, Switzerland and Finland. We held the first ever Hong Kong Music auditions in March 2016. UK recruitment activity has increased upon previous years and the department has been working with faculty colleagues to plan a range of structured master classes and workshops, as well as school visits in identified regions, target feeder schools and institutions.



Supporting our students and alumni

Trinity Laban exists primarily to serve our gifted students and graduates and to help them sustain successful careers as forward-thinking, innovative and flexible artistic leaders. This requires continual reflection on our pedagogy, programme portfolio and curricula to maintain their currency. A new Learning and Teaching Plan was approved in December 2015 that sets out a framework for the consolidation and continuation of strategic and systematic developments in Learning and Teaching to provide our community of learners with a contemporary Higher Education experience that prepares them for a socially and economically sustainable professional and creative life. The Plan was prepared under the auspices of the Learning and Teaching Board, drawing on the input of both academic staff and students. It identifies three key themes:

- Teacher and Student Engagement
- Educational and pedagogic research including Research-informed teaching
- Curriculum development

Activities under each theme encompass academic staff development and mentoring, enhancement projects co-created between teachers and students, pedagogical research, review of e-Learning and provision of a range of platforms to engage and promote curriculum development as a continuous practice. Four Learning and Teaching project groups operated in 2015-2016 focusing on student induction and transition, assessment and feedback, student engagement and internationalisation.

Central to Trinity Laban's mission and philosophy is the belief that conservatoire education should be accessible to all who have the ability and aspiration to pursue specialist study in music, dance and musical theatre. The Conservatoire's outreach and progression programmes, financial, academic and pastoral support for students, and inclusive curricular design and pedagogic models all aim to remove barriers that might prevent individuals from fulfilling their artistic potential. In 2015-2016, Trinity Laban again led the conservatoire sector across a range of national widening participation measures: 88% of undergraduate entrants came from state schools and colleges against a conservatoire average of 70% and we also demonstrated the strongest performance on recruitment from lower socio-economic groups and from low participation neighbourhoods.

The Conservatoire has looked to develop its programme portfolio to reach varied constituencies of students. New programme offers validated in 2015-2016 included 'The Practice of Music Making' Certificate which is offered in partnership with the Open University and combines

distance learning and face-to-face teaching via an intensive one week residential programme, allowing access to Trinity Laban's expertise to those whose circumstances require flexibility as to when and where they study. The Conservatoire also extended its offer in musical theatre where demand for undergraduate study greatly exceeds available places. The new one-year, foundation programme in the discipline enables students to hone their performing skills as they aim towards higher vocational study and a potential career in musical theatre.

In the past year, Trinity Laban again welcomed an extraordinary roster of visiting artists to conduct, choreograph, teach and share their experiences with our young artists in masterclasses and workshops. In Music, acclaimed conductor David Danzmayr, Musical Director of the Illinois Philharmonic Orchestra, led the Trinity Laban Symphony Orchestra in a programme of works by Dvořák and Strauss at Cadogan Hall. The legendary Kronos Quartet spent a day at Trinity Laban, coaching student chamber music groups and talking with student composers. Influential Swiss composer and pianist, Nik Bärtsch began a long-term residency which included leading a collaborative project for dancers and musicians during the 2016 CoLab, Trinity Laban's unique annual festival of collaboration. Undergraduate dancers recreated historic works of Merce Cunningham within a 'MinEvent' under the direction of former Merce Cunningham company member, Daniel Squire, while our graduate company Transitions performed commissioned work from three world-class choreographers: Dog Kennel Hill Project, Theo Clinkard and Ederson Rodrigues Xavier.



Student successes

Baritone James Newby (pictured, left) became the youngest ever winner of the Kathleen Ferrier Award. He also performed in the Glyndebourne Chorus and was selected to perform as a soloist at the Last Night of the Proms 2016

The Isbilía String Quartet, representing Trinity Laban, won joint first prize in the CAVATINA Intercollegiate Chamber Music Competition, open to chamber music groups from all the UK conservatoires.

Gen Li won the 19th Jaques Samuel Intercollegiate Piano Competition, open to students from the four London conservatoires

Francesco Migliaccio, third year dance student, successfully auditioned with Jasmin Vardimon, the choreographer commissioned by the Royal Opera House for Wagner's Tannhäuser, performing at the Royal Opera House 2015/16 Spring season

*Samuel Baskett, second year dance student, was invited by Jordan Matter, a Manhattan portrait photographer (author of the New York Times bestseller, **Dancers Among Us**, 2012), to join his project 'Dancers After Dark', featuring artists from Alvin Ailey American Dance Theatre, Dutch National Ballet, Dance Theatre of Harlem, Houston Ballet, Cirque du Soleil, and many others. Published by Workman Publishing (October 2016), this collection of dancer photographs is now on sale throughout the US. www.dancersafterdark.com/book*

Derryck Nasib (horn) and Khemi Shabazz (oboe) performed in the Chineke Foundation Orchestra's debut concert at the Royal Festival Hall, which garnered multiple 5 star reviews

Moses Boyd was named Jazz Newcomer of the Year at the Parliamentary Jazz Awards, won a MOBO Award for Best Jazz Act and scooped two awards at the Jazz FM Awards: UK Jazz Act of the Year and Breakthrough Act of the Year

Soprano Kirsty McLean took a lead role in Mahogany Opera's new touring opera The Rattler

Trinity Laban has continued to advance its alumni relations programme and is committed to developing a warm, reciprocal relationship with our international community of graduates. We are in touch with over 7,000 alumni and continue to promote our graduates successes through profiles on the institutional website, news stories and social media mentions. The results from the 2015 alumni survey gave us valuable intelligence which has helped shape our future services for graduates and provided opportunities to explore for furtherance of student recruitment. We provide support to alumni through a range of benefits and these have been expanded to include practice room hire in the Faculty of Music and a revision to discounted studio hire at the Faculty of Dance which saw a significant increase in bookings. Alumni are an ever more vital resource for international activity. In Taiwan they provided extensive support to the Principal's visit to key arts Universities in Taipei, facilitating the development of further relationships with these institutions. New processes for Alumni Ambassadors, Groups and Associations have been set up which allows for formal adoption of our first Alumni Association in Hong Kong.

Alumni achievements

Alumni joined leading orchestras, including Elizabeth McNulty (Principal Harp, Royal Liverpool Philharmonic Orchestra), Sarah Oliver (4th Cello, BBC Scottish Symphony Orchestra), Solenn Grand (Principal Harp, Brazilian Symphonic Orchestra)

Indian alumnus Sanjukta Wagh performed her Kathak dance work Raga and Beyond: Irawati's Gandhari as part of the Alchemy 2016 festival at London's Southbank Centre. The piece has previously won two National Theatre Awards in India

Jazz alumni continue to win many prestigious awards: Mark Lockheart won the Jazz FM Award for Instrumentalist of the Year and Laura Jurd won the Rising Star Award at the 2015 British Jazz Awards. At the Parliamentary Jazz Awards, Empirical (featuring alumni Shane Forbes and Lewis Wright) won Jazz Ensemble of the Year and Emilia Mårtensson won Vocalist of The Year

Giulio Potenza won second prize in the Bradshaw & Buono International Piano Competition 2016, and fellow pianist Jenna Sung took second prize in the chamber music category of the international Grand Prize Virtuoso Competition.

Sir Matthew Bourne received a knighthood in the New Year's Honours List for services to dance. This followed him being awarded The Stage Award for Outstanding Contribution to British Theatre at the UK Theatre Awards.

Soprano Erika Mädi Jones performed the leading role of Elisabeth in Wagner's Tannhauser for Longborough Festival Opera. This marks another success for her after she performed as a finalist in the Wagner Society Singing Competition 2015 and also became a Les Azuriales Young Artist in the same year.

Nicola Conibere was presented with the prestigious Bonnie Bird New Choreography Award, a biennial £10,000 prize which allows recipients to pursue ground breaking choreographic research with the guidance of other professionals within the industry.

Jesse Kovarsky has been appearing as the Fiddler in the Broadway hit musical, Fiddler on the Roof

Composer, cellist and singer Ayanna Witter-Johnson was commissioned to write a new work for the London Symphony Orchestra.

Musical Theatre alumnus Lewis Asquith has been touring the UK in Joseph and his Amazing Technicolour Dreamcoat and Charli Baptie joined the cast of Phantom of the Opera in the west end.

Saara Hurme (pictured below,) joined Protein Dance whose founder and Artistic Director is alumnus Luca Silvestrini. She joins fellow alumni Matthew Winston and Sonya Cullingford.

Two alumni, choreographer Adam Rutherford (formerly dancer with New Adventures), and choreographer and dancer (Theo) TJ Lowe (formerly dancer with Hofesh Shechter Company and Akram Khan), were commissioned by Trinity Laban to create new work for third year students



Providing lifelong opportunities in Dance and Music

Beyond its core higher education programmes, Trinity Laban offers many educational opportunities in music and dance for children and young people, adult learners and arts professionals. Activities for young people start with creative dance classes and *Trinity Teenies* music classes for children from three years of age, and are headed by our flagship centres of excellence, Junior Trinity in Music and the Trinity Laban Centre for Advanced Training in Dance, which are part of the Department for Education Music and Dance Scheme that provides means-tested fee support and grants to hundreds of exceptionally talented young dancers and musicians up to the age of 18. Each year, over 11,000 young people engage in our participatory programmes and we continually seek to enhance and refine our offer to them. In 2015-2016, for example, we piloted two jazz workshops targeted at girls and young women in order to widen female participation in the discipline:

A Taste of Jazz, for girls aged 11 - 16, provided an interactive day of jazz exploration and playing with professional jazz musician Amy Baldwin and students from Trinity Laban. Throughout the workshop, participants developed their improvisation skills, explored jazz influences in carnival music and learnt about some of the great and inspiring women in jazz today. Participants also made new friends and were able to explore some of the practice rooms and performance spaces at the conservatoire.

Young Women in Jazz, for female musicians aged 16+, offered a more intensive opportunity to experience what it's like to study jazz at conservatoire level. Participants worked alongside Trinity Laban jazz tutor and professional musician Andrea Vicary, as well as jazz students, to improve their jazz technique, gain peer-to-peer feedback and perform as an ensemble. Participants also took part in an informal Q&A with Head of Jazz, Simon Purcell, and played to an audience at the end of their workshop.

Trinity Laban's professional development programme provides relevant, flexible and high quality training both regionally and nationally. The Conservatoire delivered over 11,200 learner days of CPD to a spectrum of learners including music and dance artists, teachers, tutors and community practitioners. New initiatives included a review of the Diploma in Dance Learning and Teaching (DDTAL), working with our sister organisation Trinity College London which accredits and assesses the qualification. DDTAL, which was previously available only for dance teachers working with children and young people, has been revised to meet the needs of teachers working with students of any age and within a wide range of contexts and settings, including schools, hospitals, care homes, youth dance and community centres. Trinity Laban has been delivering DDTAL courses since the inception of the Diploma and has submitted the largest number of candidates nationally for examination. Of those who have completed all the Units for the Diploma at Trinity Laban, we have a 100% pass rate and 84% have achieved either a Merit or a Distinction overall.



Performance highlights

Among a huge range of professional, student and community performances, many offering free entry, 2015-16 highlights included:

Students performing the body percussion work Connect It in Proms in the Park at the Last Night of the Proms

Yet further expansion of our Side-by-Side orchestral performances, including collaborations with the Philharmonia and Bournemouth Symphony Orchestra

Performance by our leading jazz ensembles at the London Jazz Festival and at Ronnie Scott's

A premiere performance by our Chamber Choir at the British Composer Awards, subsequently broadcast on BBC Radio 3

Numerous performances by our students in the BBC4 documentary film Dance Rebels

Our Gold Medal Showcase at Kings Place, judged by Tasmin Little and Gillian Moore

An internationally focused CoLab festival, including a collaborative performance with dance students from the Korean National University of the Arts

A gala performance from our Chapel Choir, launching a national Choral Evensong initiative

A national and international tour from Transitions Dance Company

The final of the Dankworth Prize at the Laban Theatre

The Animate Orchestra performing their response to Gabriel Prokofiev's Concerto for Turntables and Orchestra, first at the Royal Festival Hall and later at the BBC Proms 2016

A celebration of the Kronos Quartet in music and dance

New and touring productions in the Laban Theatre, including Candoco, Sarah Dowling & Kath Duggan, Zoi Dimitriou, Nora, Andreas Constantinou and Botis Seva

Student performances in the Laban Theatre including Historical Project in the presence of featured choreographers Wayne McGregor and Sir Matthew Bourne

David Danzmayr conducting our Symphony Orchestra at Cadogan Hall

A Trinity Laban Piano Showcase at St John's Smith Square, broadcast live on BBC Radio 3

Brazilian-themed events at the Horniman Museum

A two-week musical theatre residency at Stratford Circus, featuring the shows The Pajama Game and The Best Little Whorehouse in Texas

A set of site-specific performances around Canary Wharf as part of the Transfer Laban art project

The world premiere of Banished, a new opera written by Stephen McNeff for Trinity Laban students

New commissioned works for third year contemporary dance students by choreographers including Martin Nachbar, Dam van Huynh and Tom Roden

Pictured:
Sir Matthew Bourne's
Highland Fling, performed by
Trinity Laban students in the
presence of the choreographer



Enriching our communities

Trinity Laban aims to be a rich cultural resource for SE London, placing music and dance at the centre of civic life. At the heart of our contribution to the community are our public performance venues and events. We offer a large and varied programme to residents and visitors, comprising professional, student and community performances in music, dance and musical theatre. Annual attendances consistently exceeding 70,000 and many of these events are free of charge. As a cultural anchor for its locality and working in close partnership with neighbouring arts organisations such as Greenwich Dance, Trinity Laban attracts artists of the highest calibre to present their work in an area of the capital not otherwise well served in its arts provision. As well as the events highlighted below, 2015-2016 programming included a further set of Compass Commissions premiering brand new dance performance pieces from five innovative dance makers (Dan Daw, Rahel Vonmoos, Sarah Dowling and Kath Duggan, Wendy Houstoun); the tenth anniversary presentation of the Blackheath Community Opera, a production of *Carmen* bringing together leading professional soloists with vocal students from Trinity Laban Conservatoire of Music and Dance and local community members; and the annual Royal Greenwich International Early Music Festival and Exhibition which featured established artists such as Dame Emma Kirkby and virtuosic ensemble Red Priest alongside some of the brightest young talents in the field.

Another important aspect of our community role is the use of music and dance to promote social cohesion and health and well-being. Our older people's music and dance programme has continued to flourish under a new name, *Inspired not Tired*. The name was chosen by members to reflect the energy and creativity of the work, which was evident in the wide range of projects undertaken by the various groups over 2015-2016, including:

'Lifestream' Performance

In October 2015, the *All Singing All Dancing* music and dance group presented a performance, presentation (by Kate Wakeling, Trinity Laban researcher) and discussion event at Greenwich Dance that focused on what taking part in arts activity at an older age really means to group members. The event combined live music and dance performance with film and was showcased as part of The Culture Capital Exchange's Inside Out festival, celebrating the contributions of London's Higher Education Institutions to the capital's cultural life.

Young at Heart Visit to Brent Knoll Special School

Trinity Laban practitioner Zoe Gilmour and second year trumpeter Sarah Owens worked with the *Young at Heart* group and year 11 pupils at Brent Knoll Special School in Lewisham. This intergenerational project aimed to bridge the gap between older and younger generations through the sharing of perspectives, creative ideas, music and visual art.

This is Where I Long to Be

In July 2016, *Voices in Motion* visited the Horniman Museum and Gardens to perform their new piece, *This is Where I Long to Be*; a vibrant collection of snapshots from the music and dance landscapes of Brazil, from Jongo to Capoeira and Bossa Nova. The piece was supported by lead dance artist and choreographer Bethan Peters and composer and singer Natasha Lohan with the assistance of flautists Lisa Bannon and Amanda Fathers from Trinity Laban's Teaching Musician postgraduate programme. The performance (pictured below) was part of Festa Julina, Horniman's Brazil summer season launch, attended by 5,000 people.



Advancing our art forms through research and scholarship

The Conservatoire has expanded its research profile and activity following its success in the 2014 Research Excellence Framework. A particular focus has been the integration of our research and knowledge exchange/public engagement programmes to inform our practice, and to evidence, increase and share their impact. In September 2015, Dr. Jonathan Clark (Head of Research) and Kate Wakeling (Trinity Laban Research Fellow) published an important paper that investigated the impact of Trinity Laban's arts work with older people. *Beyond health and well-being: transformation, memory and the virtual in older people's music and dance*, appeared in the International Journal of Ageing and Later Life, and explored transformational experiences of memory and anticipation among a cohort of older people engaged in Trinity Laban's Dance for Health and All Singing All Dancing sessions. The paper addressed the complex processes and possibilities of transformation that the participatory arts can initiate, examining how performance can create intriguing linkages between past, present and future experiences.

Alongside its own growing population of researchers, Trinity Laban is developing long term partnerships with visiting research faculty, both nationally and internationally. Contributors to the research seminar series in 2015-2016 included Dr. Charles Edward McGuire of Oberlin College and Conservatory, Ohio, on *Celebrity and Spectacle at the British Musical Festival, 1784-1838*, and Dr. Victoria Hunter (Chichester University) and Dr. Rachel Sara (University of West England) launching a new publication *Moving Sites* on site-specific dance performance. Dr David Kirsh from the University of California, San Diego (UCSD) was appointed as Trinity Laban Adjunct Professor, having previously held research and visiting professor positions at MIT and Stanford University. He has written extensively on situated cognition and runs the Interactive Cognition Lab at UCSD where the focus is on the way humans are closely coupled to the outside world, and how human environments have been adapted to enable us to cope with the complexity of everyday life. At Trinity Laban he is involved in research undertaken in partnership with Company Wayne McGregor/Studio Wayne McGregor on imagery and creativity in performing arts. He is also working with Trinity Laban Faculty of Music staff and Research Degree Programme students on topics such as marking, improvisation, and thinking with the body.

The Research Degree Programme (RDP) population has risen to 21 students, with research projects spanning a wide range of topics within the realms of creative practice, dance and performance (music) science and performing arts pedagogy. RDP students again showcased their work alongside staff at the sixth annual Parallax event: *Moving Sound: The Performer in Space*, which was held this year at the Institute of Contemporary Arts. The programme demonstrated a diversity of contemporary interdisciplinary artistic practice, including composition and sonic arts, dance, visual arts and multi-media and encompassed multiple interpretations of the related concepts of spatiality and kinetics.

Staff highlights

Head of Research Dr Jonathan Clark presented at several international conferences, and was interviewed on Slovenian national television about his contribution to the "How Art Matters" event in Ljubljana

The Carducci Quartet, the Richard Carne Quartet in Residence at Trinity Laban, won the "Chamber Music and Song" Prize at the highly prestigious RPS Music Awards

Jazz professor Mark Lockheart was named Instrumentalist of the Year at the Jazz FM Awards

Woolf Works by Professor of Choreography Wayne McGregor won numerous accolades, including Best New Dance Production at the Olivier Awards

Dance lecturer Bethan Peters undertook a choreographic residency at Royal Museums Greenwich, creating new work at the Cutty Sark and National Maritime Museum involving performances by numerous students and alumni

Composition professor Errollyn Wallen was selected to create a new piece for The PRS for Music Foundation New Music Biennial 2017.

Head of Dance Science Dr Emma Redding led a large delegation of Trinity Laban staff and research students at the IADMS conference in Pittsburgh

Dance lecturer Alison Curtis-Jones took her company Summit Dance Theatre to Switzerland to recreate iconic works by Rudolf Laban

Development and fundraising

Philanthropic support from both public and private sources, remains crucially important to Trinity Laban. The aim of the Development and Fundraising Team is to build simultaneously on the success of existing relationships forged with individuals and foundations for repeat and increased levels of gifts, whilst cultivating and engaging those individuals and foundations who are new to our work and the experiences we offer.

Fundraising for scholarships - to support those who may otherwise be unable to sustain their studies with us – remains a key priority, and we are immensely grateful to all our friends and supporters who generously donate to our scholarship fund. Alongside this, we are fortunate to have donors who support our extensive outreach programmes and our world-class estates and learning facilities.

We remain 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 continue to be indebted to Arts Council England for their ongoing support of our work.

We are also especially grateful to:

- The Richard Carne Charitable Trust for providing ongoing generous support towards engaging Visiting Artists and its support of emerging artists, through the Junior Fellowship Programme.
- Mrs Freda Douglas, who has endowed a new dance bursary at Trinity Laban in memory of her daughter, Evie Douglas.
- The family and friends of alumnus, Ed Mills, who have generously donated to the fund set up in his memory, which will support a prize for French horn students.
- Mrs Patricia Collins, who has endowed funds to support the English Song Competition in perpetuity.

- Greenwich Hospital, for supporting a new bursary for students with a family link to the Royal Navy.
- The Lisa Ullman Trust, whose donation to our endowed funds will create new dance scholarships in memory of Lisa Ullman, an inspirational dancer, choreographer and teacher and who was co-founder (with Rudolf Laban) of the Art of Movement which was later to become the Laban Centre.
- The estate of Lady Helena Judith Mackerras and her daughter, Cathy Mackerras, for generously increasing the endowment available for the existing Mackerras Junior Conducting Fellowship at Trinity Laban and for providing support for our building and facilities fund – particularly for the Mackerras Room at King Charles Court. This room is named in honour of our former President, Sir Charles Mackerras.

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

In closing this report, the Board extends its thanks to outgoing members in 2015-2016. Student governors, Lewis Raines and Heather Redfearn, and staff governor, Hazel Lindley-Milton, made invaluable contributions to the business of the Board and helped maintain strong links between the Board and the wider Trinity Laban community. Independent governor, Vimmi Singh, who reached the end of her term in April 2016, brought to the Board valued insight from her experience in the financial sector and was especially helpful in forging international connections for Trinity Laban. We thank them all for their service.

The Board also wishes to record its warm appreciation for the work of Registrar and Clerk to the Board, Dr. Dave Dowland, who left Trinity Laban in September 2016. During his tenure as Clerk, Dave provided exemplary support and advice to the Board, ensuring that the highest standards of governance were maintained. Through his leadership in the areas of academic administration, academic quality and student services, he was also central to the successful application for taught degree-awarding powers, which represent a lasting legacy of his contribution to the Conservatoire.

Financial review

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

Comparison between the 2015-16 and those published in previous years is more difficult as they follow a new Higher Education Statement of Recommended Practice (SORP), incorporating changes mandated by the FRS102 reporting standards which apply to accounting periods commencing after 1 January 2015. As part of the process of changing from the old to new SORP, the Conservatoire has;

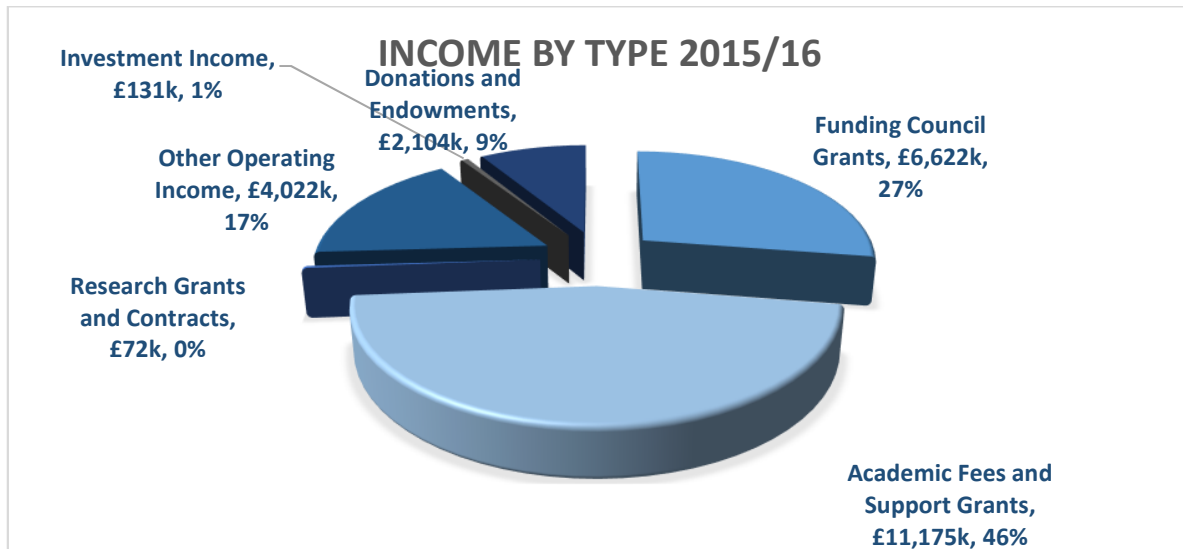
- carried out a one-off revaluation of its land and buildings as permitted by the HE SORP transition process;
- reflected on its consolidated balance sheet, for the first time, its calculated share of the deficit of the multi-employer Universities Superannuation Scheme (USS), as required by FRS102;
- significantly altered the treatment of non-government capital grants and gifts (which are now almost exclusively credited to the income and expenditure account on receipt);
- adopted the 'accrual' treatment of government capital grants resulting in a move of unutilised grants to long-term creditors from funds in the Conservatoire's balance sheet.

The results for 2014-15 in these financial statements, previously reported, have been re-presented and are therefore directly comparable to the 2015-16 outturn. Further details of the translation from the old SORP to the new SORP are contained in note 27 of the financial statements.

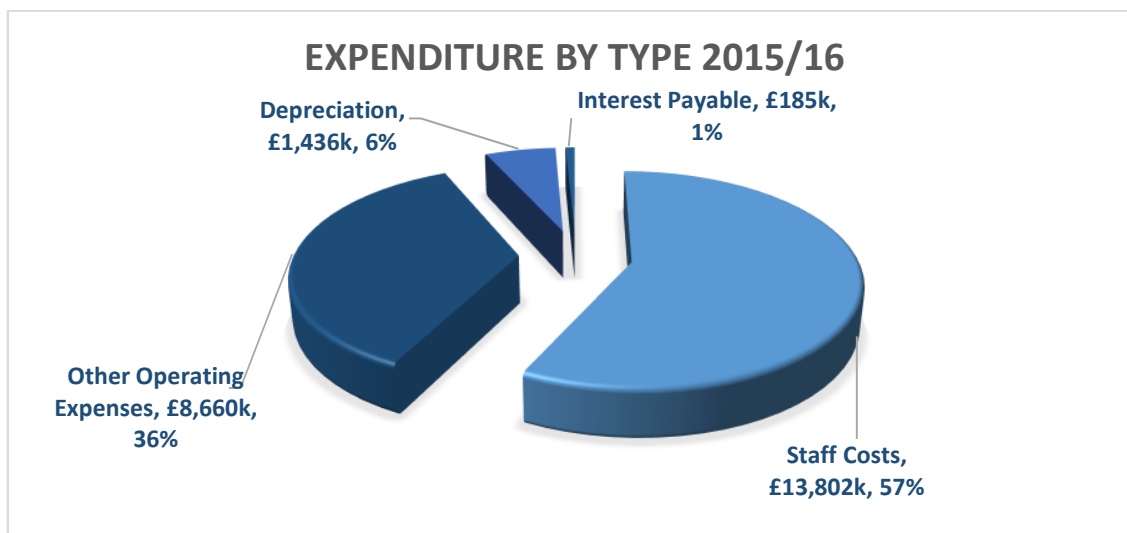
The table below summarises the financial results of the Conservatoire. Changes in the pension costs have had a negative impact on the Conservatoire's statement of comprehensive income and expenditure in both 2014-15 and 2015-16. This is primarily due to the Conservatoire's calculated share of the deficit on the USS pension scheme adding £1.1m to costs in 2014-15 (included for the first time under the FRS102 reporting requirements) and an actuarial loss of £1.6m in 2015-16 following a reduction in long-term interest rates at around the balance sheet date. Overall, the loss on the 2015-16 consolidated statement of comprehensive income and expenditure was, disappointingly, £1.4m (2014-15 £1.2m), however, it should be noted that, net of pension adjustments, the Conservatoire achieved a surplus of £0.4m in 2015-16 up from an almost breakeven position, (£99k loss), in the previous year.

	2015-16	2014-15
	£000s	£000s
Income (excluding Pension adj.)	24,125	23,290
Pension Adjustments	-	41
Total Income	24,125	23,331
Expenditure (excluding Pension adj.)	23,951	23,639
Pension Adjustments	132	863
Total Expenditure	24,083	24,502
Operating Surplus/(Deficit)	42	(1,171)
Loss on Disposal of Fixed assets	(31)	(22)
Gain on Investments	264	272
Surplus/(Deficit) before tax	275	(921)
Taxation	(12)	-
Surplus/(Deficit) for the year	263	(921)
Actuarial Losses in respect of Pension Schemes	(1,633)	(324)
Total Comprehensive Expenditure	(1,370)	(1,245)
<i>Surplus/(Deficit) Excl. Pension Adjustments</i>	<i>407</i>	<i>(99)</i>

Total income for the year increased by more than inflation, at 3.4%, to £24.1m (2014-15, £23.3m). 4% of this increase was accounted for by a rise in tuition fee income and 0.4% by an increase in funding body grants, partly offset by a 0.9% reduction in 'other operating income' which was adversely affected by a reduction in grants received from Local Authorities.



Total expenditure decreased by 1.7% from the previous year at £24.1m (2014-15 £24.5m). The principal variations comprise decreases in staff costs of £149k (accounting for 0.6% of the total), and other operating expenses of £215k (or 0.9% of the total). However, it should be noted that depreciation charges also fell by £135k. The staff cost decrease was mainly caused by the reduction in the USS pension charge which fell from £1.1m in 2014-15 to £291k in 2015-16. If FRS102 pension adjustments are excluded, staff costs increase by just over 5% as a consequence of the nationally agreed pay award of 1%, incremental drift plus the part year effect of increases in the employer contributions of our two main occupational pension schemes, USS and the Teachers' Pension Scheme (TPS) where contributions rose by 2% and 2.4% respectively. In addition, the national insurance rebate, for employers that offer occupational pension schemes, was withdrawn in the year. Other things being equal, costs may have been expected to rise by more than 5% but, where possible, the Conservatoire sought to constrain expenditure to counteract some of the underlying cost pressure. The reduction in other operating expenditure partially reflects, amongst other things, lower expenditure on bursaries and savings in academic support services offset by an increase in Academic non-pay.



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 benchmark the gross and net performance of the investments against recognised indices.

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

During the year, Investec continued as investment advisors to the Conservatoire. The overall investment portfolio increased from £4.4m in 2014-15 to £4.6m in 2015-16. A total return, including dividend income, of just over 8% of assets invested was achieved in 2015-16.

The Conservatoire received new endowments totalling £262k contributing to an increase in the total from £5.6m in 2014-15 to £6.0m in 2015-16. The improvement in 2015-16 is a welcome development following on from the previous year where, due to a large impairment charge [£543k] arising from a review, the endowment balance reduced very slightly (£9k).

Additions to fixed assets

Additions to buildings amounted to £0.2m, equipment £0.2m and musical instruments (net of disposals) was £0.1m as set out in Note 10.

Major financial risks

The Conservatoire continues to operate in a competitive environment for student recruitment. In response to the increased risk the Conservatoire has increased its investment in student recruitment and marketing and is actively refreshing its academic offer to improve its appeal to existing and potential students.

In addition to increased competition, the Conservatoire also faces additional uncertainty following the vote to leave the European Union in the EU referendum held in June 2016. The Conservatoire currently attracts a relatively large number of EU students and is aware that the current lack of clarity over fees and finance after the United Kingdom leaves the EU may deter future applicants. The Conservatoire aims to counter the potential impact of the EU vote by building on its current active recruitment efforts across Europe, further exploration of potential markets globally and profile raising activities to relay to the largest possible audience Trinity Laban's reputation for world class teaching.

Trinity Laban 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 specialist training. Additional support for the high cost of Conservatoire teaching is also provided by generous

benefactors and work by staff in our Development office to enhance donations to our capital programme plus scholarships and prize funds forms an important part of the Conservatoires' response to the evident pressure on public funding.

Demographic changes continue to exert upward pressure on pension costs. Higher employer pension contributions have been included in the Conservatoire's financial forecasts 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 are:

- 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.
- Failures of data quality leading to poor decision making and/or inaccurate regulatory and funding returns
- Breaches of the Consumer Protection Act

During 2015-2016, the areas of highest risk remained student recruitment and the external funding and policy environment. Risk of breaches of the Consumer Protection Act was added to register, reflecting reinforced legislative requirements and regulatory oversight of the HE sector in respect of student information and terms and conditions. Mitigating action plans were put in place for those risks assessed to be at the highest level. The Board and management continue to maintain close oversight of the overall risk profile of the Conservatoire in a volatile external environment. It is intended to undertake a further major review of risks and opportunities during the Autumn Term 2016, facilitated by our Internal Auditors, to ensure that the Conservatoire is focusing on the most critical issues and latest developments such as withdrawal from the European Union.

Key performance indicators

Trinity Laban monitors, evaluates and reports the achievement of the Conservatoire 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). 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. KPIs have been mapped to strategic objectives and organisational enablers, and reporting includes performance comparison with an identified benchmark group of conservatoires, where appropriate. The configuration of the headline KPIs and underlying measures has been adapted 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. For 2015-2016, there were 12 headline KPIs, underpinned by 27 data measures, covering student recruitment, achievement and satisfaction, research and knowledge exchange, human resources, estates and finance.

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.

Future Plans

The Conservatoire benefits from having a relatively high number of applications from potential students for each available place, however, ever conscious of the need to maintain the highest quality, a number of initiatives are in place to encourage more applications. During 2016-17 additional expenditure has been agreed for new promotional activity building on recent investments in marketing and student recruitment. There will be increased activity in markets with growth potential, and initiatives, for example, a redesign of the Conservatoire's website, to raise our profile. More and better targeted recruitment action is planned. We held the first ever Hong Kong Music auditions in March 2016 and plan to increase Music audition locations overseas in 2016/17.

During 2015-16 the Conservatoire gained taught degree awarding powers -one of the principal objectives of the current strategic plan. Not long after the success two new programmes were launched. Firstly, a new distance learning programme in the practice of music making in collaboration with the Open University and ,also, a new independent study programme in musical theatre. In spite of the short lead in, both programmes recruited sizeable cohorts in 2016-17 and are set to be important additions to our academic offer. Overall student recruitment in 2016-17 was ahead of that achieved in the previous year.

The Conservatoire intends to grow in the medium term. A key plank of the growth strategy will be the work underway which aims to continue to capitalise on the success in obtaining taught degree awarding powers by updating existing provision and adding to our portfolio of programmes. The planned changes to the Conservatoire's academic provision will compliment other initiatives bound by the underlying theme of trying to meet the demands and aspirations of existing and potential students whilst remaining true to our traditions of innovation and challenge.

The Conservatoire is proud of its record in widening participation which is core to its mission. In addition to our Higher Education provision a number of programmes are run for participants of all ages and background in both the Music and Dance faculties. During 2015-16, the Music faculty thoroughly reviewed the services provided by the Junior Trinity team and it is expected that, over the course of the next five years, it will be possible to expand the opportunity for young musicians to benefit from the expertise and facilities of Trinity Laban.

Along with other HEIs the Conservatoire has a rolling programme of capital works funded from a mixture of internal resources, borrowing, philanthropic donations and capital grants from the Higher Education Funding Council for England (HEFCE). During 2016-17 we received the welcome news that the Hearn Foundation has confirmed a generous award of £2m that will support further extensive upgrades to Blackheath Halls over the next two to three years. The gift supplements an award of £0.5m by the Arts Council for England to improve the grade II listed Halls. The donation from the Hearn Foundation, together with Arts Council funding, supports our vision to transform the Halls for the twenty first century, enhancing their flexibility and creative potential as a performance venue serving the needs of students, artists, audiences, and our local community.

The current strategic plan takes the Conservatoire to 2019, however, given the rapidly changing environment, not least the recent vote by the United Kingdom to leave the European Union, a decision has been taken to prepare a new plan during 2016-17. It is envisaged that, after extensive consultation with staff, students and governors, the plan will be considered and approved by the Conservatoire's Governing Body in the 2017 summer term. The new strategic plan will provide the framework for meeting the challenges and taking advantage of the opportunities we face in the medium term.

Approved on behalf of the Board on **30 November 2016** 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 and BCH Enterprises Ltd, as wholly owned subsidiaries.

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 2016, 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 2016, 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 2016, and up to the date of approval of these financial statements.

Statement of Responsibilities of the Board of Governors

In accordance with the Conservatoire's Memorandum and Articles of Association, the Board of Governors is responsible for the administration and management of the affairs of the Conservatoire and is required to present audited financial statements for each financial year.

The Board of Governors (the Governors of which are also the directors of the Conservatoire for the purposes of company law) is responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Governors to prepare financial statements for each financial year. Under that law, the Board of Governors is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In addition, the Board of Governors is required

to prepare the financial statements in accordance with the terms and conditions of the HEFCE Memorandum of assurance and accountability (July 2016), through its accountable officer. Under company law, the Board of Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Conservatoire and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the Conservatoire and the Group for that year.

In preparing the financial statements, the Board of Governors is required to:

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

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the Conservatoire's transactions and disclose with reasonable accuracy at any time the financial position of the Conservatoire and enable it to ensure that the financial statements comply with the Memorandum and Articles of Association, the Statement of Recommended Practice - Accounting for Further and Higher Education as issued in March 2014 and any subsequent amendments, the HEFCE Accounts Direction and the Companies Act 2006. They are also responsible for safeguarding the assets of the Conservatoire and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the HEFCE and other funding bodies are used only for the purposes for which they have been given and in accordance with the HEFCE memorandum of assurance and accountability (July 2016) and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial management controls in place to safeguard public funds and funds from other sources;
- ensure that the Conservatoire has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities; and
- secure the economic, efficient and effective management of the Conservatoire's and the Group's resources and expenditure.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the Conservatoire's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Governors confirm that:

- so far as each Governor is aware, there is no relevant audit information of the Conservatoire's auditor is unaware; and
- the Governors have taken all the steps that they ought to have taken Governors in order to make themselves aware of any relevant audit information and to establish that the Conservatoire's auditor is 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 Conservatoire. 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 Conservatoire, 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 Conservatoire 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 Conservatoire;
- undertake the appointment, grading, suspension, appraisal, assignment, dismissal and determination of the pay and conditions of service of the head of the Conservatoire 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 Conservatoire, 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 Conservatoire's legal authority and, as such, to ensure that systems are in place for meeting all the Conservatoire's legal obligations, including those arising from contracts and other legal commitments made in the Conservatoire'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 Conservatoire;
- ensure that the Conservatoire'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 Conservatoire's affairs and meets at least four times a year to monitor the operations of the Conservatoire. 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 Conservatoire, approval of major developments and receipt from the Conservatoire's executive officers of regular reports on the Conservatoire'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 2015/16.

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 Conservatoire's objectives and risks, and a control strategy is determined for each of the significant risks and opportunities;
- The Conservatoire'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 Conservatoire 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 Conservatoire 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 Conservatoire'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

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 Conservatoire'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 Conservatoire'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 **30 November 2016** 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 2016 which comprise the consolidated and Conservatoire statement of comprehensive income and expenditure, the consolidated and Conservatoire statement of changes in reserves, the consolidated and Conservatoire balance sheets, the consolidated statement of cash flows 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Conservatoire's Board of Governors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Conservatoire's Board of Governors those matters we are required to state to it 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 the Conservatoire's Board of Governors as a 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 of the Board of Governors set out on page 18, the Board of Governors (who are also the directors of the charitable company for the purposes of company law) is 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's and the Conservatoire's affairs as at 31 July 2016 and of the group's and the Conservatoire's surplus, and its income and expenditure, gains and losses, changes in reserves and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014; 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 Report of the Governors, incorporating the Strategic 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 July 2016

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;
- 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 Conservatoire financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Board of Governor's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jennifer Brown

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

1 December 2016

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES**Basis of preparation**

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The Conservatoire is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

The financial statements are presented in Sterling (£).

Transition to 2015 SORP

The Conservatoire is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to 2015 SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the Conservatoire is provided in note 27.

Application of first time adoption grants certain exemption from the full requirements of 2015 SORP in the transition period. The following exemption has been taken in preparing the financial statements:

The Laban land and the Blackheath Halls land and buildings were revalued as at 31 July 2015. Please refer to note 10 for more detail on the revaluation.

Significant estimates and judgements

The following significant estimates and judgements have been made in preparing the financial statements:

Discount rate for the Universities Superannuation Scheme (USS) and Legal and General and London Pensions Fund Authority (LPFA) defined benefit pension schemes. The USS discount rate was calculated using the Mercer Yield Curve UK - Extended Dataset model and the discount rates for the Legal and General and LPFA schemes were calculated by actuaries on behalf of the Conservatoire. Therefore, management made a judgement in applying these rates.

The deemed cost of the Laban land and Blackheath Halls land and buildings. Although provided by a regulated Chartered Surveyor, the valuation was carried out at 31 July 2015, one year after the transition date. Therefore, the value as at 31 July 2014 was an estimate based on this value and further advice from the Chartered Surveyor.

Company information

Trinity Laban Conservatoire of Music and Dance is a charity and its country of incorporation is the UK. Please refer to the Company Information for the address of its registered office.

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. Although, there has been a significant loss for the year, this mainly relates to the USS and other pension scheme adjustments. Excluding these adjustments the Conservatoire made a surplus of £0.4m and an increase in cash of £0.5m. 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 include the Conservatoire and all its subsidiaries for the financial year to 31 July 2016. 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.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the Conservatoire does not exert control or dominant influence over policy decisions.

Subsidiary undertakings

The Conservatoire has a 100% holding in both The Blackheath Halls and BCH Enterprises, companies limited by guarantee.

The Blackheath Halls is a non-profit organisation raising funds to advance education particularly by the encouragement of the arts and BCH Enterprises is a company providing hall hire and associated catering services.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Income recognition

Income from the provision of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the student or external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the Conservatoire receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the Conservatoire where the Conservatoire is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants, including funding council block grant and research grants, are recognised as income over the periods in which the Conservatoire recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised as income when the Conservatoire is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised as income when the Conservatoire is entitled to the funds. Income is retained within the restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserves transfer.

Investment income and appreciation of endowments is recorded as income in the year in which it arises and as either restricted or unrestricted income according to the terms other restrictions applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Conservatoire.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Conservatoire has the power to use the capital.
4. 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.

Capital grants

Government capital grants are recognised as income over the expected useful life of the asset. Other capital grants are recognised as income when the Conservatoire is entitled to the funds subject to any performance related conditions being met.

Accounting for retirement benefits

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. 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The USS and TPS are multi-employer schemes for which it is not possible to identify the assets and liabilities relating to Conservatoire members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Conservatoire pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement over a member of staff's contract of employment.

Defined Benefit Plan

Defined benefit plans are any post-employment benefit plans that are not defined contribution plans. A feature of defined benefit pension plans is that the employer has offered a guarantee as to the amount or level of pension or benefit ultimately payable and is therefore liable to make additional contributions to provide that guaranteed level of benefit. Under defined benefit plans, a charity's (and/or its subsidiary's) obligation is to provide the agreed benefits to current and former employees. Actuarial risk and investment risk are effectively borne by the employer.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the Conservatoire. Any unused benefits are accrued and measured as the additional amount the Conservatoire expects to pay as a result of the unused entitlement.

Finance leases

Leases in which the Conservatoire assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Land, that had been revalued to fair value on or prior to the date of transition to the 2015 HE SORP, is measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

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
Freehold land	Not depreciated
Alterations and building improvements	20 years
Leasehold land and buildings	Amortised over the remaining term of the lease by equal
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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

Under FRS102, the Conservatoire took advantage of the exemption to revalue the Laban land and Blackheath Halls land and buildings as at 31 July 2014. The revalued amount has therefore become the "deemed cost". The Laban land is not depreciated as the remaining life is deemed to be infinite. However, the Blackheath Halls land and buildings is depreciated over its remaining useful economic life.

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. The carrying value of these assets is subject to an annual impairment review.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised

Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) the Conservatoire has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Conservatoire a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Conservatoire. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the Conservatoire a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Conservatoire.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Taxation

The Conservatoire is potentially exempt charity from taxation in respect of income or capital gains and is covered within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of schedule 6 to the Finance Act 2010 and accordingly, the Conservatoire is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost. The Conservatoire's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the Conservatoire, are held as a permanently restricted fund which the Conservatoire must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the Conservatoire is restricted in the use of these funds

CONSOLIDATED AND CONSERVATOIRE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
for the year ended 31 July 2016

	Note	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Income					
Tuition fees and education contracts	1	11,174,594	11,174,594	10,252,227	10,252,227
Funding body grants	2	6,622,108	6,622,108	6,522,768	6,522,768
Research grants and contracts	3	71,692	71,692	57,645	57,645
Other income	4	4,058,341	3,568,942	4,229,596	3,844,864
Investment income	5	130,784	130,784	173,788	173,787
Total income before endowments and donations		22,057,519	21,568,120	21,236,024	20,851,291
Donations and endowments	6	2,067,588	1,946,103	2,095,033	1,949,078
Total income		24,125,107	23,514,223	23,331,057	22,800,369
Expenditure					
Staff costs	7	13,801,708	13,473,536	13,950,618	13,627,180
Other operating expenses	9	8,660,014	8,512,456	8,875,420	8,594,174
Depreciation	10	1,435,616	1,401,834	1,571,047	1,541,051
Interest and other finance costs	8	185,483	177,022	104,941	96,328
Total expenditure		24,082,821	23,564,848	24,502,026	23,858,733
Surplus/(deficit) before other gains and losses		42,286	(50,625)	(1,170,969)	(1,058,364)
Loss on disposal of fixed assets		(31,046)	(31,046)	(22,292)	(22,292)
Gain on investments		264,193	264,193	272,270	272,270
Surplus/(deficit) before tax		275,433	182,522	(920,991)	(808,386)
Taxation		(12,620)	-	-	-
Surplus/(deficit) for the year		262,813	182,522	(920,991)	(808,386)
Actuarial loss in respect of pension schemes		(1,633,000)	(1,633,000)	(324,000)	(324,000)
Total comprehensive expenditure for the year		(1,370,187)	(1,450,478)	(1,244,991)	(1,132,386)
Represented by:					
Endowment comprehensive income for the year		383,196	383,196	(9,371)	(9,371)
Restricted comprehensive income for the year		(558,750)	(557,257)	(558,337)	(559,530)
Unrestricted comprehensive income for the year		(1,186,341)	(1,276,417)	(668,991)	(563,485)
Revaluation reserve comprehensive income for the year		(8,292)	-	(8,292)	-
		(1,370,187)	(1,450,478)	(1,244,991)	(1,132,386)

All items of income and expenditure relate to continuing activities

The notes on pages 36 to 55 form part of the financial statements

CONSOLIDATED AND CONSERVATOIRE STATEMENT OF CHANGES IN RESERVES
for the year ended 31 July 2016

Group	Income and expenditure account			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
	£	£	£	£	£
Balance at 1 August 2014	5,652,084	8,726,643	4,594,519	6,370,062	25,343,308
Surplus/(deficit) from the income and expenditure statement	114,073	-	(2,067,279)	-	(1,953,206)
Other comprehensive income	-	708,215	-	-	708,215
Transfers between revaluation and income and expenditure reserve	-	-	8,292	(8,292)	-
Transfers between endowment and income and expenditure reserve	73,285	15	(73,300)	-	-
Release of restricted funds spent in year	(196,729)	(1,266,567)	1,463,296	-	-
Total comprehensive expenditure for the year	(9,371)	(558,337)	(668,991)	(8,292)	(1,244,991)
Balance at 1 August 2015	5,642,713	8,168,306	3,925,528	6,361,770	24,098,317
Surplus/(deficit) from the income and expenditure statement	653,235	-	(2,712,574)	-	(2,059,339)
Other comprehensive income	-	689,152	-	-	689,152
Transfers between revaluation and income and expenditure reserve	-	-	8,292	(8,292)	-
Release of restricted funds spent in year	(270,039)	(1,247,902)	1,517,941	-	-
Total comprehensive income/(expenditure) for the year	383,196	(558,750)	(1,186,341)	(8,292)	(1,370,187)
Balance at 31 July 2016	6,025,909	7,609,556	2,739,187	6,353,478	22,728,130

Trinity Laban	Income and expenditure account			Revaluation reserve	Total
	Endowment	Restricted	Unrestricted		
	£	£	£	£	£
Balance at 1 August 2014	5,652,084	8,270,218	4,681,338	4,968,750	23,572,390
Surplus/(deficit) from the income and expenditure statement	114,073	-	(1,804,329)	-	(1,690,256)
Other comprehensive income	-	557,870	-	-	557,870
Transfers between endowment and income and expenditure reserve	73,285	15	(73,300)	-	-
Release of restricted funds spent in year	(196,729)	(1,117,415)	1,314,144	-	-
Total comprehensive expenditure for the year	(9,371)	(559,530)	(563,485)	-	(1,132,386)
Balance at 1 August 2015	5,642,713	7,710,688	4,117,853	4,968,750	22,440,004
Surplus/(deficit) from the income and expenditure statement	653,235	-	(2,683,848)	-	(2,030,613)
Other comprehensive income	-	580,135	-	-	580,135
Release of restricted funds spent in year	(270,039)	(1,137,392)	1,407,431	-	-
Total comprehensive income/(expenditure) for the year	383,196	(557,257)	(1,276,417)	-	(1,450,478)
Balance at 31 July 2016	6,025,909	7,153,431	2,841,436	4,968,750	20,989,526

The notes on pages 36 to 55 form part of the financial statements

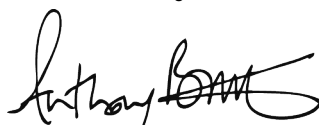
CONSOLIDATED AND CONSERVATOIRE BALANCE SHEETS
for the year ended 31 July 2016

	Note	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Non Current Assets					
Fixed assets	10	39,858,004	37,124,928	40,773,111	38,095,411
Investments	11	4,643,432	4,643,432	4,428,433	4,428,433
		<u>44,501,436</u>	<u>41,768,360</u>	<u>45,201,544</u>	<u>42,523,844</u>
Current assets					
Stock	12	6,081	1,378	9,691	1,948
Trade and other receivables	13	924,612	1,670,241	702,512	1,573,343
Cash and cash equivalents	19	2,566,378	2,561,844	2,032,734	2,021,390
		<u>3,497,071</u>	<u>4,233,463</u>	<u>2,744,937</u>	<u>3,596,681</u>
Less Creditors: amounts falling due within one year	14	(4,677,135)	(4,419,055)	(4,449,606)	(4,281,963)
		<u>(1,180,064)</u>	<u>(185,592)</u>	<u>(1,704,669)</u>	<u>(685,282)</u>
Net current liabilities					
Total assets less current liabilities		<u>43,321,372</u>	<u>41,582,768</u>	<u>43,496,875</u>	<u>41,838,562</u>
Creditors: amounts falling due after more than one year	15	(15,216,408)	(15,216,408)	(15,786,772)	(15,786,772)
Provisions					
Pension provisions	16	(5,376,834)	(5,376,834)	(3,611,786)	(3,611,786)
		<u>(5,376,834)</u>	<u>(5,376,834)</u>	<u>(3,611,786)</u>	<u>(3,611,786)</u>
Total net assets		<u><u>22,728,130</u></u>	<u><u>20,989,526</u></u>	<u><u>24,098,317</u></u>	<u><u>22,440,004</u></u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	17	6,025,909	6,025,909	5,642,713	5,642,713
Income and expenditure reserve - restricted reserve	18	7,609,556	7,153,431	8,168,306	7,710,688
Unrestricted reserves					
Income and expenditure reserve - unrestricted		2,739,187	2,841,436	3,925,528	4,117,853
Revaluation reserve		6,353,478	4,968,750	6,361,770	4,968,750
		<u>9,092,665</u>	<u>7,810,186</u>	<u>10,287,303</u>	<u>9,086,603</u>
Total reserves		<u><u>22,728,130</u></u>	<u><u>20,989,526</u></u>	<u><u>24,098,317</u></u>	<u><u>22,440,004</u></u>

The financial statements were approved by the Board on 30 November 2016 and signed and authorised for issue on its behalf by:



Lord David Lipsey
Chair of Governors



Professor Anthony Bowne
Principal

Company registration no. 51090

The notes on pages 36 to 55 form part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2016

	Note	2016 £	2015 £
Cash flow from operating activities			
Surplus/ (deficit) for the year		262,813	(920,991)
Adjustment for non-cash items			
Depreciation	10	1,435,616	1,571,047
Gain on investments	17	(264,193)	(272,270)
Decrease/ (increase) in year end stocks	12	3,610	(5,190)
(Increase)/ decrease in debtors	13	(222,100)	103,780
Increase/ (decrease) in creditors	14	182,086	(422,910)
Increase in pension provision	16	132,048	821,372
Adjustment for investing or financing activities			
Investment income	5	(130,784)	(173,788)
Interest payable	8	185,483	104,941
Endowment income	17	(262,481)	(252,566)
Adjustment on investment management fees	11	-	171,070
Loss on the sale of fixed assets		31,046	22,292
Capital grant income	2, 4	(654,052)	(714,082)
		699,092	32,705
Cash flows from investing activities			
Proceeds from sales of fixed assets		370	-
Capital grants receipts		216,480	138,450
Disposal of non-current asset investments	11	556,012	506,358
Investment income	5	130,784	173,788
Payments made to acquire fixed assets	10	(551,924)	(561,276)
New non-current asset investments	11	(506,818)	(470,477)
		(155,096)	(213,157)
Cash flows from financing activities			
Interest paid	8	(185,483)	(104,941)
Endowment cash received	17	262,481	252,566
Repayments of amounts borrowed		(108,710)	(105,831)
		(31,712)	41,794
Increase/ (decrease) in cash and cash equivalents in the year		512,284	(138,658)
Cash and cash equivalents at beginning of the year	19	2,007,389	2,146,047
Cash and cash equivalents at end of the year	19	2,519,673	2,007,389

The notes on pages 36 to 55 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 TUITION FEES AND EDUCATION CONTRACTS

	Note	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Higher education					
Full time undergraduate home/EU fees		5,857,018	5,857,018	5,190,562	5,190,562
Full time postgraduate home/EU fees		572,835	572,835	545,155	545,155
Part time home/EU fees		663,985	663,985	569,817	569,817
Overseas fees		1,518,000	1,518,000	1,465,128	1,465,128
Research fees		73,233	73,233	46,768	46,768
Other fees and support grants		2,489,523	2,489,523	2,434,797	2,434,797
		<u>11,174,594</u>	<u>11,174,594</u>	<u>10,252,227</u>	<u>10,252,227</u>
Total tuition fees and education contracts		11,174,594	11,174,594	10,252,227	10,252,227

2 FUNDING BODY GRANTS

		Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Recurrent grants					
HEFCE teaching grant		5,755,304	5,755,304	5,878,727	5,878,727
Specific grants					
HEFCE HEIF		398,002	398,002	353,549	353,549
HEFCE Research		259,364	259,364	-	-
HEFCE disability		29,959	29,959	21,475	21,475
HEFCE other revenue grants		22,203	22,203	27,531	27,531
HEFCE capital grant		157,276	157,276	241,486	241,486
		<u>6,622,108</u>	<u>6,622,108</u>	<u>6,522,768</u>	<u>6,522,768</u>
Total funding body contracts		6,622,108	6,622,108	6,522,768	6,522,768

3 RESEARCH GRANTS AND CONTRACTS

		Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
UK based charities		71,692	71,692	57,645	57,645
		<u>71,692</u>	<u>71,692</u>	<u>57,645</u>	<u>57,645</u>
Total research grants and contracts		71,692	71,692	57,645	57,645

4 OTHER INCOME

		Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Other services rendered		163,329	156,031	243,911	240,317
Residence and catering operations		1,853,604	1,750,312	1,869,483	1,787,182
Other revenue grants		638,693	620,560	811,182	789,146
Other capital grants		496,776	492,596	472,596	472,596
Other income		905,939	549,443	832,424	555,623
		<u>4,058,341</u>	<u>3,568,942</u>	<u>4,229,596</u>	<u>3,844,864</u>
Total other income		4,058,341	3,568,942	4,229,596	3,844,864

5 INVESTMENT INCOME

		Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Investment income on endowments	17	126,409	126,409	132,539	132,539
Other investment income		4,375	4,375	1	-
Net income on pension scheme		-	-	41,248	41,248
		<u>130,784</u>	<u>130,784</u>	<u>173,788</u>	<u>173,787</u>
Total investment income		130,784	130,784	173,788	173,787

6 DONATIONS AND ENDOWMENTS

	Note	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
New endowments	17	262,481	262,481	252,566	252,566
Donations with restrictions	18	652,472	547,635	691,340	545,385
Unrestricted donations		1,152,635	1,135,987	1,151,127	1,151,127
Total donations and endowments		2,067,588	1,946,103	2,095,033	1,949,078

7 STAFF COSTS

		Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Wages, salaries and fees		11,285,130	10,979,558	10,837,509	10,537,950
Social security costs		865,473	851,389	781,919	767,003
Movement on USS provision		291,424	291,424	1,140,620	1,140,620
Other pension costs		1,359,681	1,351,165	1,190,570	1,181,607
		13,801,708	13,473,536	13,950,618	13,627,180

Of the staff costs £328,171 (2015: £323,438) related to The Blackheath Halls.

Remuneration of higher paid staff

The amount of directors' emoluments was £201,400 (2015: £186,211). All payments were in respect of services as members of staff and relate to the relevant period of office. One director (2015: 1) is accruing benefits under defined benefit pension schemes.

The emoluments of the highest paid director (the Principal) was:

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Basic salary	173,200	173,200	163,200	163,200
Pension contributions to USS	28,200	28,200	23,011	23,011
	201,400	201,400	186,211	186,211

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

Staffing number (FTEs)	Group 2016	Trinity Laban 2016	Group 2015	Trinity Laban 2015
Academic	72	72	72	72
Academic support	73	73	72	72
Administrative	65	65	63	63
Blackheath Halls	15	-	17	-
	225	210	224	207

7 STAFF COSTS (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Conservatoire and Group. Staff costs includes compensation paid to key management personnel. Key management personnel for the Conservatoire are the members of the Principal's Management Group and for the Group this includes the General Manager of Blackheath Halls. Compensation consists of salary and benefits excluding any employer's pension contribution.

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Key management personnel compensation	690,830	635,066	696,865	643,155

Board Members

No board member has received any remuneration/waived payments from the Group or the Conservatoire during the year (2015 - none). No expenses were paid to or on behalf of board members from the Group or Conservatoire during the year (2015 - £90 to 2 council members from the Conservatoire and Group). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and Charity events in their official capacity.

8 INTEREST AND OTHER FINANCE COSTS

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Interest payable	40,877	39,277	44,995	43,138
Bank and credit card charges	54,982	48,121	59,946	53,190
Net charge on pension scheme	89,624	89,624	-	-
	<u>185,483</u>	<u>177,022</u>	<u>104,941</u>	<u>96,328</u>

9 OTHER OPERATING EXPENSES

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Academic and related expenditure	956,637	1,057,970	867,133	795,439
Academic support services	289,065	302,669	319,844	316,009
Other support services	262,732	262,732	232,459	232,459
Administration and central services	757,702	726,909	720,591	687,799
Auditor's remuneration				
External audit	68,202	57,149	57,634	46,921
Internal audit	24,663	24,663	23,735	23,735
Tax compliance services	3,230	-	5,610	2,676
Other non-audit services	14,923	14,923	4,900	4,900
General education	437,174	275,112	705,118	562,797
Scholarships, bursaries and prizes	1,602,076	1,602,076	1,615,974	1,615,974
Premises (including service concession cost)	1,787,190	1,694,127	1,794,511	1,698,282
Student accommodation costs	1,377,622	1,377,622	1,356,249	1,356,249
Other expenses	1,078,798	1,116,504	1,171,662	1,250,934
	<u>8,660,014</u>	<u>8,512,456</u>	<u>8,875,420</u>	<u>8,594,174</u>

Other operating expenses include:

Operating lease rentals				
Land and buildings	288,498	288,498	270,805	270,805
Other	125,766	125,766	77,197	77,197

10 FIXED ASSETS

Group	Freehold land and buildings £	Leasehold Land and Buildings £	Assets in the course of construction £	Fixtures, Fittings and Equipment £	Musical instruments £	Total £
Cost						
At 1 August 2015	37,048,892	14,146,022	-	8,910,598	6,143,371	66,248,883
Additions	121,120	-	59,251	212,612	158,941	551,924
Transfers	1,241,522	(1,235,446)	-	(198,527)	-	(192,451)
Disposals	-	-	-	-	(38,828)	(38,828)
At 31 July 2016	38,411,534	12,910,576	59,251	8,924,683	6,263,484	66,569,528
Depreciation						
At 1 August 2015	12,981,868	3,707,294	-	8,059,775	726,835	25,475,772
Charge for year	518,068	222,481	-	325,828	369,239	1,435,616
Transfers	(761,480)	697,326	-	(128,297)	-	(192,451)
Disposals	-	-	-	-	(7,413)	(7,413)
At 31 July 2016	12,738,456	4,627,101	-	8,257,306	1,088,661	26,711,524
Net book value						
At 31 July 2016	25,673,078	8,283,475	59,251	667,377	5,174,823	39,858,004
At 1 August 2015	24,067,024	10,438,728	-	850,823	5,416,536	40,773,111
Trinity Laban						
	Freehold land and buildings £	Leasehold Land and Buildings £	Assets in the course of construction £	Fixtures, Fittings and Equipment £	Musical instruments £	Total £
Cost						
At 1 August 2015	35,618,690	12,910,576	-	8,626,202	6,128,801	63,284,269
Additions	112,000	-	-	191,825	158,941	462,766
Disposals	-	-	-	-	(38,828)	(38,828)
At 31 July 2016	35,730,690	12,910,576	-	8,818,027	6,248,914	63,708,207
Depreciation						
At 1 August 2015	12,198,663	4,404,620	-	7,872,917	712,658	25,188,858
Charge for year	494,760	222,481	-	315,464	369,129	1,401,834
Disposals	-	-	-	-	(7,413)	(7,413)
At 31 July 2016	12,693,423	4,627,101	-	8,188,381	1,074,374	26,583,279
Net book value						
At 31 July 2016	23,037,267	8,283,475	-	629,646	5,174,540	37,124,928
At 1 August 2015	23,420,027	8,505,956	-	753,285	5,416,143	38,095,411

At 31 July 2016, freehold land and buildings included £5,540,000 (2015 - £5,540,000) in respect of freehold land and is not depreciated.

Endowment assets

Included within freehold land and buildings is £112,000 of endowment properties valued at fair value.

Revaluation of Laban land and Blackheath Halls land and buildings

The Conservatoire took advantage of the option available to first-time adopters of FRS 102 in respect of its building and land assets, which were previously held at cost. The option allows first-time adopters of FRS102 to revalue certain assets to fair value at the date of transition (in this case 1 August 2014) and use this figure as their deemed cost.

Valuation of Laban land

The freehold property comprising Laban Building (land only) was valued as at 31 July 2015 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation – Professional Standards: January 2014 (updated December 2014), the International Valuation Standards and International Financial Reporting Standards. The valuation of this property was on the basis of Fair Value, equated to Market Value, on the assumption of vacant possession. It was principally derived using the Comparative Method of Valuation. Based on the facts, assumptions and qualifications set out in their report, Gerald Eve LLP are of the opinion that the Fair Value of the freehold interest in the "Property" (Laban land) as at 31 July 2015, was the sum of £5,540,000.

10 FIXED ASSETS (continued)

Gerald Eve confirmed that the value of the Laban land as at 31 July 2014 would not be materially different to that at 31 July 2015 and so the value at the date of transition was assumed to be £5,540,000. The historic cost of the land as at 31 July 2014 was £571,250 and so the revaluation gain was £4,968,750.

Valuation of Blackheath Halls land and buildings

The freehold property comprising Blackheath Halls was valued as at 31 July 2015 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation – Professional Standards: January 2014 (updated December 2014), the International Valuation Standards and International Financial Reporting Standards. The valuation of this property was on the basis of Fair Value, equated to Market Value, on the assumption of vacant possession. It was principally derived using the Comparative Method of Valuation. Based on the facts, assumptions and qualifications set out in their report, Gerald Eve LLP are of the opinion that the Fair Value of the freehold interest in the "Property" (Blackheath Halls land and buildings) as at 31 July 2015, was the sum of £2,650,000.

The value of the Blackheath Halls land and buildings at the transition date was estimated to be £2,631,606 based on the valuation at 31 July 2015 and the capital additions and depreciation during the year ended 31 July 2015. The historic cost of the land and buildings as at 31 July 2014 was £1,230,294 and so the revaluation gain was £1,401,312.

11 NON-CURRENT INVESTMENTS

Group	Fixed asset investments	Fixed asset investments
	2016 £	2015 £
At 1 August 2015	4,428,433	4,363,114
Additions	506,818	470,477
Disposals	(556,012)	(506,358)
Prior year adjustment	-	(171,070)
Increase in market value of investments	264,193	272,270
At 31 July 2016	4,643,432	4,428,433

Trinity Laban	Fixed asset investments	Fixed asset investments
	2016 £	2015 £
At 1 August 2015	4,428,433	4,363,114
Additions	506,818	470,477
Disposals	(556,012)	(506,358)
Prior year adjustment	-	(171,070)
Increase in market value of investments	264,193	272,270
At 31 July 2016	4,643,432	4,428,433

The non-current investments have been valued at market value

The prior year adjustment relates to an overstatement of the investments, as the management fees were not accounted for correctly previously.

12 STOCK

	Group	Trinity Laban	Group	Trinity Laban
	2016 £	2016 £	2015 £	2015 £
General consumables	6,081	1,378	9,691	1,948
	6,081	1,378	9,691	1,948

13 TRADE AND OTHER RECEIVABLES

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Amounts falling due within one year:				
Trade receivables	189,205	149,110	165,178	145,674
Other receivables	184,221	182,492	185,077	165,202
Prepayments and accrued income	438,367	308,631	230,842	217,274
Due from endowment funds	112,819	112,819	121,415	121,415
Amounts due from subsidiary companies	-	357,189	-	363,778
Amounts falling due greater than one year:				
Amounts due from subsidiary companies	-	560,000	-	560,000
	924,612	1,670,241	702,512	1,573,343

Included in amounts due from subsidiary companies is £560,000 (2015 - £560,000), which is due in greater than one year

14 CREDITORS: amounts falling due within one year

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Bank overdraft	46,705	-	25,345	-
Unsecured loans	98,470	98,470	105,834	105,834
Trade payables	532,210	478,465	966,799	923,296
Taxation and social security	480,804	475,861	417,870	407,368
Other creditors	151,705	138,316	240,682	209,147
Accruals and deferred income	3,254,422	3,115,124	2,571,661	2,514,903
Due to endowment funds	112,819	112,819	121,415	121,415
	4,677,135	4,419,055	4,449,606	4,281,963

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Donations	901,111	900,000	700,000	700,000
Research grants received on account	-	-	10,000	10,000
Grant income	736,198	736,198	677,982	677,982
Other income	217,752	182,804	315,803	266,617
	1,855,061	1,819,002	1,703,785	1,654,599

15 CREDITORS: amounts falling due after more than one year

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Deferred income	14,247,676	14,247,676	14,716,694	14,716,694
Unsecured loans	968,732	968,732	1,070,078	1,070,078
	15,216,408	15,216,408	15,786,772	15,786,772

15 CREDITORS: amounts falling due after more than one year (continued)

Analysis of secured and unsecured loans:

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Due within one year or on demand (Note 14)	98,470	98,470	105,834	105,834
Due between one and two years	174,686	174,686	178,286	178,286
Due between two and five years	262,029	262,029	250,740	250,740
Due in five years or more	532,017	532,017	641,052	641,052
Due after more than one year	968,732	968,732	1,070,078	1,070,078
Total secured and unsecured loans	1,067,202	1,067,202	1,175,912	1,175,912
Unsecured loans repayable by 2024	968,732	968,732	1,070,078	1,070,078

Included in loans are the following:

Lender	Amount	Term	Interest rate	Borrower
AIB	1,056,075	2024	4.50%	Trinity Laban
Salix	11,127	2016	0.00%	Trinity Laban
	1,067,202			

16 PROVISIONS FOR LIABILITIES

Group	Obligation to fund deficit on USS pension £	Defined benefit obligations £	Total pensions provisions £
At 1 August 2015	2,024,786	1,587,000	3,611,786
Additions	326,048	1,439,000	1,765,048
At 31 July 2016	2,350,834	3,026,000	5,376,834
Trinity Laban	Obligation to fund deficit on USS pension £	Defined benefit obligations £	Total pensions provisions £
At 1 August 2015	2,024,786	1,587,000	3,611,786
Additions	326,048	1,439,000	1,765,048
At 31 July 2016	2,350,834	3,026,000	5,376,834

Unwinding of discount is included in additional provisions in line with FRS 102. Please refer to note 26 for more details and the actuarial assumptions for all of the pension schemes.

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. Please refer to note 26 for more details.

17 ENDOWMENTS

Group

	Restricted expendable endowments £	Restricted permanent endowments £	2016 Total £	2015 Total £
At 1 August 2015				
Original cost	819,476	3,009,425	3,828,901	3,577,024
Indexation of capital	171,787	420,253	592,040	552,133
Unapplied total return	959,544	262,228	1,221,772	1,522,927
Total	1,950,807	3,691,906	5,642,713	5,652,084
Movements in the reporting period:				
New endowments	14,000	248,481	262,481	252,566
Transfer from unrestricted reserves	-	-	-	73,300
Investment income	43,707	82,702	126,409	132,539
Other Income	-	152	152	-
Expenditure	(93,105)	(176,934)	(270,039)	(196,729)
Increase in market value of investments	91,347	172,846	264,193	272,270
Impairment	-	-	-	(543,317)
Total endowment comprehensive income/ (expenditure) for the year	55,949	327,247	383,196	(9,371)
At 31 July 2016	2,006,756	4,019,153	6,025,909	5,642,713
Represented by:				
Original cost	833,476	3,257,906	4,091,382	3,828,901
Indexation of capital	183,014	459,096	642,110	592,040
Unapplied total return	990,266	302,151	1,292,417	1,221,772
Total	2,006,756	4,019,153	6,025,909	5,642,713
Analysis by type of purpose:				
Scholarships and bursaries	1,721,137	3,679,994	5,401,131	5,040,074
Prize funds	205,028	301,480	506,508	490,325
General	80,591	37,679	118,270	112,314
	2,006,756	4,019,153	6,025,909	5,642,713
Analysis by asset:				
Global equities			4,307,443	4,113,489
UK government bonds			335,989	314,944
Amount due to endowment			96,549	121,415
Property			112,000	-
Cash & cash equivalents			1,173,928	1,092,865
			6,025,909	5,642,713

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. The opening balances have been restated to this effect.

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

Group

	Unspent capital grants £	Restricted donations £	2016 Total £	2015 Total £
At 1 August 2015	7,977,610	190,696	8,168,306	8,726,643
New grants	36,680	-	36,680	16,890
New donations	-	652,472	652,472	691,340
Capital grants utilised	(606,990)	-	(606,990)	(603,389)
Expenditure	-	(640,912)	(640,912)	(663,178)
Total restricted comprehensive income / (expenditure) for the year	(570,310)	11,560	(558,750)	(558,337)
At 31 July 2016	7,407,300	202,256	7,609,556	8,168,306

Trinity Laban

	Unspent capital grants £	Restricted donations £	2016 Total £	2015 Total £
At 1 August 2015	7,519,992	190,696	7,710,688	8,270,218
New grants	32,500	-	32,500	12,500
New donations	-	547,635	547,635	545,385
Capital grants utilised	(601,317)	-	(601,317)	(600,692)
Expenditure	-	(536,075)	(536,075)	(516,723)
Total restricted comprehensive income / (expenditure) for the year	(568,817)	11,560	(557,257)	(559,530)
At 31 July 2016	6,951,175	202,256	7,153,431	7,710,688

	2016 £	2015 £
Analysis of other restricted funds/donations by type of purpose:		
Scholarships and bursaries	111,941	99,390
Prize funds	14,917	17,000
General	75,398	74,305
	202,256	190,695

19 CASH AND CASH EQUIVALENTS

Group

	Note	At 1 August 2015 £	Cash flows £	At 31 July 2016 £
Cash at bank		2,032,734	533,644	2,566,378
Bank overdraft	14	(25,345)	(21,360)	(46,705)
		2,007,389	512,284	2,519,673

20 CAPITAL COMMITMENTS

	Group 2016 £	Trinity Laban 2016 £	Group 2015 £	Trinity Laban 2015 £
Commitments contracted for	474,000	-	-	-
	<u>474,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

21 LEASE COMMITMENTS

At 31 July 2016, the Conservatoire and the Group had future minimum lease payments as follows:

	Land & buildings 2016 £000	Other 2016 £000	Land & buildings 2015 £000	Other 2015 £000
Payable during the year	288	126	271	77
Future minimum lease payments due:				
Less than 1 year	325	88	271	88
Between 2 - 5 years	1,302	208	1,302	192
More than 5 years	38,956	-	39,281	14
	<u>40,583</u>	<u>296</u>	<u>40,854</u>	<u>294</u>

22 ACCESS TO LEARNING FUNDS

	Group and Trinity Laban	
	2016	2015
	£	£
The Conservatoire received and distributed HEFCE Access to Learning Funds as follows:		
Cash at bank at 1 August 2015	-	773
Outstanding balance written down	-	(773)
	<u>-</u>	<u>-</u>
Cash at bank at 31 July 2016	<u>-</u>	<u>-</u>

23 SUBSIDIARY UNDERTAKINGS

The Conservatoire has a 100% holding in The Blackheath Halls and BCH Enterprises Limited, companies limited by guarantee. The Blackheath Halls is a non-profit organisation raising funds to advance education by the encouragement of the arts. BCH Enterprises main activity is the provision of hall hire and associated catering services.

The country of incorporation of both subsidiaries is the UK.

24 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS102 whereby it need not disclose related party transactions with its subsidiary undertakings on the grounds that the subsidiaries are 100% owned and the subsidiary accounts are publicly available.

25 ULTIMATE CONTROLLING PARTY

The Group and Company had no ultimate controlling party as at 31 July 2016.

26 PENSION COSTS

TOTAL PENSION COSTS

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

	2016	2015
	£	£
Contributions to TPS	527,100	429,813
Contributions to USS	731,649	648,946
Contributions to LPFA / LGPS	106,688	117,201
Contributions to L&G	293,362	306,263
Contributions to other schemes	13,882	12,347
FRS102 adjustment on L&G and LPFA schemes	(313,000)	(324,000)
	<hr/>	<hr/>
Total pension costs	1,359,681	1,190,570
	<hr/> <hr/>	<hr/> <hr/>

PENSION SCHEMES

The two principal pension schemes for the Conservatoire'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 102 "Retirement and post employment 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 Conservatoire has taken advantage of the exemption in Section 28 of FRS 102 "Employee benefits" and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The total cost charged to the profit and loss account is £527,100 (2015: £429,813) as shown above.

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 2012 using the projected unit method. The 2012 actuarial review showed (1) investment return assumed at 5% per annum; (2) pension increases assumed at 2% per annum; (3) salary increases assumed at 5% per annum; (4) value of total scheme liabilities as £191.5bn; (5) value of notional assets as £176.6bn; and (6) shortfall of £14.9bn. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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%. From 1 September 2015 the employer contribution rate was increased to 16.4%.

26 PENSION COSTS (CONTINUED)

Universities Superannuation Scheme (USS)

The institution participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Conservatoire is therefore exposed to actuarial risks associated with other institutions' employees and 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 Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements

The total cost charged to the profit and loss account is £731,649 (2015: £648,946), as shown in this note above.

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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.

Defined benefit liability numbers for the scheme for 2016 and 2015 have been produced using the following assumptions:

	2016	2015
	% pa	% pa
Discount rate	3.6	3.3
Pensionable salary growth	n/a	3.5 in first year and 4 thereafter
Pension increases (CPI)	2.2	2.2

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 98% of S1NA ["light"] YoB tables – No age rating
Female members' mortality 99% of 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 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7

26 PENSION COSTS (CONTINUED)

The scheme assets and liabilities at the accounting are as follows:

	2016	2015
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

Movement in deficit during the year in USS scheme:

	2016 £000	2015 £000
Scheme deficit as at 1 August 2015	(2,025)	(858)
Service cost	(291)	(1,141)
Net interest on the defined liability	(35)	(26)
Scheme deficit at 31 July 2016	(2,351)	(2,025)

FRS 102– DISCLOSURES IN RESPECT OF LONDON PENSION FUND AUTHORITY (LPFA) SCHEME

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 valuation showed (1) discount rate assumed at 5.9%; (2) pension increases assumed at 2.7% per annum; (3) salary increases assumed at 2.7% per annum for first two years and then 4.5% thereafter; (4) value of total scheme liabilities as £5.1m; (5) value of notional assets as £4.7m; and (6) shortfall of £0.4m. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The major assumptions by the actuary in valuing liabilities as at 2016 and 2015 were:

	2016 % pa	2015 % pa
Discount rate	2.6	3.8
Expected pension increases (limited price indexation)	2.2	2.6
Inflation rate	2.2	2.6
Salary increases	4.0	4.4

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

	2016 %	2015 %
Retiring today		
Males	22.3	22.2
Females	25.1	25.0
Retiring in 20 years		
Males	24.7	24.5
Females	27.5	27.3

26 PENSION COSTS (CONTINUED)

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

	2016 Fair Value £000	2015 Fair Value £000	2014 Expected rate of return %	2014 Fair Value £000	2013 Expected rate of return %	2013 Fair Value £000	2012 Expected rate of return %	2012 Fair Value £000
Equities	2,044	1,646	6.7	1,542	6.4	1,581	5.6	1,995
Alternative assets	449	334	6.0	250	5.4	269	4.6	450
Target return portfolio	965	723	6.1	1,003	4.9	976	4.3	281
Cash	165	481	3.2	486	0.5	34	0.5	84
Cashflow matching	347	538	3.4	214	3.4	505	-	-
Total market value of assets	3,970	3,722		3,495		3,365		2,810
Present value of scheme liabilities	(6,226)	(4,995)		(4,595)		(4,096)		(3,981)
Deficit in the scheme	<u>(2,256)</u>	<u>(1,273)</u>		<u>(1,100)</u>		<u>(733)</u>		<u>(1,171)</u>

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 2016 this was 2.6% and 2015 this was 3.8%.

26 PENSION COSTS (CONTINUED)

Amounts recognised in the consolidated statement of comprehensive income and expenditure (LPFA scheme)

	2016 £000	2015 £000
Service cost	(90)	(89)
Employer contributions	107	117
Administration expenses	(6)	(5)
Net interest on the defined liability	(47)	(45)
Total Actuarial loss	(947)	(151)
	<hr/>	<hr/>
Total comprehensive expenditure for the year	(983)	(173)

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

Movement in deficit during the year (LPFA scheme):

	2016 £000	2015 £000
Scheme deficit as at 1 August 2015	(1,273)	(1,100)
Service cost	(90)	(89)
Employer contributions	107	117
Administration expenses	(6)	(5)
Net interest on the defined liability	(47)	(45)
Total Actuarial loss	(947)	(151)
	<hr/>	<hr/>
Scheme deficit at 31 July 2016	(2,256)	(1,273)

FRS 102– DISCLOSURES IN RESPECT OF LEGAL AND GENERAL (L&G) SCHEME

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 31 July 16 using the projected unit method. The actuarial valuation revealed a shortfall of £770,000 in the value of the assets of the scheme of £9,283,000 compared to the actuarial liability of £10,053,000 for pension benefits. This represents a funding level of 96%.

The major assumptions by the actuary in valuing liabilities at 2016 and 2015 were:

	2016 % pa	2015 % pa
Discount rate	2.9	3.7
Expected pension increases (limited price indexation)	2.7	3.1
Inflation rate	2.7	3.1

26 PENSION COSTS (CONTINUED)

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

	2016	2015
Retiring today	%	%
Males	23.6	23.7
Females	24.4	24.6
Retiring in 20 years		
Males	24.8	25.0
Females	25.6	25.7

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

	2016	2015	2014	2014	2013	2013	2012	2012
	Fair	Fair	Expected	Fair	Expected	Fair	Expected	Fair
	Value	Value	rate of	Value	rate of	Value	rate of	Value
	£000	£000	return	£000	return	£000	return	£000
			%		%		%	
Bonds	1,678	1,569	4.1	1,414	4.3	1,208	3.9	1,112
Equities	5,035	4,569	7.2	4,132	7.3	3,819	6.5	3,163
Annuities	2,541	2,444	4.1	2,662	4.6	2,729	4.4	2,831
Cash	29	27	0.5	14	0.5	29	0.5	(118)
T total market value of assets	9,283	8,609		8,222		7,785		6,988
Present value of scheme (liabilities)	(10,053)	(8,923)		(8,923)		(8,135)		(8,414)
Deficit in the scheme	(770)	(314)		(701)		(350)		(1,426)

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 2016 this was 2.9% and 2015 this was 3.7%.

Analysis of the movement in the present value of the scheme liabilities (L&G scheme)

	2016	2015
Value of liabilities as 1 August 2015	£000	£000
Interest cost	8,923	8,730
Experience loss/(gain) on liabilities	324	353
Loss in changes in financial assumptions	19	(111)
Change in secured pensioners value due to scheme experience	968	384
Benefits paid	10	(323)
	(191)	(110)
Value of liabilities as 31 July 2016	10,053	8,923

26 PENSION COSTS (CONTINUED)

Analysis of the movement in the present value of the scheme assets (L&G scheme)	2016	2015
	£000	£000
Bid value of assets at 1 August 2015	8,609	8,222
Expected return on assets	316	465
Gain on asset return	301	100
Employer contributions (gross)	296	296
Expenses paid by the scheme	(58)	(41)
Change in secured pensioners value due to scheme experience	10	(323)
Benefits paid	(191)	(110)
	<hr/>	<hr/>
Bid value of assets at 31 July 2016	<u>9,283</u>	<u>8,609</u>

Amounts recognised in the consolidated statement of comprehensive income and expenditure (L&G scheme)	2016	2015
	£000	£000
Employer contributions	296	296
Administration expenses	(58)	(41)
Net interest on the defined liability	(8)	112
Total Actuarial loss	(686)	(173)
	<hr/>	<hr/>
Total comprehensive (expenditure) / income for the year	<u>(456)</u>	<u>194</u>

Movement in deficit during the year (L&G scheme):	2016	2015
	£000	£000
Scheme deficit at 1 August 2015	(314)	(508)
Employer contributions	296	296
Administration expenses	(58)	(41)
Net interest on the defined liability	(8)	112
Total Actuarial loss	(686)	(173)
	<hr/>	<hr/>
Scheme deficit at 31 July 2016	<u>(770)</u>	<u>(314)</u>

CONSOLIDATED PENSION SCHEMES

Movement in deficit during the year (consolidated):	2016	2015
	£000	£000
Scheme deficit at 1 August 2015	(3,612)	(2,466)
Service cost	(381)	(1,230)
Employer contributions	403	413
Administration expenses	(64)	(46)
Net interest on the defined liability	(90)	41
Total Actuarial loss	(1,633)	(324)
	<hr/>	<hr/>
Scheme deficit at 31 July 2016	<u>(5,377)</u>	<u>(3,612)</u>

27 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the Conservatoire's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, 2015 SORP based Statement of Financial Position, the Conservatoire has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the Conservatoire's financial position, financial performance and cash flows is set out below.

Financial position

	Group 2015 £	Trinity Laban 2015 £	Group 2014 £	Trinity Laban 2014 £
Total reserves under 2007 SORP	11,823,461	12,171,058	11,384,276	11,599,674
USS pension provision - Unrestricted	(2,024,786)	(2,024,786)	(858,414)	(858,414)
Grant income - Restricted	8,111,585	7,519,993	8,699,776	8,108,184
Donations Income - Restricted	190,681	190,682	153,778	153,282
Employee leave accrual - Unrestricted	(408,212)	(400,693)	(406,170)	(399,086)
Revaluation gains	6,370,062	4,968,750	6,370,062	4,968,750
Depreciation charge reduction due to revaluation	35,526	15,000	-	-
Total effect of transition to FRS 102	12,274,856	10,268,946	13,959,032	11,972,716
Total reserves under 2015 SORP	<u>24,098,317</u>	<u>22,440,004</u>	<u>25,343,308</u>	<u>23,572,390</u>

Financial performance

	Group 2015 £	Trinity Laban 2015 £
Surplus for the year under 2007 SORP	295,338	427,536
USS pension provision	(1,166,372)	(1,166,372)
Actuarial loss on defined benefit pension schemes	(324,000)	(324,000)
Net interest on defined benefit pension schemes liabilities	(11,000)	(11,000)
Admin costs on defined benefit pension schemes	(46,000)	(46,000)
Grant income reduction	(588,192)	(588,192)
Donations Income - Restricted	36,915	37,413
Employee leave accrual	(2,042)	(1,607)
Depreciation charge reduction due to revaluation	35,526	15,000
New Endowments	252,566	252,566
Endowments gains	272,270	272,270
Total effect of transition to FRS 102	(1,540,329)	(1,559,922)
Total comprehensive expenditure for the year under 2015 SORP	<u>(1,244,991)</u>	<u>(1,132,386)</u>

Cash Flows

The only impact of the transition to FRS 102 on the cash flows of the Conservatoire or the Group is the reclassification of some short term investments to cash and cash equivalents.

27 Transition to FRS102 and the 2015 SORP (continued)

Revaluation of Laban land and Blackheath Halls land and buildings

The Conservatoire and Blackheath Halls took advantage of the option available to first-time adopters of FRS 102 in respect of its building and land assets, which were previously held at cost. The option allows first-time adopters of FRS102 to revalue certain assets to fair value at the date of transition (in this case 1 August 2014) and use this figure as their deemed cost. The Conservatoire engaged Gerald Eve LLP, a regulated firm of Chartered Surveyors, to perform the revaluation and based on the facts, assumptions and qualifications set out in their report, Gerald Eve LLP are of the opinion that the fair value of the Laban land as at 31 July 2015 was the sum of £5,540,000 and the fair value of the Blackheath Halls land and buildings as at 31 July 2015 was the sum of £2,650,000. The surveyors confirmed that the value of the Laban land as at 31 July 2014 would not be materially different to that at 31 July 2015 and so the revalued amount at the date of transition was assumed to be £5,540,000. The value of the Blackheath Halls land and buildings at the transition date was estimated based on the valuation at 31 July 2015 and the capital additions and depreciation during the year ended 31 July 2015.

The revaluation gains shown above are the difference between the estimated value and the net book value of the Laban Land and the Blackheath Halls land and buildings as at 31 July 2014.

The depreciation charge has reduced as a result of the revaluation for both the Conservatoire and the Group, as the Laban land is no longer being depreciated after the transition to FRS102 and the Blackheath Halls land and buildings is now being depreciated over the length of the leasehold, which had 169 years remaining as at 31 July 2014, whereas previously this was depreciated incorrectly over a shorter period.

USS pension and other pension scheme movements

Whilst transition to FRS 102 did not change the underlying defined benefit pension scheme deficit at the date of transition, the interim balance sheet date of 31 July 2015 or at the year end, the allocation of the movements in the defined benefit scheme obligation were affected, which has led to a change in the reported net income. This has resulted in a corresponding adjustment to the pension scheme gains and losses.

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. The provision was recognised for the first time at 31 July 2014 and the movements above relate to the change in value of the provision at 31 July 2015 and 31 July 2016.

Please refer to note 26 for further explanation on all of the pension scheme movements.

Grant and Donations Income

The 2015 SORP allows the accounting policy choice of applying the accrual method or the performance model when accounting for Government grants, except for capital grants for land. The Conservatoire and Group has chosen the accrual method and applied this at the date of transition to FRS102. Therefore, Revenue Government grants are recognised in income on a systematic basis over the periods at which the related costs are recognised for which the grant is intended to compensate. Capital Government grants are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates.

Under the new SORP, where part of a Government grant is deferred it has been recognised within creditors and not deducted from the the carrying amount of the asset. The deferred income has been allocated between creditors due within one year and after more than one year.

Non-Government grant and donations income is treated as a non-exchange transaction, whereby the entity receives/gives value from/to another entity without directly giving/receiving approximately equal value in exchange. Under FRS102, non-exchange transactions with performance-related conditions must be recognised when the performance-related conditions have been met. If no performance-related conditions exist then the income should be recorded in the Statement of Comprehensive Income and Expenditure as soon as the Conservatoire is entitled to the income.

Therefore, the grant and donations income movements above relate to non-Government grants and donations where no performance-related conditions existed and the income has been recognised in the Statement of Comprehensive Income and Expenditure. Previously this was recognised as deferred income on the Balance Sheet.

Endowment income and gains

Under the 2015 SORP, the endowment income and gains must be recognised in the Statement of Comprehensive Income and Expenditure. However, there is no change to the amount of income or gains in either year.

Employee leave accrual

The amount of any employee leave not used by the financial year end must be recognised as a liability in the Balance Sheet in the 2015 SORP. Therefore, an employee leave accrual was recognised by the Group and the Conservatoire for the first time at 31 July 2014 and also at the following two financial year ends.

28 Contingencies

The Conservatoire is in discussion with the Union UCU about a claim arising from the implementation of the 2008 Framework Agreement. If a formal claim were successfully made it is anticipated that the cost will be in the order of £0.5m. From the information available, including legal advice, the Conservatoire feels that there is only a remote possibility that the claim would be successful.

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