

HEPWA

Company Registration No. 51090
Charity No. 309998

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE
(A Registered Charity and Company Limited by Guarantee)

Report and Financial Statements
31 July 2009

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

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TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS DIRECTORS AND ADVISERS

Patron	HRH Duke of Kent KG	
Presidents	Sir Charles Mackerras CH AC CBE Dr Marion North CBE	
Board of Governors		
Independent Governors	Sir Robert Scott ^{1,4} (Chairman) Catherine Bott Valerie Bourne CBE (resigned July 2009) Alan Britten CBE ^{1,2,3} Richard Brown ⁴ Dr Esther Cavett (appointed July 2009) Dr Geoffrey Copland CBE ³ Alan Dexter ³ Joanna Embling ⁴ Cllr John Fahy Michael Hildesley ^{1,4} (Vice Chairman) Dr Robert Massey Hilary Oliver ⁴ Joan Ruddock MP Vimmi Singh ¹ David Sullivan ⁴ Elizabeth Wedmore ³ (appointed March 2009)	
	<i>1 Member of the Council of Trinity College London</i> <i>2 Trustee of the TCM Trust</i> <i>3 Member of the Audit Committee</i> <i>4 Member of the Planning and Resources Committee</i>	
Ex Officio Governors	Derek Aviss ² , Joint Principal Anthony Bowne, Joint Principal	
Representative Governors	Elizabeth Atkin (administrative staff, appointed July 2009) Thomas Hewitt (student, appointed September 2009) James Hitchins (administrative staff) Elizabeth Ross (teaching staff, appointed September 2009) Emma McFarland (administrative staff, resigned February 2009) Hester Montgomery Campbell (student) Dr Dominic Murcott (teaching staff, appointed September 2008) Susan Sentler (teaching staff, resigned August 2009) Natalie Witts (student, resigned August 2009)	
Clerk to the Board	Karen Bumell	
Registered Name and Office	Trinity Laban Conservatoire of Music and Dance King Charles Court Old Royal Naval College Greenwich SE10 9JF (Limited by guarantee) Company No: 51090, Charity No: 309998	
Company Secretary	Jonathan Peel	
Auditors	External Auditors Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	Internal Auditors Tenon Clifton House, Bunnian Place Basingstoke, Hampshire RG21 7JE
Bankers	Allied Irish Bank (GB) 10 Berkeley Square London N1J 6AA	Natwest Bank 10 Marylebone High Street London W1A 1FH

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

REPORT OF THE BOARD

Review of Activities

a. Constitution

Trinity Laban Conservatoire of Music and Dance (hereinafter referred to as Trinity Laban) incorporates Trinity College of Music and Laban, and its wholly owned subsidiary, The Blackheath Halls. Trinity Laban is a registered charity and a company limited by guarantee and was incorporated on 23rd February 1981, with the duties laid upon it by charity and company law. It is governed as described in the Memorandum and Articles of Association as approved by the Privy Council and Charity Commission. It is also treated within the public sector as a Higher Education Institution, subject to a financial memorandum issued by the Higher Education Funding Council for England (HEFCE) in respect of public funds and any other funds received by the Institution.

Trinity Laban is recognised as a provider of Degree Courses under the Education (Listed Bodies) Order and these are delivered through its constituent Colleges: Trinity College of Music and Laban.

b. Objectives and principal activities

Mission Statement

Trinity Laban is the UK's first conservatoire of music and contemporary dance. Its mission is to provide specialist education of the highest international quality, which reflects the increasingly collaborative world of artistic practice and supports the lifelong career development of students and professional performing artists.

Vision Statement

Trinity Laban Conservatoire of Music and Dance, at the leading edge of music and dance training, is forward thinking, contemporary and world-class. It enriches society and empowers individuals to fulfil their artistic potential.

Mission goals

- To provide world-class training in the fields of music and contemporary dance and equip students for successful and rewarding professional and artistic careers
- To build life-long relationships
- To inspire and support creativity, innovation and artistic excellence
- To build a new model for collaboration in the performing arts
- To contribute to artistic and educational opportunity and social inclusion
- To restructure our financial profile to invest in excellence
- To develop the reputation and profile of Trinity Laban Conservatoire of Music and Dance.

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 to 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 production of music and dance performances by its students, staff and associated professional artists and companies in a variety of venues and contexts.

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c. Activities and Achievements in 2008-09

2008-2009 was an important year for Trinity Laban in which considerable achievements were realised while the institution also took time for self-reflection and intensive examination of its operations, prior to the intended updating of its Strategic and Business Plans in 2009-10. A crucial milestone was the positive outcome to the Higher Education Funding Council for England's Review of Exceptional Funding. By demonstrating the substantial additional public benefit and value it provides, Trinity Laban secured its enhanced teaching funding in full and argued successfully for the standard inflationary uplifts to be applied to the 'exceptional funding' allocation for at least the next two years. This was especially significant given the wider context of ongoing stress on public funding for higher education, which saw the announcement of an efficiency saving against the teaching grant in 2009-2010 of 1.36%; further reductions are anticipated as economic pressures on the public purse continue to be felt. The Board is alert to the need to lessen the institution's dependence on government resources and to deploy our income as effectively as possible. A full business review was therefore instituted during the year to improve our understanding of current operations and identify potential efficiencies.

Another landmark was the transfer of validation of music degree programmes at Trinity College of Music (TCM) from the University of Westminster to City University London, the long-standing validating partner of Laban. While TCM greatly valued its productive academic relationship with Westminster, it was not sensible to maintain two validating universities, post-merger, since this presented a barrier to the full integration of quality assurance and enhancement processes across Trinity Laban. City University is itself home to one of the distinguished music departments in the UK HE sector and it was especially gratifying, following close scrutiny by its academic representatives, to receive an unequivocal endorsement of the high quality and innovative nature of our music programmes. The move to a single validating partner provides a strong base from which to consider and prepare a submission for taught degree awarding powers, a long-term aspiration of our Academic Strategy.

2008-09 was a year of excellent attainment on the part of our students and graduates. The HESA performance indicator for graduate employment showed that 100% of the leaving undergraduate cohort was in employment or further study six months after graduation, a perfect result matched by only 3 other HEIs. This reinforced the findings of our own internal survey of alumni in August 2008, covering over 600 recent graduates, which showed that 86% were active as performing artists, choreographers and composers and overall engagement in the arts sector (as performers, teachers or community-based practitioners) stood at 92%. During the course of the year, a number of enrolled students achieved individual success in national and international competitions including awards by the Royal Philharmonic Society, the Beethoven Society of Europe and the Worshipful Company of Musicians while Transitions, our postgraduate dance company, won the Guest Award for best international production at the ITs performing arts festival in Amsterdam.

Trinity Laban continues to make a major contribution to the cultural life of South East London and the wider Thames Gateway region. Highlights among our public performance programme included the 'In the Moment' festival of improvised music and dance in February 2009, a ground-breaking three-day collaborative event involving students, staff and eminent professional artists that attracted large and enthusiastic audiences and positive press attention. In April, the Greenwich International String Quartet Festival was inaugurated at TCM. Nine world-renowned string quartets gave 11 concerts, performing music written from 1783 to 2009 and the festival also included masterclasses, competitions, talks and installations.

Trinity Laban has enrolled just over 1,000 students on its higher education programmes in 2008-09. Applications from home/EU students again increased and there was especially strong recruitment to our one year and flexible programmes of study. In last year's report, the Board identified economic and competitive factors within the global market for students that were likely to impact on international recruitment and overseas student numbers did fall marginally short of target. However, measures put in place to promote our offer more effectively worldwide are beginning to show a return with early indications for the current academic year showing significantly increased international enrolments, particularly at undergraduate level.

Internationalisation in its broadest sense has been a central concern in our strategic thinking to ensure that we are preparing our students to lead their art forms in a globalised environment and are providing a rich, culturally diverse learning community. Initial work on our internationalisation strategy identified several themes for future development including internationalising the curriculum, student and staff exchanges and strategic partnership with like-minded overseas institutions.

Alongside the core higher education programmes for young artists in professional training, Trinity Laban provides opportunities for involvement and progression in music and dance to a wide spectrum of learners ranging from children on our youth, junior and schools programmes to adult participants in our community projects and evening classes. Monitoring figures compiled for our Widening Participation Strategic Assessment showed that over 9,000

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children and young people had taken part in our outreach and in reach programmes in 2008-09 and relationships had been established with 59 primary and 48 secondary schools. Our aim to make our leading edge expertise in music and dance available via diverse routes was reflected in several new initiatives. There was a significant expansion of our summer offer: a Singing Summer School was held for the first time, joining an extended Jazz Summer School that enrolled upward of 300 players over two weeks. We also launched a new range of services under the 'Laban Health' banner, bringing together a variety of physical therapies with a particular emphasis on dance and sports related conditions.

The continuing professional development of working practitioners and arts educators is another important part of Trinity Laban's provision and formed the basis of a successful bid to HEFCE's Economic Challenge Investment Fund (ECIF), a notable affirmation of our work in this area given the intense competition for these funds. The ECIF programme, running from April 2009 to September 2010, will deliver a series of subsidised CPD opportunities to recent graduates and practising artists as well as bespoke consultancy to small arts organisations. It will also support joint work with our sister company, Trinity College London, on the accreditation of arts leadership and facilitation skills.

As noted, a major strand of activity over the past year has been critical self-examination of our organisation in order to ensure that we are effective, fit for purpose and well-placed to meet future challenges. This encompassed the business analysis exercise, ongoing reviews of our brand and websites, and participation in an organisational character survey whose broadly positive results provided important intelligence as to where we need to target improved performance. In seeking to deliver the highest levels of service to our students, audiences and communities, the Board recognises that Trinity Laban's staff are our greatest asset and we seek continually to match the best standards in human resource management. New pay and grading arrangements for academic staff under the national pay framework agreement were approved and implemented and good progress made towards the harmonisation of non-pay terms and conditions across Trinity Laban. A greatly enhanced staff development programme was instituted and a first Trinity Laban performance management scheme introduced to replace previous local appraisal systems. Among new staff appointments, Dr. David Dowland joined us from the University of Westminster in the key role of Academic Registrar in which he will build on the excellent work of his predecessor, Anna Jattkowski-Hudson, whose contribution firstly to Trinity College of Music and then to the merged Trinity Laban we would wish particularly to acknowledge here.

To conclude, the Board looks back on 2008-09 as a year of strong academic and artistic performance, underpinned by the committed approach of the whole Trinity Laban community to the achievement of excellence and the delivery of long-term organisational resilience and sustainability.

d. Financial review

As the following statements show the financial state of the institution continues to prosper with a surplus, after exceptional items, of £284,468 (2008: £280,105). This has been achieved during a financially testing year which took the full impact of the completion of the implementation of the national pay framework agreement. HEFCE funding increased by 15.6% (2008: 10.2%) which, in addition to the global cost of living award, was achieved by the award of the final tranche of the additional student numbers award in respect of the Foundation Degree in Musical Theatre. Income from student fees has similarly risen, by 12.2%, the result of increased demand and recruitment for the independent courses of the Diploma in Dance Studies and the music Flexible Programme of Studies. Not unexpectedly income from investments was significantly lower than in the previous year, down by 43.3%. Other operating income is less than the previous year because of the reduction in the capital grant release which corresponds and is linked to the reduction in the fixed assets depreciation charge. There is an overall growth in revenue for the year of 8.96% (2008: 14.7%).

Total expenditure is 9.7% greater (2008: 11.8%) the principal components of which are the 11.7% increase in staff costs (2008: 10.1%) and the cost of the provision for the additional student numbers. The depreciation reduction results from a significant proportion of the fixed asset fit-out of the 2002 Laban Creekside building reaching its depreciable life during 2008 but is still in use. Finance costs are 23.9% less than the previous year reflecting the steep fall in interest rates.

The institution's financial forecasts for the next three years show an increased annual surplus trajectory assisted by the government 'match funding' programme. Additional investment in the resources of the development department has been made to ensure an ongoing efficient and effective fundraising structure for continuous growth in philanthropic giving.

A new strategic business plan for the next five years will be completed by March 2010 and it will include a number of scenarios that will provide the institution with various strategic options to successfully manage through the very

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uncertain economic climate ahead. The management and the Board are confident that the institution has within its resources the skills, expertise and financial prowess to increase its reputation, both nationally and internationally, as a first class arts institution within a financially secure sustainable organisation.

e. 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 (including on the grounds of pregnancy, maternity leave, married or civil partner status, gender re-assignment), race (including racial origin, ethnic origin, colour, nationality and national origin), disability (including long-term illness), sexual orientation, religion or belief ("any religious or philosophical belief") (including any reference to lack of religion or lack of 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 recognizes 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 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.

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Corporate Governance and Responsibilities of the Board

a. Corporate Governance

In accordance with the Companies Act 2006 and the Institution's Articles, the Board of Governors is responsible for the administration and management of the Institution, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

As well as Directors of the Company, the Governors are also Trustees of the Registered Charity as provided under the Charities Act 2006 and, in submitting their annual report and audited financial statements for the year ended 31 July 2009, confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the general guidance on public benefit.

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

The Institution also follows the Guide for Members of Governing Bodies of Universities and Institutions in England and Wales that was issued by the Committee of University Chairmen and revised in 2009. The Institution is in the process of a branding review and the subsequent re-design of the website will ensure that information is more easily identified and accessible.

The Board has a majority of lay members (Lay members are independent governors and also Trustees of the charity, who are neither employees nor students of the Institution.) Also included in the Board membership are representatives of the staff and student bodies and to local authority Councillors. All members undertake a process of induction according to need and experience, including a series of meetings and briefings with key staff, receipt of an information pack and regular invitations to internal and external events/seminars and conferences to provide continuous development. The Board meets at least four times a year and monitors the operations of the Institution. As well as an Audit Committee, the Board also assigns a Planning & Resources Committee which also meets four times a year. Lay members do not receive fees or other remuneration for serving as Directors/Trustees but are entitled to recover expenses. Provision is also made for remuneration for any professional or business services to the company over and above their normal Trustee duties although to date this has not been utilised.

The Board retains ultimate control over the Institution's affairs. Under the Financial Memorandum with the Higher Education Funding Council for England, the Board holds to itself the responsibilities for the ongoing strategic direction of the Institution, approval of major developments and receipt from the Institution's executive officers of regular reports on the Institution's day to day operations.

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

b. Statement of Primary Responsibilities of Board Members

In compliance with the memorandum and articles of the Institution, and best practice guidance, the primary responsibilities of the board members are to:

- determine the educational character and mission of Trinity Laban through approval of long-term academic and business plans and key performance indicators
- delegate authority to the executive, working with the Directors, for the academic, corporate, financial, estate and personnel management of the Institution, and to establish and keep under regular review the policies, procedures and limits within such management functions
- ensure the establishment and monitoring of systems of control and accountability, including financial and operation 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

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- approve annual estimates of income and expenditure and ensure processes are in place to monitor and evaluate the performance and effectiveness of the Institution against the plans and approved key performance indicators, benchmarked against other comparable institutions where possible and appropriate
- establish processes to monitor and evaluate the performance and effectiveness of the Board itself
- conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life
- safeguard the good name and values of the Institution
- undertake the appointment, grading, suspension, appraisal, assignment, dismissal and determination of the pay and conditions of service of the head of the Institution as chief executive, and other senior post holders as identified by the Board, and to put in place suitable arrangements for monitoring their performance
- appoint a secretary to the governing body and ensure that, if the person appointed has managerial responsibilities in the Institution, there is an appropriate separation in the lines of accountability
- set a framework for the pay and conditions of service of all other staff and be responsible for establishing a human resources strategy
- be the Institution's legal authority and, as such, to ensure that systems are in place for meeting all the Institution's legal obligations, including those arising from contracts and other legal commitments made in the Institution's name
- make such provision as it thinks fit for the general welfare of students, in consultation with the academic board
- act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the Institution
- ensure that the Institution's constitution is followed at all times and that appropriate advice is available to enable this to happen

c. Delegated Authority

The Board delegates specific authority to the Planning and Resources Committee, the Audit Committee, the Remuneration Committee and the Nominations Committee. These committees are formally constituted with terms of reference and comprise mainly lay members of the Board. Each committee is chaired by a lay Board member.

The Planning and Resources Committee recommends to the Board the Institution's annual income and expenditure budgets. It receives and considers reports on the Institution's financial performance and monitors actual performance against approved budgets and relevant key performance indicators. It reviews the annual financial statements and makes recommendations as appropriate. It also oversees matters relating to employment policy, estates, health and safety, development and corporate affairs, and student recruitment policy.

The Audit Committee meets at least three times a year and is attended by the Institution's external and internal auditors as required. It reports directly to the Board in respect of internal control matters and receives regular reports from the Internal and External auditors as appropriate. It also has the role of overseeing value for money through the Institution and the arrangements in place within the Institution to manage risk and opportunity.

The Remuneration Committee is responsible for the appointment of the holders of senior posts (the Principals and Executive Officers) and determines their grading, pay, conditions of service and severance arrangements.

The Nominations Committee makes recommendations to the Board on membership of the Board, Committees of the Board and for recipients of Honorary Awards. It also reviews the skills, experience and balance of the Board membership and oversees matters of Board member induction and development.

There is also an Academic Board chaired by the Principals with external and staff membership, which ensures the standard of the delivery of the Institution's portfolio of courses and programmes; and monitors the relevant key performance indicators.

The Board has access to independent financial and legal advice, and the Company Secretary and Clerk to the Board ensure that proper Board procedures are followed. A register of Board Members' interests is also maintained. During 2009 there were no related party transactions by Members of the Board with Trinity Laban.

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d. Internal control

The Board of Trinity Laban has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Board in the Memorandum and Articles of Association of the Institution and the Financial Memorandum with the Higher Education Funding Council for England (HEFCE).

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

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

Risk management

The following processes have been established as regards risk management:

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

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

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

Financial control

Within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Institution, the Board, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of the Institution's affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has ensured that:

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

The Board has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;

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- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the Institution and to prevent and detect fraud; and
- Secure the economical, efficient and effective management of the Institution's resources and expenditure.

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

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

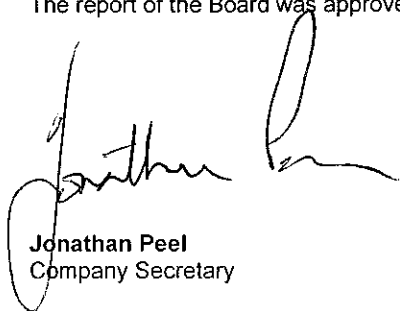
The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the Institution's system of internal control. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

e. Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware 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, Kingston Smith LLP are reappointed as auditors for the ensuing year.

The report of the Board was approved by the Board on 19 November 2009 and signed on its behalf by:



Jonathan Peel
Company Secretary

Company number - 51090

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

We have audited the financial statements of Trinity Laban Conservatoire of Music and Dance for the year ended 31 July 2009, which comprise the consolidated income and expenditure account, the balance sheets, the consolidated cash flow statement, the statement of total recognised gains and losses and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of Members of the Board and Auditors

As described in the statement of responsibilities of the Board, the Board is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, in particular those of the Higher Education Funding Council for England, and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you whether, in our opinion monies expended out of funds from whatever source administered by the Trinity Laban Conservatoire of Music and Dance were properly applied only for the purpose for which they were received and where relevant managed in accordance with appropriate legislation and whether monies expended out of funds provided by the Higher Education Funding Council for England were applied in accordance with the financial memorandum and any other terms and conditions attached to them.

We also report to you whether, in our opinion, the information given in the Report of the Board is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. In addition we report to you whether, in our opinion, there is satisfactory disclosure of statutory information.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, and the "Accountability and Audit: HEFCE Code of Practice" issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

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

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Opinion

In our opinion:

- a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of Trinity Laban Conservatoire of Music and Dance and of the group at 31 July 2009 and of the group's surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting for Further and Higher Education;
- b) in all material respects, the Report to the Board is consistent with financial statements;
- c) in all material respects, funds from whatever source administered by the Conservatoire of Music and Dance were properly applied for the intended purposes and, where relevant, managed in accordance with appropriate legislation for the year ended 31 July 2009;
- d) in all material respects, funds provided by the Higher Education Funding Council for England were applied in accordance with the financial memorandum dated 1 August 2006 and any other terms and conditions attached to it.



James Cross
Senior Statutory Auditor
For and on behalf of
Kingston Smith LLP
Chartered Accountants
Registered Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

30 November 2009

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

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

Basis of consolidation

The consolidated financial statements combine the financial statements of Trinity Laban and its subsidiary undertakings for the financial year to 31 July. 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 Institution does not consolidate the results of the Students' Union as it operates completely independently.

Recognition of income

Income represents fees and amounts earned in respect of tuition given and other activities during the period. Income excludes fees received in respect of tuition to be taken after the year end. Such fees are shown in the balance sheet as fees received in advance.

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

All income from short-term deposits and endowments is credited to the income and expenditure account in the period in which it is earned. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost. Depreciation is provided at rates estimated to write off the costs of tangible fixed assets by equal annual instalments over their anticipated useful lives. Depreciation/amortisation rates are as follows:

Leasehold land and buildings	Amortised over the remaining term of the lease by equal instalments
Leasehold improvements	Amortised over the lesser of the remaining term of the lease or 50 years by equal instalments
Equipment and instruments	20% per annum

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.

Tangible fixed assets and depreciation

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

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.

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

The Institution owns a collection of historical music scores which are held for teaching and research purposes. These scores are included at cost less depreciation.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at valuation less amortisation. Amortisation is provided at 20% per annum which rate is calculated to write off the valuation of intangible fixed assets, less their estimated residual value, over their estimated useful lives.

Investments

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

Stock

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

Taxation status

The Institution is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly, the Institution is potentially exempt from taxation in respect of income or capital gains received within the categories covered by section 505 of the Taxes Act 1988 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 Institution receives no similar exemption in respect of Value Added Tax.

Pensions

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

Defined benefit schemes

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

In respect of the L&G scheme the Institution has adopted FRS17 "Retirement Benefits" in full with effect from 1 August 2005. In accordance with FRS17, the operating and financing costs of the Scheme are recognised separately in the Income and Expenditure Account. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The cost of past service benefits enhancements, settlements and curtailments are also recognised in the period in which they arise. The differences between actual and expected returns during the year, including changes in actuarial assumptions, are recognised in the Statement of Total Recognised Gains and Losses.

As permitted by FRS17 the TPS and USS schemes have been accounted for as defined contribution schemes.

Defined contribution schemes

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

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (Continued)

Repair and maintenance expenditure

The cost of long term and routine corrective maintenance is charged to the income and expenditure account as incurred.

Leases

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

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT For the year ended 31 July 2009

	Note	2009	2008
		£	£
INCOME			
Funding council grants	1	9,618,299	8,322,543
Academic fees and support grants	2	5,421,789	4,830,931
Other operating income	3	3,997,659	4,215,211
Investment income	4	122,539	216,203
Total Income		19,160,286	17,584,888
EXPENDITURE			
Staff costs	5	11,534,460	10,321,703
Other operating expenses	6	5,711,798	5,050,731
Depreciation	9	1,390,588	1,521,958
Interest payable	7	238,972	313,933
Total Expenditure		18,875,818	17,208,325
Surplus after depreciation of fixed assets and before exceptional items and taxation		284,468	376,563
Exceptional item -- restricting costs following merger		-	(96,458)
Surplus after depreciation of fixed assets and after exceptional item and taxation		284,468	280,105
Transfer from/(to) endowment fund		36,628	(12,998)
Surplus for the financial year		321,096	267,107

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2009

	2009 £	2008 £
Surplus after depreciation of assets at cost and exceptional items	284,468	280,105
Unrealised losses on revaluation of endowment investments	(81,839)	(89,555)
Realised losses on endowment asset investments	(87,661)	(44,949)
New endowments	91,730	219,451
Funds Transferred from endowments	-	(61,973)
FRS17 Actuarial losses	(1,274,000)	(294,000)
	<hr/>	<hr/>
Total recognised (losses)/gains relating to the year	(1,067,302)	9,079
	<hr/>	<hr/>
Reconciliation		
Opening reserves and endowments	5,815,080	5,806,001
Total recognised (losses)/gains relating to the year	(1,067,302)	9,079
	<hr/>	<hr/>
Closing reserves and endowments	4,747,778	5,815,080
	<hr/>	<hr/>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

BALANCE SHEETS

As at 31 July 2009

	Note	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
FIXED ASSETS					
Tangible assets	9	32,447,730	31,497,621	33,084,412	32,014,406
		32,447,730	31,497,621	33,084,412	32,014,406
ENDOWMENT ASSETS					
	11	3,447,682	3,447,682	3,562,080	3,562,080
CURRENT ASSETS					
Stock		5,457	-	4,563	-
Debtors	12	992,687	1,523,723	751,553	1,233,759
Cash at bank and in hand	20	398,181	337,764	989,839	901,756
		1,396,325	1,861,487	1,745,955	2,135,515
CREDITORS: amounts falling due within one year	13	(3,074,535)	(2,820,066)	(3,197,114)	(2,922,743)
NET CURRENT (LIABILITIES)		(1,678,210)	(958,579)	(1,451,159)	(787,229)
TOTAL ASSETS LESS CURRENT LIABILITIES		34,217,202	33,986,724	35,195,333	34,789,258
CREDITORS: amounts falling due after more than one year	14	(4,100,268)	(4,054,885)	(4,455,206)	(4,455,206)
NET ASSETS excluding pension liability		30,116,934	29,931,839	30,740,127	30,334,052
Net Pension Liability	21	(2,163,000)	(2,163,000)	(1,076,000)	(1,076,000)
NET ASSETS including pension liability		27,953,934	27,768,839	29,664,127	29,258,052

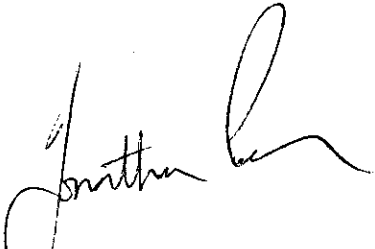
TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

BALANCE SHEETS (CONTINUED)

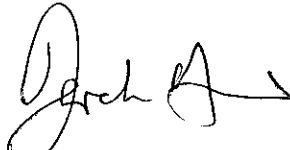
As at 31 July 2009

	Note	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
Deferred capital grants	15	23,206,156	22,824,786	23,849,047	23,341,459
Endowments					
Expendable	17	1,589,976	1,589,976	2,226,179	2,226,179
Permanent	17	1,857,706	1,857,706	1,335,901	1,335,901
		3,447,682	3,447,682	3,562,080	3,562,080
Reserves					
General reserve	18	3,463,096	3,659,371	3,329,000	3,430,513
Pension deficit	21	(2,163,000)	(2,163,000)	(1,076,000)	(1,076,000)
TOTAL RESERVES		1,300,096	1,496,371	2,253,000	2,354,513
TOTAL FUNDS		27,953,934	27,768,839	29,664,127	29,258,052

The financial statements on pages 14 to 39 were approved by the board on 19 November 2009 and signed and authorised for issue on its behalf by:



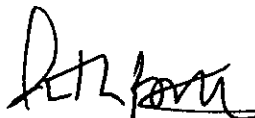
Jonathan Peel
Company Secretary



Derek Avis
Principal



Sir Robert Scott
Chairman



Anthony Bowne
Principal

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 July 2009

	Note	2009 £	2008 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	A	(17,230)	152,615
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(238,972)	(305,933)
Interest received		28,103	75,761
Income from endowment investments		94,436	133,785
Income from listed investments		-	6,748
		<u>(116,433)</u>	<u>(89,639)</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(753,906)	(236,295)
Increase in cash held with investment manager		-	(352,258)
Purchase of investments		(492,771)	(43,135)
Receipts from the sale of investments		558,625	180,726
Deferred Capital grants received		696,620	286,676
Endowments received		91,730	219,451
		<u>100,298</u>	<u>55,165</u>
Net cash inflow Before Financing		(33,365)	118,141
FINANCING			
Repayment of Debt	19	(98,775)	-
Net cash outflow from financing		(98,775)	-
DECREASE IN CASH	B	(132,140)	118,141

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

Notes to Consolidated Cash Flow Statement

	Note	2009 £	2008 £
A NET CASH INFLOW FROM OPERATING ACTIVITIES			
Surplus on continuing operations after depreciation of fixed assets at cost		284,468	376,563
Transfer from endowment fund		-	(69,350)
Income from endowment asset investments		(94,436)	(133,785)
Income from listed investments		-	(6,748)
Interest received		(28,103)	(75,671)
Interest payable		238,972	305,933
Release of capital grants		(1,339,511)	(1,291,249)
Depreciation		1,390,588	1,521,958
(Increase)/decrease in debtors		(237,163)	324,496
Increase in year end stocks		(894)	(1,338)
Decrease in creditors (excluding amounts due to endowments)		(44,151)	(477,990)
Restructuring costs		-	(96,458)
Negative goodwill adjustment		-	(20,746)
FRS17 adjustment		(187,000)	(203,000)
Net cash (outflow)/inflow from operating activities		<u>(17,230)</u>	<u>152,615</u>
		2009 £	2008 £
B RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
Decrease in cash		(132,140)	118,141
Cash outflow from repayment of loan		98,775	-
Movement in net debt	20	<u>(33,365)</u>	<u>118,141</u>
Net debt at 1 August		<u>(2,107,397)</u>	<u>(2,225,538)</u>
Net debt at 31 July		<u>(2,140,762)</u>	<u>(2,107,397)</u>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

1. FUNDING COUNCIL GRANTS (HEFCE)

	2009 £	2008 £
Recurrent grant		
HEFCE Teaching Grant	7,740,046	7,072,909
HEFCE WP Grant –Retention	148,655	115,127
HEFCE WP Grant –Access	19,088	21,880
HEFCE WP ASN	715,889	464,100
HEFCE Disability	13,741	-
 Specific Grants		
Economic Investment Challenge Fund	7,542	-
HEFCE HEIF Non recurrent	261,223	168,744
HEFCE TQEF	82,166	123,420
Other (Summer School Widening Participation)	-	16,150
Matched Funding Grant	155,000	-
 Deferred Capital Grants released in the year-(note 15)		
Land and buildings	74,695	74,696
Equipment and instruments	153,686	157,138
Learning and teaching	246,568	108,379
	9,618,299	8,322,543
	9,618,299	8,322,543

2. ACADEMIC FEES AND SUPPORT GRANTS

	2009 £	2008 £
Higher Education		
UK/EU students	3,619,188	2,984,400
Non –EU students	874,711	1,065,274
Research Studies	-	3,115
	4,493,899	4,052,789
 Other Fees		
Junior Trinity	598,255	539,371
Short Courses	329,635	238,771
	927,890	778,142
	5,421,789	4,830,931

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

3. OTHER OPERATING INCOME

	2009 £	2008 £
Donations from Trust Funds	832,243	768,766
Other Income	1,928,368	2,056,908
Deferred Capital grant released in year (note 15)	864,561	951,036
Release of negative goodwill (see note 10)	-	20,746
Blackheath Halls income	372,487	417,755
	<u>3,997,659</u>	<u>4,215,211</u>

4. INVESTMENT INCOME

	2009 £	2008 £
Income from listed investments	-	6,747
Income from expendable endowment asset investments	50,884	64,985
Income from permanent endowment asset investments	43,552	68,800
Bank deposit interest	28,103	75,671
	<u>122,539</u>	<u>216,203</u>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

5. STAFF COSTS

	2009 £	2008 £
Wages, salaries and fees	9,746,320	8,960,064
Social security costs	746,026	634,815
Other Pension costs	1,042,114	726,824
	<u>11,534,460</u>	<u>10,321,703</u>

Of the staff costs £287,709 (2008 £281,339) relates to Blackheath Halls Limited.

DIRECTORS' EMOLUMENTS

The aggregate amount of directors' emoluments was £273,364 (2008: £262,285). All payments were in respect of services as members of staff and relate to the relevant period of office. 2 directors (2008: 2) are accruing benefits under defined pension schemes as set out in note 21.

	2009 £	2008 £
The emoluments of the highest paid directors (the Principals, Derek Avis and Anthony Bowne) were in total:		
Salaries	239,583	232,729
Pension contributions	33,781	29,556
	<u>273,364</u>	<u>262,285</u>

Other than the Principals, none of the board received any remuneration during the year other than the reimbursement of travel and subsistence expenses incurred during the course of their duties. No other employees received remuneration in excess of £100,000.

EMPLOYEE NUMBERS

Average employee numbers by major category	2009		2008	
	Employee numbers	FTE numbers	Employee numbers	FTE numbers
Academic	397	115	477	121
Academic support	17	14	17	16
Administrative	150	112	182	131
Blackheath Halls	47	16	43	13
	<u>611</u>	<u>257</u>	<u>719</u>	<u>281</u>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

6. OTHER OPERATING EXPENSES

	2009 £	2008 £
Academic departments	563,950	312,864
Academic support services	275,608	258,549
Other support services	103,152	105,066
Administration and central services	1,222,153	962,515
Auditors' remuneration		
- External audit	31,830	33,073
- Internal audit	16,789	16,051
- Non audit services	26,651	14,700
General education	1,245,038	1,064,066
Scholarship and prizes	639,132	588,851
Premises	1,513,184	1,498,446
Blackheath Halls costs	72,237	67,700
Miscellaneous	2,074	128,850
	<u>5,711,798</u>	<u>5,050,731</u>

7. INTEREST PAYABLE

	2009 £	2008 £
On bank loans and overdrafts		
Not wholly repayable within five years	238,972	313,933
	<u>238,972</u>	<u>313,933</u>

8. SURPLUS ON CONTINUING OPERATIONS

The surplus on continuing operations for the year is made up as follows:

	2009 £	2008 £
Surplus for the year before transfer from/to endowment fund	379,230	280,767
Deficit incurred by charitable subsidiary undertaking	(94,762)	(662)
	<u>284,468</u>	<u>280,105</u>
Group surplus for the year before transfer from/to endowment fund		

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

9. TANGIBLE FIXED ASSETS (GROUP)

	Freehold Land & Building £	Long Leasehold Building £	Freehold Assets In Course of Construction £	Equipment Instruments £	Total £
Cost	26,752,539	12,498,778	112,594	5,515,081	44,878,992
At 1 August 2008	-	14,721	-	739,185	753,906
Additions					
At 31 July 2009	26,752,539	12,513,499	112,594	6,254,266	45,632,898
Depreciation					
At 1 August 2008	4,591,813	2,595,626	31,594	4,575,547	11,794,580
Charge for the year	685,315	398,803	-	306,470	1,390,588
At 31 July 2009	5,277,128	2,994,429	31,594	4,882,017	13,185,168
Net Book Value					
At 31 July 2009	21,475,411	9,519,070	81,000	1,372,249	32,447,730
At 31 July 2008	22,160,726	9,903,152	81,000	939,534	33,084,412
Trinity Laban	Freehold Land & Building £	Long Leasehold Building £	Equipment & instruments £	Total £	
Cost	26,752,539	10,369,257	5,261,471	42,383,267	
At 1 August 2008	-	-	735,812	735,812	
Additions					
At 31 July 2009	26,752,539	10,369,257	5,997,283	43,119,079	
Depreciation					
At 1 August 2008	4,591,813	1,420,951	4,356,097	10,368,861	
Charge for the year	685,315	272,586	294,696	1,252,597	
At 31 July 2009	5,227,128	1,693,537	4,650,793	11,621,458	
Net Book Value					
At 31 July 2009	21,475,411	8,675,720	1,346,490	31,497,621	
At 31 July 2008	22,160,726	8,948,306	905,374	32,014,406	

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

10. INTANGIBLE ASSETS	2009 £	2008 £
Negative goodwill at 1 August	-	(20,746)
Released to income and expenditure account	-	20,746
Negative goodwill at 31 July	-	-

11. ENDOWMENT ASSETS	2009 £	2008 £
Market Value		
At 1 August	3,562,080	3,526,109
Additions at cost	492,771	43,135
Disposals	(558,625)	(180,726)
Net unrealised investment losses	(81,839)	(89,555)
Changes in Current Assets	(208,288)	118,704
Realised deficit	(87,661)	(44,949)
Changes in cash and bank balances	329,244	189,362
At 31 July	<u>3,447,682</u>	<u>3,562,080</u>

Represented by:	2009 £	2008 £
Listed investments at market value	1,258,260	1,493,614
Cash balances	1,449,742	1,120,497
Other current assets	739,680	947,969
	<u>3,447,682</u>	<u>3,562,080</u>
Historical cost of listed investments at 31 July	<u>1,158,373</u>	<u>1,583,169</u>

12. DEBTORS

	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
Trade debtors	441,744	419,153	435,657	408,637
Other debtors	234,150	160,217	161,190	111,340
Prepayments and accrued income	316,793	305,617	154,706	145,022
Amounts due from subsidiary undertaking	-	638,736	-	568,760
	<u>992,687</u>	<u>1,523,723</u>	<u>751,553</u>	<u>1,233,759</u>

Included in amounts due to subsidiary undertakings is £560,000 (2008 - £nil), which is due in greater than one year.

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
Bank overdraft	30,793	-	161,066	128,324
Bank loan	216,373	216,373	49,756	49,756
Taxation and social security	380,758	332,077	321,372	302,881
Trade creditors	345,222	269,058	471,071	393,305
Other creditors	980,398	930,342	880,462	817,053
Accruals and deferred income	370,462	332,971	313,157	287,859
Due to endowment funds (note 11)	739,245	739,245	943,563	943,565
Mortgage loan	11,284	-	56,667	-
	<u>3,074,535</u>	<u>2,820,066</u>	<u>3,197,114</u>	<u>2,922,743</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
VAT repayable	359,317	359,317	494,246	494,246
Other Creditors	10,716	10,716	10,716	10,716
Bank loans	3,684,852	3,684,852	3,950,244	3,950,244
Mortgage loan	45,383	-	-	-
	<u>4,100,268</u>	<u>4,054,885</u>	<u>4,455,206</u>	<u>4,455,206</u>

The mortgage loan from Blackheath Preservation Trust is secured on the applicable leasehold land and buildings.

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

Lender	Date loan obtained	Final Repayment Date	Interest Rates	Outstanding 2009 £	Outstanding 2008 £
Trinity Laban					
Allied Irish Bank	2006	2026	Variable	3,684,852	3,950,244
Subsidiary					
Mortgage loan	1984	2014	Variable	45,383	-

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	Group 2009 £	Trinity Laban 2009 £	Group 2008 £	Trinity Laban 2008 £
Analysis of loan repayments:				
In more than one year but no more than two years	230,046	218,763	211,102	154,435
In more than two years but no more than five years	704,993	670,892	513,391	513,391
In more than five years	2,795,196	2,795,197	3,282,418	3,282,418
	<u>3,730,235</u>	<u>3,684,852</u>	<u>4,006,911</u>	<u>3,950,244</u>

	Funding Council £	Other £	Total £
15. Deferred Capital Grants			
Group			
At 1 August 2008	3,894,127	19,954,920	23,849,047
Grant received	696,620	-	696,620
Released to income and expenditure account (notes 1 and 3)	(474,950)	(864,561)	(1,339,511)
At 31 July 2009	<u>4,115,797</u>	<u>19,090,359</u>	<u>23,206,156</u>
Trinity Laban			
At 1 August 2008	3,894,127	19,447,332	23,341,459
Grant received	696,620	-	696,620
Release to income and expenditure account	(474,950)	(738,343)	(1,213,293)
At 31 July 2009	<u>4,115,797</u>	<u>18,708,988</u>	<u>22,824,786</u>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

16. ACCESS TO LEARNING FUNDS

Trinity Laban received and distributed HEFCE Access to Learning funds as follows:

	Group and Trinity Laban	
	Year Ended 31 July 2009 £	Year Ended 31 July 2008 £
At 1 August	992	(9)
HEFCE grants	19,138	30,121
Disbursed to students	(26,106)	(29,199)
Repayments from students	6,095	-
	<hr/>	<hr/>
Balance underspent at 31 July	119	913
Auditor charge	(29)	-
Interest earned in year	12	79
	<hr/>	<hr/>
Cash at bank at 31 July	102	992
	<hr/> <hr/>	<hr/> <hr/>

17. ENDOWMENTS

	Unrestricted Expendable	Restricted Expendable	Total Expendable	Permanent	Total
At 1 August 2008	627,465	1,326,093	1,953,558	1,608,522	3,562,080
Additions to reserves	15,338	-	15,338	76,392	91,730
Unrealised losses on investments	(14,032)	(30,065)	(44,097)	(37,742)	(81,839)
Realised losses on investment	(15,030)	(32,204)	(47,234)	(40,427)	(87,661)
Income for the year	16,191	34,693	50,884	43,551	94,435
Expenditure for the year	(3,448)	(3,749)	(7,197)	(9,274)	(16,471)
Scholarship and prizes	(35,365)	(28,181)	(63,546)	(51,046)	(114,592)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2009	591,119	1,266,587	1,857,706	1,589,976	3,447,682
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

18. RESERVES

	Group £	Trinity Laban £
General		
At 1 August 2008	3,329,000	3,430,513
Surplus for the year	321,096	415,858
Transfer to pension reserves	(187,000)	(187,000)
	<u>3,463,096</u>	<u>3,659,371</u>
At 31 July 2009	<u>3,463,096</u>	<u>3,659,371</u>

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	2009 £	2008 £
Loans and mortgages at 1 August	4,056,667	4,056,667
Capital repayments	(98,775)	-
	<u>3,957,892</u>	<u>4,056,667</u>
Loans and mortgages at 31 July	<u>3,957,892</u>	<u>4,056,667</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2008 £	Cashflows £	At 31 July 2009 £
Cash at bank and in hand	828,773	(461,385)	367,388
Endowment assets cash balances	1,120,497	329,245	1,449,742
Bank loan and overdraft	(106,423)	(121,234)	(227,657)
	<u>1,842,847</u>	<u>(253,374)</u>	<u>1,589,473</u>
Bank and mortgage loans	(3,950,244)	220,009	(3,730,235)
	<u>(2,107,397)</u>	<u>(33,365)</u>	<u>(2,140,762)</u>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21. PENSION COSTS

PENSION SCHEMES

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

TPS

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

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

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

The total pension costs for the Institution for TPS membership are shown below.

USS

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

The latest actuarial valuation of the scheme was at 31 March 2008. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments, (i.e. the valuation rate of interest), and the rates of increase in salary and pensions. In relation to the past service liability the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.4% per annum, salary increases would be 4.3% per annum and pensions would increase by 3.3% per annum. In relation to future service liabilities it was assumed that the valuation rate of interest would be 6.1% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 4.3% per annum and pensions would increase by 3.3% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the market value of the assets of the scheme was £28,842.6 million and the value of the past service liabilities was £40,619.2 million, indicating a deficit of £11,776.6 million. The assets therefore were sufficient to cover 71% of the benefits which had accrued to members, after allowing for expected future increases in earnings.

Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 107% funded.

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

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

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation; results of which were not published by the date these accounts were approved by the Board.

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

London Pension Fund Authority (LPFA)

This scheme, for administrative staff, is a defined benefit scheme and has been closed to new members since the merger of Trinity and Laban on 1 August 2005. The pension benefits for existing members continued to be provided under the LPFA scheme.

The latest formal valuation was carried out as at 31 March 2007 using the projected unit method. The investment return assumed was 7% per annum and the effect of limited price indexation was assumed to give increases of 3.1% per annum. The actuarial valuation as at 31 July 2009 revealed a shortfall of £1,125,000 in the value of the assets of the scheme of £1,966,000 compared to the actuarial liability for pension benefits. This represents a funding level of 64% and the actuary recommended that this be increased over a 20 year period from 1 April 2006 at an enhanced contribution rate of £4,089 per month compared to the funding rate of £640 per month for the year ended 31 March 2006.

L&G

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

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

TOTAL PENSION COSTS

The total pension cost, including administration charges, for each Scheme for the institution was as follows

	2009	2008
	£	£
Contribution to TPS	390,121	319,767
Contribution to USS	299,389	219,406
Contribution to LPFA/LGPS	134,316	104,851
Contribution to Legal & General	212,105	212,570

FRS 17 –DISCLOSURES IN RESPECT OF LPFA SCHEME

The major assumptions by the Actuary in valuing liabilities were:

	2009	2008
	%pa	% pa
Discount rate	6.0	6.7
Expected pension increases (limited price indexation)	3.6	3.8
Inflation rate	3.6	3.8

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

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

	2009 Expected Rate of return %	2009 Fair Value £000	2008 Expected Rate of Return %	2008 Fair Value £000
Bonds	6.2	206	6.3	385
Equities	7.5	1,361	7.6	1,147
Alternative assets	6.7	293	6.8	437
Annuities	3.0	136	4.8	(8)
Total market value of assets		1,996		1,961
Present value of scheme liabilities		(3,121)		(2,464)
Deficit of the scheme		(1,125)		(503)

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

	2009 £000	2008 £000
Expected return on pension scheme assets	147	154
Interest on pension liabilities	(170)	(136)
Net Return	(23)	18

Amounts recognised in the statement of total recognised gains and losses

	2009 £000	2008 £000
Actual return less expected return on pension scheme assets	(279)	(353)
Experience gains and losses arising on scheme liabilities	-	101
Impact of changes in assumptions relating to the present value of scheme liabilities	(337)	(37)
Actual(loss) recognised in statement of recognised gains and losses	(616)	(289)

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

Movement in surplus/(deficit) during the year:

	2009 £000	2008 £000
Surplus/(deficit) scheme at the beginning of the year	(503)	(269)
Current service cost	(118)	(124)
Contributions	135	161
Net financial return	(23)	18
Actuarial gain/(loss)	(616)	(289)
	<hr/>	<hr/>
Scheme deficit at the end of the year	(1,125)	(503)

History of experience gains and losses

	2009	2008	2007	2006
Difference between actual and expected return on scheme Assets				
Amount (£000)	(279)	(353)	83	61
Percentage of scheme assets	-14%	-18%	4.2%	3.9%
Experience gains and losses of scheme liabilities				
Amount (£000)	-	101	(1)	-
Percentage of scheme liabilities	0.0%	4.1%	-0.04%	0.0%
Total amount recognised in statement of recognised gains and losses				
Amount (£000)	(616)	(289)	296	(29)
Percentage of scheme liabilities	19.7%	11.7%	13.2%	-1.3%

FRS 17 –DISCLOSURES IN RESPECT OF L&G

The major assumptions by the Actuary in valuing liabilities were:

	2009 %pa	2008 % pa
Discount rate	6.0	6.4
Expected pension increases (limited price indexation)	3.25	3.7
Inflation rate	3.25	3.7

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

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

	2009 Expected Rate of return %	2009 Fair Value £000	2008 Expected Rate of Return %	2008 Fair Value £000
Bonds	6.0	690	6.0	707
Equities	7.3	2,165	8.0	2,150
Annuities	6.0	2,556	6.4	2,461
		<hr/>		<hr/>
Total market value of assets		5,411		5,318
Present value of scheme liabilities		(6,449)		(5,891)
		<hr/>		<hr/>
Deficit of the scheme		(1,038)		(573)
		<hr/>		<hr/>

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

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

	2009	2008
Expected return on pension scheme assets	373	373
Interest on pension liabilities	(371)	(362)
	<u>2</u>	<u>11</u>
Net Return		

Amounts recognised in the statement of total recognised gains and losses

	2009 £000	2008 £000
Actual return less expected return on pension scheme assets	(382)	(467)
Experience gains and losses arising on scheme liabilities	(27)	(11)
Impact of changes in assumptions relating to the present value of scheme liabilities	(249)	434
	<u>(658)</u>	<u>(44)</u>
Actual(loss)/gain recognised in statement of recognised gains and losses		

Movement in surplus/(deficit) during the year:

	2009 £000	2008 £000
(Deficit) in scheme at the beginning of the year	(573)	(716)
Contributions	195	213
Net financial return	2	5
Actuarial gain/(loss)	(658)	(44)
Expense paid by the Scheme	(4)	(31)
	<u>(1,038)</u>	<u>(573)</u>
Scheme deficit at the end of the year		

TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

21 PENSION COSTS (CONTINUED)

History of experience gains and losses

	2009	2008	2007	2006
Difference between actual and expected return on scheme Assets				
Amount (£000)	(382)	(467)	(147)	249
Percentage of scheme assets	-7.1%	-8.8%	-2.6%	4.5%
Experience gains and losses of scheme liabilities				
Amount (£000)	(27)	(11)	19	(536)
Percentage of scheme liabilities	-0.4%	-0.2%	-0.3%	-7.5%
Total amount recognised in statement of recognised gains and losses				
Amount (£000)	(658)	(44)	654	(29)
Percentage of scheme liabilities	-10.2%	-0.7%	10.2%	-0.4%