

# **Trinity Laban Conservatoire of Music and Dance**

**(A Registered Charity and Company Limited by Guarantee)**



## **Report and Financial Statements for the year ended 31 July 2010**

**Company Registration No. 51090  
Charity No. 309998**

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

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# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## Legal and Administrative Details

**Patron** HRH Duke of Kent KG  
**President** Dr Marion North CBE

### Board of Governors

#### **Independent Governors**

Sir Robert Scott (Chairman) <sup>1,4,5,6</sup>  
Catherine Bott  
Alan Britten CBE <sup>1,2,3</sup> (resigned March 2010)  
Richard Brown <sup>4,5</sup>  
Dr Esther Cavett <sup>5</sup>  
Dr Geoffrey Copland CBE <sup>3,6</sup>  
Alan Dexter <sup>3,6</sup>  
Joanna Embling <sup>4</sup>  
Cllr John Fahy  
Michael Hildesley (Deputy Chairman) <sup>1,4,5,6</sup>  
Dr Robert Massey (resigned March 2010)  
Hilary Oliver <sup>4</sup>  
Joan Ruddock MP  
Vimmi Singh  
David Sullivan <sup>4</sup>  
Dr Veronica Thomas (appointed January 2010)  
Elizabeth Wedmore <sup>3</sup>

*1 Member of the Council of Trinity College London*

*2 Trustee of the TCM Trust*

*3 Member of the Audit Committee*

*4 Member of the Planning and Resources Committee*

*5 Member of the Nominations Committee*

*6 Member of the Remuneration Committee*

#### **Ex Officio Governors**

Derek Aviss <sup>2,5</sup> (ex officio until August 2010)  
Anthony Bowne <sup>2,5</sup>

#### **Representative Governors**

Elizabeth Atkin (administrative staff)  
Thomas Hewitt (student, appointed September 2009)  
James Hitchins (administrative staff, resigned August 2009)  
Elizabeth Ross (teaching staff, appointed September 2009)  
Hester Montgomery Campbell (student, resigned January 2010)  
Dr Dominic Murcott (teaching staff)  
Susan Sentler (teaching staff, resigned August 2009)  
Natalie Witts (student, resigned August 2009)

#### **Clerk to the Board**

Karen Burnell

#### **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**  
RSM Tenon  
66 Chiltern Street  
London  
W1U 4JT

#### **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 of Governors

### Purposes and Achievements

#### **a. Aims and objectives**

Trinity Laban's charitable purposes as set out in its Memorandum of Association are:

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

In pursuit of these aims the Board of Governors have approved a Strategic Plan for 2010-15 that encompasses the following high-level themes:

#### **Vision**

- Trinity Laban Conservatoire of Music and Dance will redefine and reclaim the conservatoire for the twenty first century, building on the long and valued legacy of our pasts while embracing the new, experimental and unexpected to develop the artistic leaders of the future.

#### **Mission**

- Trinity Laban Conservatoire of Music and Dance is an international artistic community whose overriding purpose is to advance the art forms of dance and music. We achieve this by bringing together artists to train, perform, collaborate and research in an inspiring creative, intellectual and physical space. Performance and artistic practice are at the heart of all our activities;
- We seek out and embrace new means of artistic education and expression: we are experimental, creatively ambitious and forward-thinking;
- As a leading and progressive arts educator, we identify, support and develop talented and innovative performers and creators wherever they may be found and throughout their creative lives;
- We deploy our expertise and resources to enrich the cultural life of our local, national and international communities.

#### **Strategic Themes and Objectives**

- Excellence in education and training;
- Artistic leadership and innovation;
- Extending our reach;
- Enhancing our reputation and profile.

#### **b. Principal Activities Undertaken**

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

#### **c. Activities and Achievements in 2009-10 in the Delivery of Charitable Purposes for the Public Benefit**

The Conservatoire's Strategic Plan for 2010-15 was approved by the Board during 2009-2010. This new and ambitious Plan provides the basis upon which the Conservatoire can successfully meet the difficult external operating environment faced by all publicly funded HEIs and arts institutions. The Plan was developed through an extensive process of consultation and debate, which included two lively staff conferences and valuable input from a range of students, staff, members of the Board and external advisors.

A key decision was taken to embrace fully the single identity of Trinity Laban Conservatoire of Music and Dance with Anthony Bowne serving as sole Principal from 1<sup>st</sup> September 2010, with Derek Aviss (previous Joint Principal) appointed to the role of Executive Director to oversee strategic change. The Board wishes to record its thanks to Professor Aviss for his work with Professor Bowne in ensuring the successful merger of Trinity College of Music and Laban Dance and looks forward to his continuing work as Executive Director.

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The Board is mindful of the need to continue the process of integration, restructuring and efficiency in order to ensure that both academic and support services are able to meet the increasingly competitive operating environment both within the UK and across the world.

In recognising the importance of presenting a clear and cohesive picture of the Conservatoire and its activities, the Board commissioned reviews of the existing website and branding, the result of which has led to an impressive website that presents much fuller and more easily navigable information on Trinity Laban's programmes and activities to prospective HE students, adult and young learners, professional practitioners, schools, community groups, audience members, funders and the wider public. This development achieves the aim of promoting the accessibility of our services and accountability to our stakeholders.

In turn, the Strategic Plan builds on the underpinning public benefit ethos inherited by Trinity Laban from its legacy institutions and sets out among its core values 'integrity and inclusion' and 'outward engagement'. The Board takes seriously the obligation to deliver all activities in line with the institution's charitable aims and objectives and to reach the widest scope of beneficiaries.

### ***Advancement of education and the arts of music and dance***

During 2009-10, 1014 students were enrolled on its core higher education programmes from Foundation Degree to Doctorate level. Our commitment to providing an outstanding educational experience to young artists preparing for professional arts practice was evidenced by the strong achievements of our students and graduates. Collectively, progression and graduation rates remained well ahead of the sector averages for the UK while the percentage of graduates in employment (95.8%) again placed the Conservatoire among the top ten HEIs in the country.

There were also many notable individual successes, for example: students received awards from The Worshipful Company of Musicians and The Royal Philharmonic Society; had work accepted at the Neu/Now Festival in Nantes; gained trials with the Royal Philharmonic Orchestra and London Philharmonic Orchestra and secured lecturing posts at Roehampton University and Doreen Bird College. BA dancers participated in two high profile external projects: *Monument and Moment*, a fusion of contemporary dance and capoeira choreographed by Mestre Ponciano and *Almeida* which was performed outside the Tower of London, the Monument to the Great Fire of London and the Royal Exchange building as part of the City of London Festival. Students also performed in Leonard Bernstein's *Mass* at the Royal Festival Hall with Lea Anderson as choreographer and Marin Alsop as conductor.

The Conservatoire is committed to maintaining a diverse learning community that brings together students with a variety of talents, backgrounds, perspectives and cultures to the benefit of all. Widening participation and fair access are central to our strategy and we are working to address barriers to participation in advanced performance training and the arts, whether cultural, educational or financial. In the past year, we maintained relationships with over 100 local schools and delivered outreach and inreach projects involving over 10,000 young people. Our direct annual investment in widening participation stood at around £1.5 million, covering student support, outreach/inreach projects, targeted recruitment activity, and income-contingent bursaries.

In addition, a further £0.5 million was awarded in scholarships to outstandingly talented young artists who might otherwise struggle to fund their training. The results of these efforts are evidenced in the 2010 HE Performance Indicators that showed Trinity Laban as having the highest percentage recruitment among UK conservatoires from low participation neighbourhoods and from lower socio-economic groups. A consistent focus on improving our services to students and applicants with disabilities saw the percentage of our undergraduate population qualified for Disabled Student Allowance reach 13.2%, the 11<sup>th</sup> highest among 157 UK HEIs.

2009-2010 also saw significant curricular development to ensure that our programmes remain at the forefront of educational practice in the training of performing artists. All masters' provision in dance was reviewed and revalidated by City University with an unreservedly positive assessment of the new and revised courses. One innovative feature was the introduction of a professional pathway through the MA Creative Practice with modules delivered by eminent professional partners, Siobhan Davies Dance, Independent Dance or the Cholmondeleys. A similarly rigorous examination of our music provision is now underway.

In aiming for continual enhancement of the content and delivery of programmes and the physical and intellectual learning environment, Trinity Laban places a strong emphasis on working with our students and responding to their feedback. We were therefore gratified to note some very positive responses in the 2010 National Student Survey (notably the 96% approval rating for teaching in dance) but also alert to those areas where a need for improvement was indicated. We continue to promote open and timely communication with students and to undertake investment in the estate targeted at areas that would most directly enhance the student experience.

In addition to the core higher education programmes, Trinity Laban's Education and Community programme for children and young people excels through its Centres for Advanced Training at Laban and Junior Trinity. In March 2010 young dance and music students from these programmes took part in a two day event called *Sound Moves* at Southbank Centre for the Department for Education Music and Dance Scheme, collaborating in a performance which shared the Royal Festival Hall platform with other exceptionally talented performers from the Centres for Advanced Training and the residential music schools. Junior Trinity and Laban dancers have worked creatively on many occasions and further premieres are at the rehearsal stage for 2010-2011; these collaborations are inspiring for staff and students alike.

### ***Advancement of research and professional practice***

Alongside the core business of higher education teaching, Trinity Laban seeks to develop a distinctive research portfolio grounded in our expertise in creative practice, and to transfer knowledge in ways that advance the professional arts, support creative businesses and practitioners, and enhance performance pedagogy. Although Trinity Laban receives no government funding for research, this activity continued to expand in 2009-10 with significant external funding awards gained for several projects. Our Dance Science department made further progress on a Leverhulme Trust/DCSF funded three-year research project into talent development among young people. The findings of this research will also inform pedagogic practice with young people across the wider sphere of dance education. Composition and choreographic commissions awarded to staff included performances by the BBC Symphony and London Symphony orchestras and at Sadler's Wells, Siobhan Davies Dance Centre,

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ICA and The Place. Publications were accepted by journals such as *Dance Chronicle*, *Psychology of Music*, *Research Studies in Music Education* and *Twentieth-Century Music*.

Following the successful bid to the Higher Education Funding Council for England's (HEFCE) Economic Challenge Investment Fund (ECIF) noted in last year's report, a programme of professional development opportunities and accreditations was delivered for freelance artists, new graduates and small creative and third sector organisations. This provision was heavily subsidised to enable wide participation in line with the objectives of the fund to support and sustain economic activity and employment through the financial downturn. Events included a popular action learning set for arts project managers that was repeated in response to high demand and classes for practitioners working to gain the new DDTAL qualification.

### **Wider community benefits**

Trinity Laban's contribution to its local community and beyond covers a wide range of performance, educational and participatory activities that draw on the excellence of our specialist HE core to expose audiences and learners to contemporary dance and music of the highest standard. Our most recent figures show that, in a single year:-

- we delivered over 1800 sessions of music and dance activity for children and young people aged 18 and under, with over 12,000 local participants;
- 1,700 people of all ages sang, played, danced, performed, created and shared their enjoyment of music and dance through our wider cultural programming;
- we presented 536 performances to an audience of 63,039 (35% of them with free entry);
- we answered more than 3,000 specialist enquiries to our libraries via email, telephone or mail;
- we provided 1,400 Pilates sessions, in our state-of-the-art studio;
- we provided professional development support for 138 artists and 172 teachers;
- 32,115 people used our space as a result of 429 hires by arts organisations, public sector agencies, charities and commercial companies;
- 1,183 people undertook guided tours of the buildings.

Blackheath Halls provides a venue for Trinity Laban students to rehearse and perform alongside both community participants and professionals. The Blackheath Halls became a subsidiary in 2003 and in May 2010, Trinity Laban acquired the freehold from the Blackheath Preservation Trust Limited.

Our public performances are a major component of the cultural offer to the communities of SE London and the Thames Gateway, offering a wide range of repertoire across our professional and student programming. Highlights in 2009-10 included the November 2009 *Festival of Time and Space* in which Trinity Laban and the National Maritime Museum joined forces to celebrate the 2009 UNESCO International Year of Astronomy with a four week festival of music and the arts. The culminating event was *Harmony of the Spheres*, an after-hours music and dance performance at the Royal Observatory, Greenwich, and Greenwich Time Symposium, both timed to coincide with the anticipated annual appearance of the Leonids meteor shower.

In April 2010, we showcased our participatory work with a four day festival of community performances in the Laban Theatre under the title 'All Sorts'. This was followed in July 2010 by the fifth Blackheath Community Opera, *The Elixir of Love*, in which five professional soloists were joined by a chorus and orchestra made up of members of the local community and neighbouring primary schools; the performance, which gained significant funding support from Arts Council England, attracted glowing reviews in the national press.

Trinity Laban offers an extensive programme of music and dance activities, of the highest quality, for members of the public. Our public programmes attract participants of all ages, whatever their background or ability and these activities include special programmes for participants with disabilities, older people, children and families.

### **Environmental sustainability**

Trinity Laban recognises its responsibility to support environmental sustainability and to minimise as far as possible any negative impact that its operations might have on its surroundings and on long term climate change. In 2010, it developed an Environmental Sustainability and Carbon Reduction Plan through which it will contribute to the wider HE sector effort to tackle climate change by targeting a 50% reduction in its emissions by 2020. Measures in the Plan cover a number of areas including buildings and refurbishment, data management, procurement, training and communications, operations and efficiency measures.

### **d. Financial review**

Trinity Laban is extremely grateful to its alumni, donors and supporters, for their continued philanthropic support which goes directly to help its student musicians and contemporary dancers. Additional benefit has been received from the Government's Matched Funding Scheme for voluntary giving over the period 2008-2011. The value of such support has never been more important, when looking at the challenges arising ahead from the changes that the Government intends to make to the future of Higher Education funding. Trinity Laban will be responding to these challenges at all levels of the business, including building philanthropy and funding partnerships into the heart of its efforts to deliver excellence.

The Board is pleased to report that the Conservatoire has made a surplus after depreciation for the third consecutive year since merger of the legacy institutions in 2005.

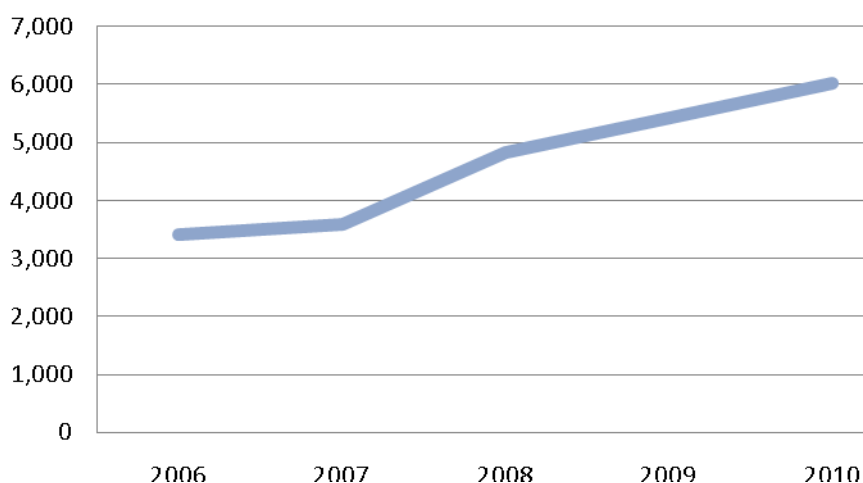
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The summary outturn statement for 2009-10 was as follows:-

	2010	2009
	£000s	£000s
<b>Income</b>	20,731	19,160
<b>Expenditure</b>	20,530	18,876
<b>Operating Surplus</b>	201	284
<b>Transfer from Endowment Fund</b>	67	37
<b>Retained Surplus</b>	268	321

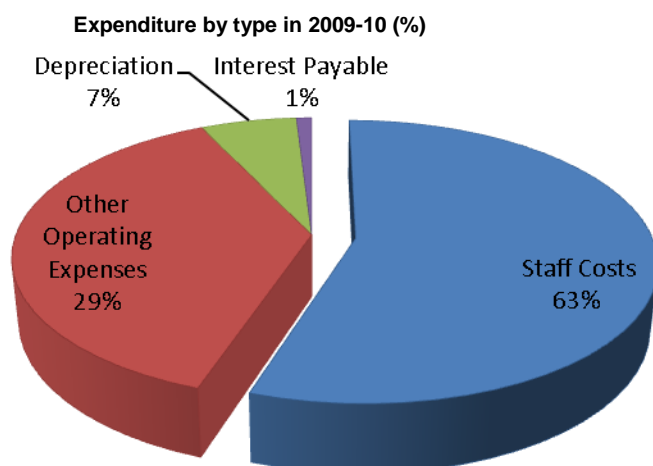
The overall increase in income was £3,571K (18.6%). The major areas of increase were overseas students tuition fees which increased by £370k (42.3%) and other operating income by £764k (19.1%).

**Tuition Fee Income (£'000s)**



The growth in tuition fee income over the period 2005-06 to 2009-10 (see table) represents the impact of the introduction of variable fees. The total tuition fees in 2005-06 amounted to £3,410k whereas in 2009-10 the total fee income from this source amounted to £6,029k. The growth in income from overseas students over the same period rose from £451k in 2005-06 to £1,245k in 2009-10.

Total expenditure rose by £1,654k, an increase of 8.7% over the previous year. The principal increases in expenditure over the previous year comprise £964k (8.0%) in staff costs, of which the major increases comprised £383k representing an increase in staff costs associated with increased other income whilst £360k represented staff costs associated with reorganisation of administrative functions. Other operating expenses showed an increase of £747k (14.3%) of which £547k was in respect of expenditure on scholarship and prizes.



The total expenditure for 2009-10 amounted to £22,530k of which the staff expenditure accounted for £13,006k (63%) and other operating expenses for £5,951k (29%).

At the Balance Sheet date, there was an excess of Current Liabilities over Current Assets of £2.2m. The principal components of this comprise the accounting treatment associated with £1.0m of cash support provided within the Group whilst a further amount

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of £0.8m represents income received in advance in 2009-10 for 2010-11. The Board is of the opinion that the underlying nature of the excess of the Current Liabilities over Current Assets does not impair its ability to meet its debts as they fall due which is supported by the Conservatoire's cash-flow.

The major key performance indicators for 2008-09 and 2009-10 are as follows:-

Indicators	2010	2009
Historic Cost Surplus as % of total income	1.3%	1.7%
Staff Costs as % of total income	62.7%	62.8%
Net Liquidity (days)	11	8

The performance of Blackheath Halls Limited in recording a deficit of £103k during the financial year whilst disappointing arose principally from additional expenditure on essential maintenance of the fabric of the estate. However, for the financial year 2010-11 the budget has been developed on the basis of a loss of £20k. For 2011-12 onwards detailed discussions are at an advanced stage in developing a business model that will ensure the long-term viability of the Halls as an invaluable resource both for the Conservatoire and the arts community in South East London.

The Investment 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 Investment Committee), the real value of all permanent endowments as income generating assets;
- To produce a consistent and sustainable income return from the aggregate of all permanent endowments to support an annual expenditure plan;
- To maximise, through a suitable combination of investment and income generation, the financial benefit obtained from all expendable endowments over the period that they remain current;
- To manage the investment assets, in which the endowments are invested, within a balanced portfolio, subject to a low-to-medium degree of risk;
- To include no specific investment restrictions or limitations on the portfolio;
- To benchmark the performance of the investments against recognised indices.

During the year, Williams de Broe continued as investment advisors to the Conservatoire. The overall investment portfolio increased to £4,170k in 2009-10 from £3,448k in 2008-09.

### e. Analysis of future situation and risks

The Board recognises as a result of the Government's response to the Browne Report and the Comprehensive Spending Review that:-

- virtually all state funding for teaching in the arts, humanities and social sciences will end;
- future state funding has been promised for only science, technology, engineering and mathematics (STEM) subjects;
- therefore funding will rely heavily on the future level of tuition fees which for Home and EU students have been capped at £9,000 per annum.

However, the initial implications for the sector will not be known until December 2010 when the Department of Business, Innovation and Skills (BIS) issues its annual funding letter to HEFCE.

The uncertainty means that we have to plan for a range of financial scenarios and ensure that our plans are sufficiently flexible to adapt to the external environment. We are working on a programme to achieve savings and envisage that these savings will come from:-

- A fundamental review of the way in which support services and processes are delivered across the Conservatoire;
- Review and challenge of the efficiency of delivery of our academic activities.

The Board recognises that we are now operating in a much more volatile and turbulent environment and that it is essential to take appropriate action to ensure the financial sustainability of the Conservatoire. This will be achieved through a combination of tight control on costs and value for money, optimising courses, achieving more efficiency in delivery and administration, the development of profitable educational and commercial activities, together with the continuing development of the Alumni Programme. These steps are considered to be essential to enable the Conservatoire to place itself in a sustainable position. In addition, this involves the achievement of:-

- delivery of adequate surpluses;
- maintenance of a financially viable teaching strategy;
- management of sustainable contributions from research;
- setting and achievement of financial objectives for income generation;
- implementation of efficiency measures to improve the financial performance of existing activity (without damaging academic objectives), including collaboration where appropriate;
- regular review of financial policies and processes to ensure support of the financial strategy;
- rigorous control of costs;
- ability to support and prioritise strategic developments;



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- effective management of key financial risks;
- option and investment appraisal;
- tight budgetary control;
- elimination of some non-core activities unless these are fully supported by third party funding.

The Board is aware of the need to maintain both academic quality and the relevance of the courses that the Conservatoire delivers. Through its rigorous QA processes, academic strategic review and ongoing staff development the Conservatoire has in place measures to ensure the maintenance of these distinctive aspects that mark out Trinity Laban. In addition, the Board is aware of the need to meet and expand international student recruitment targets.

### ***f. 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 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.

### ***g. People***

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

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

Approved by order of the Board of Governors on 23 November 2010 and signed on its behalf by:



**Sir Robert Scott**  
Chair of Governors

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## Corporate Governance and Management

### **a. Constitution**

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

Trinity Laban is governed as described in the Memorandum and Articles of Association as approved by Privy Council and Charity Commission. It is also treated within the public sector as a Higher Education Institution, subject to the Financial Memorandum issued by the Higher Education Funding Council (HEFCE) in respect of its public funding.

Trinity Laban is recognised as a provider of Degree Courses under the Education (Listed Bodies) Order and these are delivered through its music and dance faculties.

### **b. 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 2010, 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 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 reporting regularly via the Audit Committee to the Board. This process accords with the internal control guidance for directors of the Combined Code as deemed appropriate for higher education.

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

### **c. Recruitment and Appointment to the Board of Governors**

Members of the Board of Governors - who are directors for the purpose of company law and trustees for the purpose of charity law - who served during the year and up to the date of this report are set out on page 3.

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

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

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

### **d. Governor/Trustee induction and Training**

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

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### **e. Responsibilities and Delegated Authority**

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

#### **Statement of Primary Responsibilities**

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

The Board retains ultimate control over the Institution's affairs and meets at least four times a year to monitor the operations of the Institution. Under the 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.

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.

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

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.

### **f. Internal control**

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

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

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

### Risk management

The following processes have been established as regards risk management:

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

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

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

### Financial control

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

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

The Board has taken reasonable steps to:

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

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

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

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### **g. 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, Kingston Smith LLP were reappointed as auditors during the year and have expressed their willingness to continue in that capacity.

Approved by order of the Board of Governors on 23 November 2010 and signed on its behalf by:



**Sir Robert Scott**  
Chair of Governors



**Anthony Bowne**  
Principal

# 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 2010, 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.

### ***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 2010 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 2010;
- 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

# 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 the Statement of Recommended Practice (SORP): "Accounting for Further and Higher Education" and applicable Accounting Standards; and also in accordance with the Accounts Direction Handbook. They conform to guidance published by the Higher Education Funding Council for England.

### **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 2010. 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:

Freehold buildings	2% per annum
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.
Computer Equipment	33% per annum
Fixtures & Fittings	15% 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.

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.

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### ***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 and LPFA schemes, the institution has adopted FRS17 "Retirement Benefits" in full. 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.

### ***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 2010

	Note	2010	2009
		£	£
<b>INCOME</b>			
Funding council grants	1	9,882,094	9,618,299
Academic fees and support grants	2	6,028,788	5,421,789
Other operating income	3	4,761,919	3,997,659
Investment income	4	58,522	122,539
<b>Total Income</b>		<b>20,731,323</b>	<b>19,160,286</b>
<b>EXPENDITURE</b>			
Staff costs	5	13,006,001	12,041,725
Other operating expenses	6	5,951,244	5,204,533
Depreciation	9	1,358,013	1,390,588
Interest payable	7	215,198	238,972
<b>Total Expenditure</b>		<b>20,530,456</b>	<b>18,875,818</b>
<b>Surplus after depreciation of fixed assets and taxation</b>		<b>200,867</b>	<b>284,468</b>
		200,867	284,468
Transfer from/(to) endowment fund		67,478	36,628
<b>Surplus for the financial year</b>		<b>268,345</b>	<b>321,096</b>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2010

	2010 £	2009 £
Surplus after depreciation of assets at cost and exceptional items	200,867	284,468
Unrealised gains/(losses) on revaluation of endowment investments	227,710	(81,839)
Realised losses on endowment asset investments	(916)	(87,661)
New endowments	563,464	91,730
FRS17 Actuarial losses	(233,000)	(1,274,000)
	<hr/>	<hr/>
<b>Total recognised gains/(losses) relating to the year</b>	<b>758,125</b>	<b>(1,067,302)</b>
	<hr/>	<hr/>
<b>Reconciliation</b>		
Opening reserves and endowments	4,747,778	5,815,080
Total recognised gains/(losses) relating to the year	758,125	(1,067,302)
	<hr/>	<hr/>
<b>Closing reserves and endowments</b>	<b>5,505,903</b>	<b>4,747,778</b>
	<hr/>	<hr/>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### BALANCE SHEETS

As at 31 July 2010

	Note	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
<b>FIXED ASSETS</b>					
Tangible assets	9	31,811,011	30,972,164	32,447,730	31,497,621
		<b>31,811,011</b>	<b>30,972,164</b>	<b>32,447,730</b>	<b>31,497,621</b>
<b>ENDOWMENT ASSETS</b>					
	10	<b>4,170,462</b>	<b>4,170,462</b>	<b>3,447,682</b>	<b>3,447,682</b>
<b>CURRENT ASSETS</b>					
Stock		4,963	-	5,457	-
Debtors	11	1,293,895	1,932,301	992,687	1,523,723
Cash at bank and in hand		556,273	514,099	398,181	337,764
		1,855,131	2,446,400	1,396,325	1,861,487
<b>CREDITORS: amounts falling due within one year</b>	12	<b>(4,114,052)</b>	<b>(3,867,786)</b>	<b>(3,074,535)</b>	<b>(2,820,066)</b>
<b>NET CURRENT (LIABILITIES)</b>		<b>(2,258,921)</b>	<b>(1,421,386)</b>	<b>(1,678,210)</b>	<b>(958,579)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>33,722,552</b>	<b>33,721,240</b>	<b>34,217,202</b>	<b>33,986,724</b>
<b>CREDITORS: amounts falling due after more than one year</b>	13	<b>(3,802,302)</b>	<b>(3,768,198)</b>	<b>(4,100,268)</b>	<b>(4,054,885)</b>
<b>NET ASSETS excluding pension liability</b>		<b>29,920,250</b>	<b>29,953,042</b>	<b>30,116,934</b>	<b>29,931,839</b>
Net Pension Liability	20	(2,282,000)	(2,282,000)	(2,163,000)	(2,163,000)
<b>NET ASSETS including pension liability</b>		<b>27,638,250</b>	<b>27,671,042</b>	<b>27,953,934</b>	<b>27,768,839</b>

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## BALANCE SHEETS (CONTINUED)

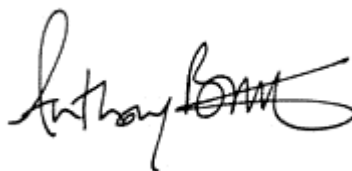
As at 31 July 2010

	Note	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
<b>Deferred capital grants</b>	<b>14</b>	22,132,347	21,865,806	23,206,156	22,824,786
<b>Endowments</b>					
Expendable	<b>16</b>	2,457,968	2,457,968	1,589,976	1,589,976
Permanent	<b>16</b>	1,712,494	1,712,494	1,857,706	1,857,706
		<u>4,170,462</u>	<u>4,170,462</u>	<u>3,447,682</u>	<u>3,447,682</u>
<b>Reserves</b>					
General reserve	<b>17</b>	3,617,441	3,916,774	3,463,096	3,659,371
Pension deficit	<b>20</b>	(2,282,000)	(2,282,000)	(2,163,000)	(2,163,000)
		<u>1,335,441</u>	<u>1,634,774</u>	<u>1,300,096</u>	<u>1,496,371</u>
<b>TOTAL RESERVES</b>		<u>1,335,441</u>	<u>1,634,774</u>	<u>1,300,096</u>	<u>1,496,371</u>
<b>TOTAL FUNDS</b>		<u><u>27,638,250</u></u>	<u><u>27,671,042</u></u>	<u><u>27,953,934</u></u>	<u><u>27,768,839</u></u>

The financial statements on pages 13 to 38 were approved by the board on 23 November 2010 and signed and authorised for issue on its behalf by:



**Sir Robert Scott**  
Chairman



**Anthony Bowne**  
Principal

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 July 2010

	Note	2010 £	2009 £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>565,534</b>	<b>(17,230)</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest paid		(215,198)	(238,972)
Interest received		27	28,103
Income from endowment investments		58,495	94,436
		<u>(156,676)</u>	<u>(116,433)</u>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Purchase of tangible fixed assets		(721,294)	(753,906)
Purchase of investments		(1,008,365)	(492,771)
Receipts from the sale of investments		119,161	558,625
Deferred Capital grants received		299,756	696,620
Endowments received		563,464	91,730
Endowment asset bank movement		701,457	(329,245)
		<u>(45,821)</u>	<u>(228,947)</u>
<b>Net cash outflow before financing</b>		<b>363,037</b>	<b>(362,610)</b>
<b>FINANCING</b>			
Repayment of Debt	18	(191,208)	(98,775)
<b>Net cash outflow from financing</b>		<b>(191,208)</b>	<b>(98,775)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>B</b>	<b>171,829</b>	<b>(461,385)</b>

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### Notes to Consolidated Cash Flow Statement

	Note	2010 £	2009 £
<b>A</b>			
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>			
Surplus on continuing operations after depreciation of fixed assets at cost		200,867	284,468
Income from endowment asset investments		(57,497)	(94,436)
Interest received		(1,024)	(28,103)
Interest payable		215,198	238,972
Release of capital grants		(1,373,566)	(1,339,511)
Depreciation		1,358,013	1,390,588
Increase in debtors		(299,410)	(237,163)
Decrease/(Increase) in year end stocks		494	(894)
Increase/(Decrease) in creditors (excluding amounts due to endowments)		636,459	(44,151)
FRS17 adjustment		(114,000)	(187,000)
		<u>565,534</u>	<u>(17,230)</u>
Net cash inflow/(outflow) from operating activities		<u>565,534</u>	<u>(17,230)</u>
		<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
<b>B</b>			
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
Increase/(Decrease) in bank & cash in hand (including overdraft)		171,829	(461,385)
(Decrease)/Increase in Endowment asset bank balances		(701,457)	329,245
Cash outflow from repayment of loan		191,208	98,775
		<u>(338,420)</u>	<u>(33,365)</u>
Movement in net debt	<b>19</b>	(338,420)	(33,365)
Net debt at 1 August		(2,140,762)	(2,107,397)
		<u>(2,479,182)</u>	<u>(2,140,762)</u>
Net debt at 31 July		<u>(2,479,182)</u>	<u>(2,140,762)</u>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 1. FUNDING COUNCIL GRANTS (HEFCE)

	2010 £	2009 £
<b>Recurrent grant</b>		
HEFCE Teaching Grant	8,535,872	7,740,046
HEFCE Widening Participation Grant - Retention	-	148,655
HEFCE Widening Participation Grant - Access	36,846	19,088
HEFCE Widening Participation - Addition Student Numbers	-	715,889
HEFCE Disability	17,530	13,741
<b>Specific Grants</b>		
Economic Investment Challenge Fund	39,404	7,542
HEFCE Higher Education Innovation Fund - Non Recurrent	329,501	261,223
HEFCE Teaching Quality Enhancement Fund	-	82,166
Matched Funding Grant	418,750	155,000
<b>Deferred Capital Grants released in the year (note 14)</b>		
Land and buildings	80,671	74,695
Equipment and instruments	161,341	153,686
Learning and teaching	262,179	246,568
	<u>9,882,094</u>	<u>9,618,299</u>

### 2. ACADEMIC FEES AND SUPPORT GRANTS

	2010 £	2009 £
<b>Higher Education</b>		
UK/EU students	3,723,833	3,619,188
Non -EU students	1,245,248	874,711
Research Studies	46,765	-
	<u>5,015,846</u>	<u>4,493,899</u>
<b>Other Fees</b>		
Junior Trinity	700,294	598,255
Short Courses	312,648	329,635
	<u>1,012,942</u>	<u>927,890</u>
	<u>6,028,788</u>	<u>5,421,789</u>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 3. OTHER OPERATING INCOME

	2010 £	2009 £
Donations from Trust Funds	819,849	832,243
Other Income		
- Project	243,727	21,729
- Education & Community	670,067	408,577
- Scholarships	530,611	291,970
- Research	140,018	118,291
- Events	105,957	125,443
- General	947,086	962,358
Deferred Capital grant released in year (note 14)	869,375	864,561
Blackheath Halls Income	435,229	372,487
	<u>4,761,919</u>	<u>3,997,659</u>

### 4. INVESTMENT INCOME

	2010 £	2009 £
Income from expendable endowment asset investments	31,587	50,884
Income from permanent endowment asset investments	26,908	43,552
Bank deposit interest	27	28,103
	<u>58,522</u>	<u>122,539</u>



## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 5. STAFF COSTS

	2010 £	2009 £
Wages, salaries and fees	11,056,591	10,211,482
Social security costs	746,956	788,129
Other Pension costs	1,202,454	1,042,114
	<u>13,006,001</u>	<u>12,041,725</u>

Of the staff costs £312,234 (2009: £287,709) relates to Blackheath Halls Limited.

### DIRECTORS' EMOLUMENTS

The aggregate amount of directors' emoluments was £390,738 (2009: £273,364). All payments were in respect of services as members of staff and relate to the relevant period of office. 2 directors (2009: 2) are accruing benefits under defined pension schemes as set out in note 20.

	2010 £	2009 £
The emoluments of the highest paid directors (the Principals, Derek Aviss and Anthony Bowne) were in total:		
Salaries	269,717	239,583
Pension contributions	121,021	33,781
	<u>390,738</u>	<u>273,364</u>

Pension costs include an accrued contribution of £86,800 on behalf of D. Aviss who retired as joint principal on 31/07/2010.

Other than the Principals and Staff Directors, 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	2010		2009	
	Employee numbers	FTE numbers	Employee numbers	FTE numbers
Academic	370	100	397	115
Academic support	12	12	17	14
Administrative	190	147	150	112
Blackheath Halls	51	10	47	16
	<u>623</u>	<u>269</u>	<u>611</u>	<u>257</u>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 6. OTHER OPERATING EXPENSES

	2010	2009
	£	£
Academic departments	601,647	561,749
Academic support services	245,118	275,608
Other support services	118,388	103,152
Administration and central services	803,327	812,896
Auditors' remuneration		
- External audit	31,079	31,830
- Internal audit	20,433	16,789
- Non audit services	23,168	26,651
General education	1,293,886	1,221,805
Scholarship and prizes	1,185,828	639,132
Premises	1,539,640	1,513,184
Miscellaneous	88,730	1,737
	<u>5,951,244</u>	<u>5,204,533</u>

### 7. INTEREST PAYABLE

	2010	2009
	£	£
<b>On bank loans and overdrafts</b>		
Not wholly repayable within five years	215,198	238,972
	<u>215,198</u>	<u>238,972</u>

### 8. SURPLUS ON CONTINUING OPERATIONS

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

	2010	2009
	£	£
Surplus for the year before transfer from/to endowment fund	371,403	379,230
Deficit incurred by charitable subsidiary undertaking	(103,058)	(94,762)
	<u>268,345</u>	<u>284,468</u>

## 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 £
<b>Cost</b>					
At 1 August 2009	26,752,539	12,513,499	112,594	6,254,266	45,632,898
Additions	-	-	-	721,294	721,294
Transfer	1,396,322	(1,396,322)	-	-	-
At 31 July 2010	28,148,861	11,117,177	112,594	6,975,560	46,354,192
<b>Depreciation</b>					
At 1 August 2009	5,277,128	2,994,429	31,594	4,882,017	13,185,168
Charge for the year	547,010	372,549	-	438,454	1,358,013
Transfer	715,332	(715,332)	-	-	-
At 31 July 2010	6,539,470	2,651,646	31,594	5,320,471	14,543,181
At 31 July 2010	<b>21,609,391</b>	<b>8,465,531</b>	<b>81,000</b>	<b>1,655,089</b>	<b>31,811,011</b>
At 31 July 2010	<b>21,475,411</b>	<b>9,519,070</b>	<b>81,000</b>	<b>1,372,249</b>	<b>32,447,730</b>
At 31 July 2009					

During the year Trinity Laban acquired the freehold of the Blackheath Halls for nil consideration. The amounts transferred represent the cost and accumulated depreciation of leasehold improvements incurred by the Blackheath Halls Limited which are treated as freehold buildings on consolidation.

TRINITY LABAN	Freehold Land & Building £	Long Leasehold Building £	Equipment & instruments £	Total £
<b>Cost</b>				
At 1 August 2009	26,752,539	10,369,257	5,997,283	43,119,079
Additions	-	-	706,775	706,775
At 31 July 2010	26,752,539	10,369,257	6,704,058	43,825,854
<b>Depreciation</b>				
At 1 August 2009	5,227,128	1,693,537	4,650,793	11,621,458
Charge for the year	547,010	257,719	427,503	1,232,232
At 31 July 2010	5,824,138	1,951,256	5,078,296	12,853,690
<b>Net Book Value</b>				
At 31 July 2010	<b>20,928,401</b>	<b>8,418,001</b>	<b>1,625,762</b>	<b>30,972,164</b>
At 31 July 2009	<b>21,475,411</b>	<b>8,675,720</b>	<b>1,346,490</b>	<b>31,497,621</b>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 10. ENDOWMENT ASSETS

	2010 £	2009 £
Market Value		
At 1 August (Prior Year)	3,447,682	3,562,080
Additions at cost	1,007,003	492,771
Disposals	(119,160)	(558,625)
Net unrealised investment gains/(losses)	227,710	(81,839)
Changes in Current Assets	309,600	(208,288)
Realised deficit	(916)	(87,661)
Changes in cash and bank balances	(701,457)	329,244
	<u>4,170,462</u>	<u>3,447,682</u>
At 31 July	<u>4,170,462</u>	<u>3,447,682</u>

	2010 £	2009 £
Represented by:		
Listed investments at market value	2,372,897	1,258,260
Cash balances	748,285	1,449,742
Other current assets (see note 12)	1,049,281	739,680
	<u>4,170,462</u>	<u>3,447,682</u>
<b>Historical cost of listed investments at 31 July</b>	<u><b>1,661,380</b></u>	<u><b>1,158,373</b></u>

### 11. DEBTORS

	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
Trade debtors	517,657	495,275	441,744	419,153
Other debtors	195,768	126,908	234,150	160,217
Prepayments and accrued income	580,470	562,199	316,793	305,617
Amounts due from subsidiary undertaking	-	747,919	-	638,736
	<u>1,293,895</u>	<u>1,932,301</u>	<u>992,687</u>	<u>1,523,723</u>

Included in amounts due from subsidiary undertakings is £560,000 (2009: £560,000) which is receivable after more than one year.

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
Bank overdraft	17,057	-	30,793	-
Bank loan	186,462	186,462	216,373	216,373
Taxation and social security	432,564	382,532	380,758	332,077
Trade creditors	237,360	172,006	345,222	269,058
Other creditors	698,660	677,089	980,398	930,342
Accruals and deferred income	1,481,384	1,400,416	370,462	332,971
Due to endowment funds	1,049,281	1,049,281	739,245	739,245
Mortgage loan	11,284	-	11,284	-
	<b>4,114,052</b>	<b>3,867,786</b>	<b>3,074,535</b>	<b>2,820,066</b>

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
VAT repayable	222,648	222,648	359,317	359,317
Other Creditors	10,716	10,716	10,716	10,716
Bank loans	3,534,834	3,534,834	3,684,852	3,684,852
Mortgage loan	34,104	-	45,383	-
	<b>3,802,302</b>	<b>3,768,198</b>	<b>4,100,268</b>	<b>4,054,885</b>

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 2010 £	Outstanding 2009 £
<b>Trinity Laban</b>					
Allied Irish Bank	2006	2025	Variable	3,534,834	3,684,852
	Date loan obtained	Final Repayment Date	Interest Rates	Outstanding 2010	Outstanding 2009
<b>Subsidiary</b>					
Mortgage loan	1984	2014	Variable	34,104	45,383

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

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

	Group 2010 £	Trinity Laban 2010 £	Group 2009 £	Trinity Laban 2009 £
Analysis of loan repayments:				
In more than one year but no more than two years	206,328	194,995	230,046	218,763
In more than two years but no more than five years	663,903	640,182	704,993	670,892
In more than five years	2,698,657	2,698,657	2,795,196	2,795,196
	<b>3,568,888</b>	<b>3,534,834</b>	<b>3,730,235</b>	<b>3,684,852</b>

	Funding Council £	Other £	Total £
<b>14. Deferred Capital Grants</b>			
<b>Group</b>			
<b>At 1 August 2009</b>	<b>4,115,797</b>	<b>19,090,359</b>	<b>23,206,156</b>
Grant received	299,756	-	299,756
Released to income and expenditure account (notes 1 and 3)	(504,191)	(869,375)	(1,373,566)
<b>At 31 July 2010</b>	<b>3,911,363</b>	<b>18,220,984</b>	<b>22,132,347</b>
<b>Trinity Laban</b>			
<b>At 1 August 2009</b>	<b>4,115,797</b>	<b>18,708,988</b>	<b>22,824,786</b>
Grant received	299,756	-	299,756
Release to income and expenditure account	(504,191)	(754,544)	(1,258,736)
<b>At 31 July 2010</b>	<b>3,911,362</b>	<b>17,954,442</b>	<b>21,865,806</b>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 15. ACCESS TO LEARNING FUNDS

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

	Group and Trinity Laban	
	Year Ended 31 July 2010 £	Year Ended 31 July 2009 £
At 1 August	102	992
HEFCE grants	16,691	19,138
Disbursed to students	(25,133)	(26,106)
Repayments from students	8,470	6,095
	<hr/>	<hr/>
Balance underspent at 31 July	130	119
Auditor charge	-	(29)
Interest earned in year	-	12
	<hr/>	<hr/>
Cash at bank at 31 July	<b>130</b>	<b>102</b>
	<hr/> <hr/>	<hr/> <hr/>

### 16. ENDOWMENTS

	Unrestricted Expendable	Restricted Expendable	Total Expendable	Permanent	Total
At 1 August 2009	591,119	1,266,587	1,857,706	1,589,976	3,447,682
Additions to reserves	-	563,464	563,464	-	563,464
Unrealised gains on investments	38,711	84,252	122,963	104,747	227,710
Realised losses on investment	(156)	(339)	(495)	(421)	(916)
Income for the year	9,944	21,643	31,587	26,908	58,495
Expenditure for the year	(3,221)	(7,011)	(10,232)	(8,716)	(18,948)
Scholarship and prizes	(32,290)	(74,735)	(107,025)	-	(107,025)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 July 2010</b>	<b>604,107</b>	<b>1,853,861</b>	<b>2,457,968</b>	<b>1,712,494</b>	<b>4,170,462</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 17. RESERVES

	Group £	Trinity Laban £
<b>General</b>		
At 1 August 2009	3,463,096	3,659,371
Surplus for the year	268,345	371,403
Transfer to pension reserves	(114,000)	(114,000)
	<u>3,617,441</u>	<u>3,916,774</u>
At 31 July 2010	<u><u>3,617,441</u></u>	<u><u>3,916,774</u></u>

### 18. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	2010 £	2009 £
Loans and mortgages at 1 August	3,957,892	4,056,667
Capital repayments	(191,208)	(98,775)
	<u>3,766,684</u>	<u>3,957,892</u>
Loans and mortgages at 31 July	<u><u>3,766,684</u></u>	<u><u>3,957,892</u></u>

### 19. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2009 £	Cashflows £	At 31 July 2010 £
Cash at bank and in hand	367,388	171,829	539,217
Endowment assets cash balances	1,449,742	(701,457)	748,285
Bank and mortgage loans	(227,657)	29,911	(197,746)
	<u>1,589,473</u>	<u>(499,717)</u>	<u>1,089,756</u>
Bank and mortgage loans	(3,730,235)	161,297	(3,568,938)
	<u><u>(2,140,762)</u></u>	<u><u>(338,420)</u></u>	<u><u>(2,479,182)</u></u>



## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. PENSION COSTS

#### PENSION SCHEMES

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

#### 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.

Since March 2008 global investment markets have continued to fluctuate and at 31 March 2010, the actuary has estimated that the funding level under the new scheme specific funding regime has fallen from 103% to 91% (a deficit of

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. PENSION COSTS (CONTINUED)

£3,065 million). Compared to the previous 12 months, the funding level has improved from 74% (as at 31 March 2009) to 91%. This estimate is based on the funding level as at 31 March 2008, adjusted to reflect the fund's actual investment performance over the year and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions).

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.

#### 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 2010 revealed a shortfall of £1,110,000 in the value of the assets of the scheme of £2,404,000 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 £1,172,000 in the value of the assets of the scheme of £6,123,000 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

	2010	2009
	£	£
Contribution to TPS	379,818	390,121
Contribution to USS	391,725	299,389
Contribution to LPFA/LGPS	128,658	134,316
Contribution to Legal & General	333,308	212,105

#### FRS 17 –DISCLOSURES IN RESPECT OF LPFA SCHEME

The major assumptions by the Actuary in valuing liabilities were:

	2010	2009
	%pa	% pa
Discount rate	5.4	6.0
Expected pension increases (limited price indexation)	2.7	3.6
Inflation rate	2.7	3.6

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. PENSION COSTS (CONTINUED)

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

	2010 Expected Rate of return %	2010 Fair Value £000	2009 Expected Rate of return %	2009 Fair Value £000	2008 Expected Rate of Return %	2008 Fair Value £000	2007 Expected Rate of Return %	2007 Fair Value £000	2006 Expected Rate of Return %	2006 Fair Value £000
Bonds	4.5	288	6.2	206	6.3	385	6.6	432	6.3	305
Equities	7.3	1,659	7.5	1,361	7.6	1,147	7.9	1,216	7.6	966
Alternative assets	6.3	361	6.7	293	6.8	437	7.0	254	6.7	188
Annuities	3.0	48	3.0	136	4.8	(8)	5.1	74	4.8	124
Other bonds	5.4	48								
Total market value of assets		2,404		1,996		1,961		1,976		1,583
Present value of scheme liabilities		(3,514)		(3,121)		(2,464)		(2,245)		(2,155)
Deficit of the scheme		(1,110)		(1,125)		(503)		(269)		(572)

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

	2010 £000	2009 £000
Expected return on pension scheme assets	144	147
Interest on pension liabilities	(193)	(170)
<b>Net Return</b>	<b>(49)</b>	<b>(23)</b>

Amounts recognised in the statement of total recognised gains and losses

	2010 £000	2009 £000
Actual return less expected return on pension scheme assets	65	(279)
Experience gains and losses arising on scheme liabilities	-	-
Impact of changes in assumptions relating to the present value of scheme liabilities	(157)	(337)
Actual(loss) recognised in statement of recognised gains and losses	<b>(92)</b>	<b>(616)</b>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. PENSION COSTS (CONTINUED)

#### Movement in surplus/(deficit) during the year:

	2010 £000	2009 £000
Surplus/(deficit) scheme at the beginning of the year	(1,125)	(503)
Current service cost	(134)	(118)
Employer contributions	145	135
Past Service costs	163	-
Loss on curtailments	(18)	-
Net financial return	(49)	(23)
Actuarial gain/(loss)	(92)	(616)
	<hr/>	<hr/>
<b>Scheme deficit at the end of the year</b>	<b>(1,110)</b>	<b>(1,125)</b>
	<hr/> <hr/>	<hr/> <hr/>

#### History of experience gains and losses

	2010	2009	2008	2007	2006
Difference between actual and expected return on scheme assets					
Amount (£000)	65	(279)	(353)	83	61
Percentage of scheme assets	2.7%	-14%	-18%	4.2%	3.9%
Experience gains and losses of scheme liabilities					
Amount (£000)	-	-	101	(1)	-
Percentage of scheme liabilities	0.0%	0.0%	4.1%	-0.04%	0.0%
Total amount recognised in statement of recognised gains and losses					
Amount (£000)	(92)	(616)	(289)	296	(29)
Percentage of scheme liabilities	0.04%	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:

	2010 %pa	2009 % pa
Discount rate	5.35	6.0
Expected pension increases (limited price indexation)	3.00	3.25
Inflation rate	3.00	3.25

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. 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:

	2010 Expected Rate of return %	2010 Fair Value £000	2009 Expected Rate of Return %	2009 Fair Value £000
Bonds	5.3	854	6.0	690
Equities	7.0	2,603	7.3	2,165
Annuities	5.3	2,666	6.0	2,556
		<hr/>		<hr/>
Total market value of assets		6,123		5,411
Present value of scheme liabilities		(7,295)		(6,449)
		<hr/>		<hr/>
Deficit of the scheme		<b>(1,172)</b>		<b>(1,038)</b>

# TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

## 20. PENSION COSTS (CONTINUED)

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

	2010 £000	2009 £000
Expected return on pension scheme assets	350	373
Interest on pension liabilities	(380)	(371)
<b>Net Return</b>	<b>(30)</b>	<b>2</b>

### Amounts recognised in the statement of total recognised gains and losses

	2010 £000	2009 £000
Actual return less expected return on pension scheme assets	274	(382)
Experience gains and losses arising on scheme liabilities	(22)	(27)
Impact of changes in assumptions relating to the present value of scheme liabilities	(556)	(249)
<b>Actual(loss) recognised in statement of recognised gains and losses</b>	<b>(304)</b>	<b>(658)</b>

### Movement in surplus/(deficit) during the year:

	2010 £000	2009 £000
(Deficit) in scheme at the beginning of the year	(1,038)	(573)
Contributions	228	195
Net financial return	(30)	2
Actuarial gain/(loss)	(304)	(658)
Expense paid by the Scheme	(28)	(4)
<b>Scheme deficit at the end of the year</b>	<b>(1,172)</b>	<b>(1,038)</b>

## TRINITY LABAN CONSERVATOIRE OF MUSIC AND DANCE

### 20. PENSION COSTS (CONTINUED)

#### History of experience gains and losses

	2010	2009	2008	2007	2006
Difference between actual and expected return on scheme assets					
Amount (£000)	274	(382)	(467)	(147)	249
Percentage of scheme assets	4.5%	-7.1%	-8.8%	-2.6%	4.5%
Experience gains and losses of scheme liabilities					
Amount (£000)	22	(27)	(11)	19	(536)
Percentage of scheme liabilities	0.3%	-0.4%	-0.2%	-0.3%	-7.5%
Total amount recognised in statement of recognised gains and losses					
Amount (£000)	(304)	(658)	(44)	654	(29)
Percentage of scheme liabilities	0.0%	-10.2%	-0.7%	10.2%	-0.4%

### 21. RELATED PARTY TRANSACTIONS

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

### 22. ULTIMATE CONTROLLING PARTY

The Group and Company has no ultimate controlling party as at 31 July 2010.

**MUSIC TRINITY DANCE**  
**LABAN**