

LONDON SCHOOL OF THEOLOGY

England & Wales · Charity number 312778

Details

Other names	THE LONDON BIBLE COLLEGE, LST
Status	Registered
Legal form	Charitable company
Company number	00381332
Registered	1964-01-15
Register	View on the Charity Commission register

Contact

Address	Green Lane Northwood HA6 2UW
Phone	01923456000
Email	enquiries@lst.ac.uk
Website	www.lst.ac.uk

Activities

Objects: THE COMPANY'S OBJECT IS THE ADVANCEMENT OF THE CHRISTIAN RELIGION, BY SUCH MEANS AS THE COMPANY MAY DETERMINE, INCLUDING BUT NOT LIMITED TO:-(A) THE CONDUCT OF THE SCHOOL AND ESTABLISHMENT AND CONDUCT OF COLLEGES (IN ALL CASES) FOR THE STUDY AND TEACHING OF THE BIBLE, CHRISTIAN DOCTRINE AND RELATED SUBJECTS;(B) THE TRAINING OF MINISTERS OF RELIGION, CHRISTIAN TEACHERS, MISSIONARIES AND OTHER CHRISTIAN WORKERS;(C) THE SUPPORT OF THE SCHOOL, ITS STUDENTS AND ITS FORMER STUDENTS,WITH ALL SUCH ACTIVITIES BEING CARRIED ON IN STRICT ACCORDANCE WITH THE DOCTRINAL BASIS.

Activities: The provision of tertiary education and training (both undergraduate and postgraduate);Making grants to individuals to facilitate their education / training;Providing care / counselling services.

Classification

- **How:** Makes Grants To Individuals, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** The General Public/mankind

Geography

- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£2,827,888	£4,098,620	£9,362,124	68
2024-08-31	£3,182,891	£3,924,392	£10,689,107	76
2023-08-31	£3,048,741	£3,760,349	£10,583,053	77
2022-08-31	£3,209,611	£3,699,701	£11,825,573	74
2021-08-31	£3,602,365	£3,756,909	£13,400,548	71
2020-08-31	£3,627,523	£3,594,321	£11,020,370	66

Trustees

Name	Role	Appointed
Professor Peter Stanley Oakes	Chair	2020-10-21
ALTON PATRICK BELL		2022-07-15
Dr Naar M'fundisi-Holloway		2025-01-29
Lydia Rose Lee		2022-01-26
Margaret Marian Doyle		2016-06-29
PAUL SMITH		2016-06-29
Paul Twelftree		2026-04-01
Revd Dr Jennifer Ruth Williams		2020-06-24
Richard Alexander Everingham Wallace		2026-04-01

Linked charities

- MARY FISHER MEMORIAL FUND (312778-1)
- MONTAGUE GOODMAN BURSARY FUND (312778-2)
- RUSSELL HOWDEN MEMORIAL FUND (312778-3)
- CUNDY MORRIS (MANCHESTER) MEMORIAL SCHOLARSHIP FUND (312778-4)
- STUDENTS GRANT FUND (312778-5)
- OPENSHAW BURSARY FUND (312778-6)
- HENMAN MEMORIAL BURSARY FUND (312778-7)
- ETHEL KEVAN MEMORIAL FUND (312778-8)
- JOMAC HENNELL BURSARY FUND (312778-9)

Accounts

LONDON SCHOOL OF THEOLOGY
(A Company Limited by Guarantee)
REPORT AND FINANCIAL ACCOUNTS
YEAR ENDED 31 AUGUST 2025

Company Registered No: 381332
Registered Charity No: 312778

**LONDON SCHOOL OF THEOLOGY
COMPANY INFORMATION
YEAR ENDED 31 AUGUST 2025**

Company Name	London School of Theology
Company Number	381332
Registered Charity Number	312778
Address of School and Registered Office	London School of Theology Green Lane Northwood HA6 2UW
Bankers	National Westminster Bank Plc 159 High Street Rickmansworth Herts WD3 1AR
Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD

**LONDON SCHOOL OF THEOLOGY
GOVERNORS' REPORT
YEAR ENDED 31 AUGUST 2025**

Introduction

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2025.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

GOVERNANCE AND MANAGEMENT OF THE CHARITY

Trustees

The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Malcolm Peckham*+	Chair of the Board	Trustee and Chair until 10/25, From 11/25 Until 12/25
Prof Peter Oakes*+	Chair of the Board	
	Chair of the AAC	
Mrs Margaret Doyle	Vice-Chair of the Board	
Mr Paul Smith*	Chair of the F&GP	
Revd Dr Jenni Williams+		
Revd Lydia Lee		
Revd Alton Bell*		
Dr Naar Mfundisi-Holloway+		Trustee from 01/25 From 01/26
	Chair of the AAC	

* Denotes membership of the Finance and General Purposes Committee (F&GP).

+ Denotes membership of the Academic Affairs Committee (AAC).

All the above Governors are independent members of the board – see note on Trustee independence below.

GOVERNANCE AND MANAGEMENT OF THE CHARITY (Continued)

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge*+	Principal	
Rev Dr David Hilborn*+	Academic Dean	
Dr Shivanthi Manickasingham*+	Academic Secretary, Director of Academic Services	
Mr Jonathan Mead*	Director of Finance and Administration	
	Company Secretary	
Dr Cornelis Bennema+	Faculty Representative	Until 06/25
Dan Forshaw	Faculty Representative	From 07/25
Mrs Nicola Lambert	Faculty Representative	Until 09/25
Mr Glenn Clarke	Staff Representative	Until 12/24
Mrs Elizabeth Case	Staff Representative	From 01/25
Ms Agnieszka Klosko	Staff Representative	From 10/25
Mrs Beatrice Barrington-Parker	Student Representative	Until 04/25
Miss Adrea Wright	Student Representative	Until 04/25
Mr Stuart Livings	Student Representative	From 05/25
Mr Liam Aaron	Student Representative	From 05/25
Miss Naomi Henry	Student Representative	From 05/25

* Denotes membership of the Finance and General Purposes Committee (F&GP).

+ Denotes membership of the Academic Affairs Committee (AAC).

Company Secretary: Mr Jonathan Mead

Methods of Recruitment of Trustees

Typically the Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. This year however the charity produced a trustee pack and has undertaken an external recruitment and social media campaign to accelerate the process of finding suitable candidates to join the Board in 2026. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will normally be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. The Charity arranges suitable training for all trustees which includes regular safeguarding training. Trustees are also asked to access the Charity Commission's website on a regular basis for relevant training and updates. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Trustee Independence

Whilst some of the trustees may have had a connection with the charity prior to joining the board (Peter Oakes, Lydia Lee and Alton Bell are alumni), all of them are considered to be independent and annually declare that they have no conflicts of interest. None of the trustees are involved in the management of the School and they all provide an impartial challenge and oversight to ensure accountability and to protect the interest of students. They are all held to the prescribed terms of office, which is three years, after which they can offer themselves for re-election for two further three year terms, a maximum of nine years.

GOVERNANCE AND MANAGEMENT OF THE CHARITY (Continued)

Senior Employees

Serving as the School's Executive Team during the year 2024/25:

Revd Prof Mark Cartledge	Principal
Revd Dr David Hilborn	Academic Dean
Mr Jonathan Mead	Director of Finance and Administration
Dr Shivanthi Manickasingham	Academic Secretary, Director of Academic Services

The arrangements for setting the remuneration of the senior employees are detailed in note 5.

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity's governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. In addition to the trustees, the members of the executive team and elected student, staff and faculty representatives also attend. The main operating sub-committees of the Board meet two or three times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Paul Smith and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (AAC) chaired by Prof. Peter Oakes. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub-committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://lst.ac.uk/our-policies/>

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The board of governors are responsible both directly and through its Finance and General Purposes Committee for financial control i.e. ensuring the economical, efficient and effective management of the Schools's resources and expenditure, and for safeguarding its assets, including specific responsibility for the oversight of systems that prevent and detect fraud, bribery and other irregularities in accordance with the responsibilities assigned to the members of the Board in the Office for Students terms and conditions of funding for higher education institutions. It is supported in this work through the external auditors HaysMac LLP. The system of internal control that supports the achievement of policies, aims and objectives provides for comprehensive financial planning processes, developing, monitoring and updating budgets for annual income, expenditure, capital and cashflows, with regular monthly reporting of actual results against these taking place.

The system of internal control is designed to manage rather than eliminate the risk. It can therefore only provide reasonable and not absolute assurance of effectiveness. The internal control system has been in place for the year ended 31 August 2025 and up to the approval date of the financial statements and accords with Office for Students guidance.

GOVERNANCE AND MANAGEMENT OF THE CHARITY (Continued)

The system of internal control is based on an ongoing process designed to identify the principal risks and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The key elements of the School's system of internal control are as follows:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- A comprehensive annual budgeting and forecasting process
- Regular monthly reviews of key performance indicators and actual financial results involving variance analysis reporting against the budget and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

The role of External Audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and report their opinion to the Board. The external auditor does this by assessing the risk of material misstatement in the School's financial statements, understanding the relevant internal controls which mitigate these risks, and devising procedures and tests to enable them to provide their opinion. The external audit also reviews accounting policies, the presentation of financial statements and disclosures to ensure the financial statements are "true and fair" and free of material error. They report their opinion and recommendations on improving the control environment to the Board in an Audit Findings Report and this is shared with the Office for Students. The agreed actions in response to their recommendations are tracked by management and reported back to the Finance & General Purposes Committee. The External Auditors attend the Finance & General Purposes Committee to present their Audit Findings Report and address any questions that members of the Committee have.

During 2024/25 no material internal control issues were identified. Two suggested areas for improvement were notified which have been agreed and implemented.

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and the comments made by the external auditor in their management letter and other reports.

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

When you support us, you can be sure of the following:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

These promises are also designed to protect vulnerable people, by ensuring we are not unreasonable or persistent or place undue pressure on any of our prospective donors.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics.

During the year we received no complaints about our fundraising activities

GOVERNANCE AND MANAGEMENT OF THE CHARITY (Continued)

THE PURPOSE OF THE CHARITY

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students.

All such activities are carried on in strict accordance with the School's Doctrinal Basis of Faith.

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School
- Provision of theological education to the wider community via our Faith Seeking Understanding programme and public lectures
- Access to means-tested bursaries
- Access to means tested and subsidised Counselling through the REMA Counselling Service (www.remacounselling.org)
- The provision of subsidised access to the theological library facilities for academics, students and members of the local Community

STRATEGIC REPORT

Aims, objectives and activities

Aims

To establish LST as an exemplar of engaged evangelical theological education in the UK

We achieve these aims by providing:

- higher education degrees (BA Hons to PhD): interdisciplinary, intercultural and integrated
- high quality scholarship and research, especially in the relationship between church and society
- public events and conferences
- short courses and training for local churches and denominational networks
- strategic engagement on public issues with evangelical and ecumenical partners
- consultancy for churches, mission agencies and parachurch organisations

We see our key values as being:

- Actively becoming Christ-like developing godly character and virtues
- Being shaped by the canon of Scripture as the supreme authority for faith and life (the norming norm)
- Celebrating Christian community exhibiting the gifts and fruit of the Holy Spirit in praise, prayer, sacrament, fellowship and service and embodying collegiality for the flourishing of LST
- Demonstrating a commitment to excellence in all that we do, whether academic or professional
- Enhancing church life and witness, through strong networks of evangelical and ecumenical partnerships
- Forging relationships within our own wider community and Greater London for the sake of the common good
- Gathering students from diverse cultures and ecclesial traditions
- Helping to care for creation, including our own physical and environmental resources, moving towards a carbon neutral footprint

And some of our unique selling points would be having:

- The longest history of delivering degree qualifications from BA Hons to PhD in the Bible College and Theological College sector
- A number of highly respected and distinguished alumni
- A very diverse student body, reflecting the cultural diversity of greater London as well as students from around the world
- Strong on-campus community having a vibrant spirituality (not all of our competitors are on-campus)
- Entirely online or blended BA Hons Theology degree options
- The 'and programmes': theology-based worship studies, counselling and liberal arts degrees
- Research degrees that compete with British Universities

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high-quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Key Objectives and Activities for 2024/25 were:

- Continue to implement the strategic plan, cut costs and develop new income streams.
- Achieve financial targets set for 2024-2025.
- Secure a new institutional revalidation agreement with our validating partner.
- Complete a successful validation of our new BA Theology and Liberal Arts degree.
- Focus on increasing our UG student recruitment numbers whilst maintaining the increased PGT numbers and current PGR student recruitment numbers.
- Continue to improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).

Measures of Success and Outcomes in 2024/25

- The strategic plan was milestone and is on track. A programme of cost cutting was undertaken and the Guthrie building rented out on a two year lease to generate extra income from September 2025.
- The financial budget was not quite met because donations fell well below budget and actions to reduce staff numbers incurred one off additional costs. In addition, investments did not perform as well as we would have hoped and the LST pension fund surplus was also revalued down due to lower asset valuations.
- The institutional revalidation paperwork was duly submitted but has yet to be reviewed by our validating partner due to some restructuring they have themselves been going through. The validation for the new BA Theology and Liberal Arts degree was however completed and a first intake recruited.
- Student recruitment for the year was ahead of last year with strong PGT numbers, but UG recruitment saw a continuation in the move towards more online and part time students which generate lower fee income per head.
- Our NSS scores again saw a significant improvement in the year. Completion and attrition improved slightly but will continue to be an area of focus with the new processes and procedure put in place last year which monitor student attendance and progress more closely and enable earlier and more focused support.

Future Objectives and Activities for 2025/2026

- Progress the TDAPs application through its various stages in a timely manner.
- Maintain a strong working relationship with our current validating partner Middlesex University throughout the TDAPs application process.
- Achieve the key financial targets set for 2025-2026.
- Achieve the student recruitment and retention targets agreed for 2026.
- Start work on a new strategic plan for 2027-2032, for confirmation and adoption by June 2027.

STRATEGIC REPORT (continued)

THE OPERATION OF THE CHARITY RELATIONSHIPS AND AFFILIATIONS

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship. The school decided during the year to pursue its own Taught Degree Awarding Powers (TDAP) and Middlesex were notified of this. If successful, Middlesex will still jointly award the LST research degrees.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars, the European Evangelical Accrediting Agency and the British Association for Counselling and Psychotherapy (BACP). The School is currently applying to join the Council for Christian College & Universities (CCCU) in North America to increase its visibility in that region.

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis.

The key risks facing the School during the year were identified as:

- **Student Recruitment** – failure to hit our student recruitment targets for the year.
- **Finance** – failure to achieve a balanced budget over time.

Actions to address these risks include for our:

- **Student Recruitment** - we have recruited a new enquiries officer to manage both undergraduate and post graduate taught enquiries to provide a more consistent follow up process to student enquiries. We will continue to prioritise our recruitment events and communication channels including enhanced social media posts and the launching of a new website.
- **Finance** – the achievement of a balanced budget is essential for the long future of the School. Each programme is set recruitment targets and its financial viability carefully reviewed. Cost saving opportunities are continually explored including curricula redesign and new sources of revenue sought out.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping with events, as well as running the student committee and acting as course representatives on academic committees.

Facilitating Access to Christian Theological Education

The Charity operates sixteen separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

THE FINANCES OF THE CHARITY

As is well publicised in the press the majority of Higher Education institutions continue to struggle financially. Government actions including Brexit and changes to student visa rules have severely impacted the number of overseas students willing to come and study in the UK and the restrictions on the amounts universities can charge home students and the increase in employers' national insurance and the minimum wage, makes balancing one's books particularly challenging. The continuing squeeze from increases in the cost of living and the negative press about the value of an HE qualification, has all made for a challenging landscape when it comes to attracting students. New full time UG students are particularly reticent to sign up and a sizeable number of existing students also struggle in some way which leads to a material number interrupting, dropping out, or having to retake the year. On a positive note however our suite of PGT programmes are recruiting well and overall, our fee income increased by £80k on the previous year.

THE OPERATION OF THE CHARITY RELATIONSHIPS AND AFFILIATIONS (continued)

Reserves

The total Unrestricted Funds amount to £6,055k (2024: £7,294k) before accounting for the pensions reserve surplus of £1,152k (2024: £1,268k). Included in these funds are £4,835k of designated income investments and functional fixed assets amounting to £1,276k. In calculating a free reserves figure the fixed assets are excluded and historically 100% of the investments have also been excluded on the basis they were designated for income generation. In January 2024 the trustees decided that if circumstances require, 50% of the designated investments could be treated as unrestricted to enable some cash withdrawals to assist with short term cashflow requirements, an amount after withdrawals of £1,718k at 31 August 2025. Free reserves are calculated therefore to be in surplus by £2,813k (2024: £3,992k). For disclosure purposes 100% of the investment portfolio is still included in the designated funds within the financial statements, to reflect the ongoing objective of maintaining the majority of it, where at all possible, for future income generation.

Free reserves calculation

	2025	2024
	£'000	£'000
Unrestricted reserves	6,055	7,294
Pension surplus	1,152	1,268
Investments (restricted element)	(3,118)	(3,115)
Fixed assets	(1,276)	(1,455)
	-----	-----
Free reserves	2,813	3,992
	-----	-----
Annual unrestricted expenditure	3,978	3,795
% of unrestricted funds expenditure	71%	105%
 Investments	4,835	5,529
Add back withdrawals 2024-2025	1,400	700
	-----	-----
	6,235	6,229
	-----	-----
Historical 50% treated as restricted	3,118	3,115
Balance at 31 August unrestricted	1,718	2,415

This level of free reserves (excluding the fixed assets and relevant portion of designated investments but including the pension assets) exceeds the 20% target of annual unrestricted funds expenditure and gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various restricted funds are set out in note 12.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the net value of the School's fixed asset investments decreased by £683k to £6,513k (2024: decrease of £182k). This year's movement included investment gains of £60k and withdrawals of £700,000 to fund ongoing activities. These investments are invested with JM Finn investment managers.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund manager JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy which is based largely on the Church of England policy, to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

After a challenging start to the year with markets well down due to the highly uncertain geopolitical situation, investments recovered reasonably well reversing first half losses and ending the year with a small gain of £60k.

THE FINANCES OF THE CHARITY (continued)

Financial Results

Overall income decreased from £3,183k to £2,828k (2024: increased from £3,094k to £3,183k). Expenditure in total increased from £3,924k to £4,099k. Flat student numbers and fee income continues to be a significant issue, we had hoped that confidence might start to return to our existing and potential new students, but instead cost of living concerns continued to only exacerbate these creating even more uncertainty and increasing the chances of students interrupting or dropping out. Realistically there is a strong chance this will continue for at least a few more years so actions are being taken to address the financial viability of existing programmes and introduce new ones which should attract more new students. Investment in new programmes has continued which partially explains why the costs for the year actually increased rather than being reduced to try and offset the reduction in income. The final result for the year was an operational loss of £1,271k (2024: operational loss of £742k).

Investment values were disappointing, having bounced back last year, the markets reacted badly to the uncertain geopolitical situation and North America elections which initially dragged the markets lower before they returned to a position fractionally higher than where they started the year. The overall gain for the year was £60k (2024: gain of £563k).

The fluctuations in investment values also impacted the School's Defined Benefit Pension Scheme, with the FRS 102 year end valuation recording a decrease in the pension fund surplus from £1,568k to £1,452k. With the scheme still in surplus the pension trustees are preparing it for a potential buy-out by an insurance scheme as soon as practically possible. Since the costs associated with this would be in the region of £300k the current surplus value has been reduced by this amount.

The School's funds have been applied for the purpose of the principal activity.

FUTURE PLANS

The delivery of a first class education to our students continues to be our principal aim. The School has now decided that having its own degree awarding powers would enhance this by enabling greater flexibility in the design and delivery of its programmes whilst also helping to deliver greater financial sustainability. The paperwork for this will be submitted to the Office for Students (OFS) in February 2026 and then several months of scrutiny will follow. This however does not change the reality of the ongoing cost of living challenges facing many of our current and prospective students. This and other additional pressures and uncertainties have the potential to deter many potential students from applying. We are determined to increase the level of support we have in place for our students to monitor their progress and well-being and work with our lecturers, tutor group leaders and support staff to monitor any concerns they observe, so these can be quickly followed up by our excellent pastoral and registry teams. With the majority of our objectives now completed from our current five year strategic plan, we will soon start to look forward to developing our next one, which we are confident will include a new set of material plans to directly address many of the challenges we and other similar colleges in our sector continue to face.

INDEPENDENT AUDITORS

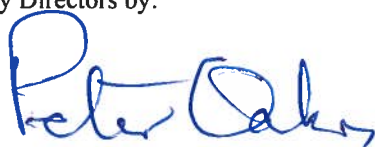
A resolution was made at the AGM in 2025 to reappoint HaysMac LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2026.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:



Professor Peter Oakes
Chairman
28th January 2026

INDEPENDENT REPORT OF THE AUDITOR'S TO THE MEMBERS AND TRUSTEES OF LONDON SCHOOL OF THEOLOGY

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students Accounts Direction.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT REPORT OF THE AUDITOR'S TO THE MEMBERS AND TRUSTEES OF LONDON SCHOOL OF THEOLOGY (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2025 as disclosed in note 3, have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2025.

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated; and
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 2, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and Charities SORP.

INDEPENDENT REPORT OF THE AUDITOR'S TO THE MEMBERS AND TRUSTEES OF LONDON SCHOOL OF THEOLOGY (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition in relation to donations, grants and trading income and the risk of management override of controls. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the useful lives of fixed assets, valuation of the pension scheme asset and the bad debts provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed



Steven Harper (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

30 January 2026

LONDON SCHOOL OF THEOLOGY
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 AUGUST 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2025 £	Total 2024 £
INCOME FROM						
Donations, grants and legacies		99,602	79,499	-	179,101	641,828
Charitable activities						
Education	3	2,237,843	-	-	2,237,843	2,158,008
Investments		164,792	48,388	-	213,180	236,224
Trading income		140,279	-	-	140,279	96,283
Other income		57,485	-	-	57,485	50,548
Total Income		<u>2,700,001</u>	<u>127,887</u>	<u>-</u>	<u>2,827,888</u>	<u>3,182,891</u>
EXPENDITURE ON						
Raising Funds						
Investment manager fee		25,198	8,316	1,468	34,982	37,384
Trading expenses		58,586	-	-	58,586	55,910
Fundraising costs		65,155	-	-	65,155	63,556
Charitable activities						
Education		3,788,590	111,008	-	3,899,598	3,728,033
Conferences		40,299	-	-	40,299	39,509
Total Expenditure	4	<u>3,977,828</u>	<u>119,324</u>	<u>1,468</u>	<u>4,098,620</u>	<u>3,924,392</u>
Net expenditure before investment gains		(1,277,827)	8,563	(1,468)	(1,270,732)	(741,501)
Investment gains		38,736	17,860	3,153	59,749	562,555
Net Expenditure		<u>(1,239,091)</u>	<u>26,423</u>	<u>1,685</u>	<u>(1,210,983)</u>	<u>(178,946)</u>
Defined benefit pension scheme (losses)/gains		<u>(116,000)</u>	<u>-</u>	<u>-</u>	<u>(116,000)</u>	<u>285,000</u>
Net movement in funds		<u>(1,355,091)</u>	<u>26,423</u>	<u>1,685</u>	<u>(1,326,983)</u>	<u>106,054</u>
Balance brought forward at 1 September 2024		<u>8,561,720</u>	<u>1,877,374</u>	<u>250,013</u>	<u>10,689,107</u>	<u>10,583,053</u>
Balance carried forward at 31 August 2025		<u>7,206,629</u>	<u>1,903,797</u>	<u>251,698</u>	<u>9,362,124</u>	<u>10,689,107</u>

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above. No separate income and expenditure account has been prepared on the basis that the difference between the net result for the year as shown above and profit/(loss) as per Companies Act 2006 is shown separately in the endowment column of the Statement of Financial Activities.

LONDON SCHOOL OF THEOLOGY
BALANCE SHEET
AS AT 31 AUGUST 2025
Company Registered No: 381332

		2025		2024	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7	1,275,627		1,454,771	
Investments	8	6,512,727		7,195,367	
			7,788,354		8,650,138
CURRENT ASSETS					
Stocks	9	19,493		21,401	
Debtors	10	530,972		565,087	
Cash at bank and in hand		578,595		743,692	
		1,129,060		1,330,180	
CURRENT LIABILITIES					
Creditors: within one year	11.1	(689,672)		(523,977)	
NET CURRENT ASSETS					
			439,388		806,203
TOTAL ASSETS LESS CURRENT LIABILITIES					
			8,227,742		9,456,341
Creditors: after more than one year	11.2		(17,618)		(35,234)
Pension scheme asset			1,152,000		1,268,000
NET ASSETS AFTER PENSION SCHEME LIABILITIES					
			9,362,124		10,689,107
FUNDS					
Unrestricted	12.2,13	6,054,629		7,293,720	
Unrestricted pension reserve	12.2,13	1,152,000		1,268,000	
Total unrestricted			7,206,629		8,561,720
Restricted	12.3,13		1,903,797		1,877,374
Endowment	12.1,13		251,698		250,013
			9,362,124		10,689,107

The financial statements were approved and authorised for issue by the Board on 28th January 2026 and were signed on its behalf by:



Prof Peter Oakes
(Chairman)



Revd Prof Mark Cartledge
(Principal)

LONDON SCHOOL OF THEOLOGY
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2025

	£	2025	£	2024	£
Reconciliation of changes in resources to net cash inflow from operating activities					
Net (expenditure)/income		(1,270,732)		(741,502)	
Depreciation charged	212,618		217,419		
Decrease in stocks	1,908		10,228		
Decrease (increase) in debtors	34,115		(327,724)		
Increase in creditors	148,080		65,039		
Less investment income	(213,180)		(236,224)		
		<u>183,541</u>		<u>(271,262)</u>	
Net cash flow from operating activities		(1,087,191)		(1,012,764)	
Investing activities					
Investment income	213,180		236,224		
Additions to investments	(2,602,804)		(672,648)		
Withdrawals from investments	700,000		700,000		
Sale of investments	2,645,193		717,725		
Purchase of tangible fixed assets	(33,475)		(57,399)		
		<u>922,094</u>		<u>929,902</u>	
Financing activities					
Repayment of loan for asset purchases		-		-	
Decrease in cash in the year		(165,097)		(88,862)	
Cash and cash equivalents at the beginning of the year		<u>743,692</u>		<u>832,554</u>	
Cash and cash equivalents at the end of the year		<u>578,595</u>		<u>743,692</u>	
Cash and cash equivalents (net funds) comprise:					
Cash at bank		<u>578,595</u>		<u>743,692</u>	
		<u><u>578,595</u></u>		<u><u>743,692</u></u>	

1. COMPANY STATUS

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 1.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities SORP 2015 (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The accounts have also been prepared in accordance with the requirements of the Accounts Direction issued by the Office for Students.

London School of Theology meets the definition of a public benefit entity under FRS 102.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) *Basis of accounting*

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) *Fees and similar income*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) *Legacies*

Legacies receivables are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

(d) *Donations and Fund accounting*

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

(e) *Expenditure*

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

2. ACCOUNTING POLICIES (continued)

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year.

Raising Funds

Fund-raising trading costs - 2%

Charitable activities

Education - 94%

Conferences - 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income - 2%

Fund-raising trading costs - 0%

Charitable activities

Education - 96%

Conferences - 2%

(f) ***Recognition of liabilities***

Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 15. Constructive obligations under pension arrangements are also recognised as liabilities.

(g) ***Grants and bursaries***

Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.

(h) ***Investments and investment income***

Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.

(i) ***Interest receivable***

The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds' holdings at the balance sheet date and transferred to the individual special funds as income in that year.

(j) ***Tangible fixed assets***

All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%
Buildings	2%
Fixture and fittings	10%
Equipment	20% - 25%
Computers	33%

2. ACCOUNTING POLICIES (continued)

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

- (k) *Stock*
Stocks of catering and other supplies are valued at the lower of cost and net realisable value.
- (i) *Exchange gains and losses*
Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.
- (m) *Operating leases*
Operating lease premiums are spread on a straight-line basis over the lease term.
- (n) *Pension costs*

Defined Benefit Scheme
Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme
Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.
- (o) *Critical sources of estimation uncertainty and accounting judgements*
The preparation of the organisation's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The governors consider there to be the following key sources of estimation uncertainty and judgement are the useful lives of fixed assets, valuation of the pension scheme asset and the bad debts provision. Details of and the basis for the current pension scheme surplus / asset are detailed in note 15, any such surplus will be returned to the School on the buyout of the scheme, but this is totally dependent on the final amount an insurance companies agrees to pay to take over the assets and liabilities of the scheme.

3. GRANT AND FEE INCOME

	2025	2024
	£	£
Grant income from the Office for Students	35,177	51,174
Fee income from taught awards	1,748,429	1,652,303
Fee income from non-qualifying courses	6,214	6,847
Other Educational and related income	448,023	447,684
	<u>2,237,843</u>	<u>2,158,008</u>

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

4. EXPENDITURE	Raising funds	Charitable Activities	Total
	£	£	£
Year Ended 31st August 2025			
Direct costs	36,969	594,881	631,850
Staff costs	95,608	2,411,049	2,506,657
Depreciation	8,505	201,987	210,492
Bursaries and prizes	-	115,039	115,039
Support and governance costs	17,369	617,213	634,582
	<u>158,451</u>	<u>3,940,169</u>	<u>4,098,620</u>
Year Ended 31st August 2024			
Direct costs	38,350	565,277	603,627
Staff costs	92,510	2,326,175	2,418,685
Depreciation	8,696	208,722	217,418
Bursaries and prizes	-	128,426	128,426
Support and governance costs	17,293	538,943	556,236
	<u>156,849</u>	<u>3,767,543</u>	<u>3,924,392</u>

Included in expenditure are the following:

The auditor's remuneration during the year amounted to £17,765 for audit services (2024: £17,335) and £nil for other services (2024: £nil).

Hire of plant (operating leases) which amounted to £5,114 (2024: £7,814).

5. STAFF COSTS	2025	2024
	£	£
Wages and salaries	2,049,004	2,029,238
Social security costs	217,692	190,091
Pension contributions	112,957	112,048
Other pension costs	68,166	59,913
Termination payments	58,838	27,395
	<u>2,506,657</u>	<u>2,418,685</u>

No members of the London School of Theology, who are trustees and directors for the purposes of the Companies Act received any remuneration for their services during the year (2024:0). One trustees (2024:0) received reimbursement of their travel expenses £42 (2024: total reimbursed £0) during the year. There were no other related party transactions during the year.

	2025	2024
	No.	No.
The average number of employees by function was:		
Education	64	71
Fund-raising and publicity	3	3
Ancillary to main function of education	1	2
	<u>68</u>	<u>76</u>

5. STAFF COSTS (continued)

One employee earned between £80,000 and £90,000 and 3 employees between £60,000 and £70,000 during the year, no other employees earned more than £60,000 (2024: one employee earned between £80,000 and £90,000 and 3 employees between £60,000 and £70,000). Key management personnel remuneration for the period (salaries, taxable benefits and employers pension contributions) totalled £332,000 (2024: £319,000)

Mark Cartledge was principal for the year. He was paid £83k plus pension contributions (2024: £81k plus pension contributions). The principal's base salary and gross salary including pension contributions are 2.3 times (2024: 2.3 times) the median pay of all other employees (on an FTE basis).

When making changes to the salaries of senior staff, the School takes account of:

- Sustained performance and contribution during the preceding year(s).
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff
- The overall affordability of any proposed increases to senior salaries, taking account both of the School's financial performance and the need to offer salaries that compare favourably with competitor institutions.

The School will review and moderate the pattern of increases across its senior staff in order to ensure fairness and consistency.

Specifically regarding the principal's remuneration, this is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process.

The current level of remuneration at 2.3 (2024: 2.3) times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently the implementation of the School's five year strategic plan.

6. ACCESS AND PARTICIPATION

	2025		2024	
	Actuals	Per Plan	Actuals	Per Plan
	£	£	£	£
Access investment	93,771	52,500	92,193	47,500
Financial support	17,813	46,000	25,150	38,000
Research and evaluation	13,928	20,000	25,979	17,500
	-----	-----	-----	-----
	125,512	118,500	143,322	103,000
	=====	=====	=====	=====
Staff costs included in the above:	67,604		63,708	

The School's Access and Participation Plan can be found at:

https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2226/LondonSchoolofTheology_APP_2022-23_V1_10004075.pdf

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

7. FIXED ASSETS	Freehold and leasehold property £	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2024	1,287,768	23,194	2,508,997	3,819,959
Additions	-	-	33,474	33,474
Disposals	-	-	-	-
At 31 August 2025	1,287,768	23,194	2,542,471	3,853,433
Depreciation				
At 1 September 2024	474,779	2,319	1,888,090	2,365,188
Disposals	-	-	-	-
Charge for the year	20,719	2,319	189,580	212,618
At 31 August 2025	495,498	4,638	2,077,670	2,577,806
Net Book Value				
At 31 August 2025	792,270	18,556	464,801	1,275,627
At 31 August 2024	812,989	20,875	620,907	1,454,771

8. FIXED ASSETS INVESTMENTS	2025 £	2024 £
Market value at 1 September 2024	7,195,367	7,377,889
Additional investments purchased	2,602,804	672,648
Disposals at market value	(2,645,193)	(717,725)
Withdrawals	(700,000)	(700,000)
Revaluation in the year	59,749	562,555
Market value at 31 August 2025	6,512,727	7,195,367
Cost of investments	5,876,059	6,684,590

The School's investments comprise a mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2025 of £6,512,727.

9. STOCKS	2025 £	2024 £
Catering and other sundry stocks	19,493	21,401

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

10. DEBTORS	2025	2024
	£	£
Fee debtors	59,064	81,741
Other debtors	2,418	798
Prepayments	469,490	482,548
	<u>530,972</u>	<u>565,087</u>

11. CREDITORS	2025	2024
	£	£
11.1 Amounts falling due with one year		
Trade creditors	221,591	161,116
Deferred income – payments received on account	228,558	192,431
Social security costs	50,288	41,660
Pension scheme contributions	16,597	20,767
Other creditors	77,781	36,961
Accruals	94,857	71,042
	<u>689,672</u>	<u>523,977</u>

Deferred income comprises:

	Balance at 1 September 2024	Receipts in the year	Credited to income in the year	Balance at 31 August 2025
Fees in advance	127,594	99,146	(92,316)	134,424
Open learning fees	8,841	-	(872)	7,969
Deferred income	55,996	30,000	(15,544)	70,452
Conference deposits	-	15,713	-	15,713
	<u>192,431</u>	<u>144,859</u>	<u>(108,732)</u>	<u>228,558</u>

11.2 Amounts falling after one year	2025	2024
	£	£
Capital payments on loan for solar panels	<u>17,618</u>	<u>35,234</u>

In 2023 the School installed 142 solar panels on its roof which it funded with a loan from one of its trustees. The loan is repayable in 4 equal annual instalments of £17,616 plus interest, the first payment was made in July 2024, the second in September 25 and the third is scheduled for May 26.

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

12. GENERAL AND SPECIAL FUNDS	Balance at 1 September 2024 £	Net expenditure £	Gains £	Balance at 31 August 2025 £
12.1 Endowment Funds				
Montague Goodman Bursary	101,361	(596)	1,278	102,043
Jomac Hennell Bursary	32,567	(191)	411	32,787
Sir John Laing Memorial	101,738	(597)	1,283	102,424
Sir John Laing Lecture	14,347	(84)	181	14,444
	<u>250,013</u>	<u>(1,468)</u>	<u>3,153</u>	<u>251,698</u>
	Balance at 1 September 2023 £	Net expenditure £	(Losses) £	Balance at 31 August 2024 £
Montague Goodman Bursary	95,164	(580)	6,777	101,361
Jomac Hennell Bursary	30,576	(186)	2,177	32,567
Sir John Laing Memorial	95,518	(582)	6,802	101,738
Sir John Laing Lecture	13,470	(82)	959	14,347
	<u>234,728</u>	<u>(1,430)</u>	<u>16,715</u>	<u>250,013</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

	Balance at 1 September 2024 £	Income £	Expenditure/ Fund transfers £	Gains/ (Losses) £	Balance at 31 August 2025 £
12.2 Unrestricted Funds					
General fund	1,667,046	2,700,001	(3,277,828)	-	1,089,219
Designated fund	5,626,674	-	(700,000)	38,736	4,965,410
Pensions reserve	1,268,000			(116,000)	1,152,000
	<u>8,561,720</u>	<u>2,700,001</u>	<u>(3,977,828)</u>	<u>(77,264)</u>	<u>7,206,629</u>
	Balance at 1 September 2023 £	Income £	Expenditure/ Fund transfers £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted Funds			(restated)		
General fund	1,703,976	3,057,606	(3,094,536)	-	1,667,046
Designated fund	5,875,518	-	(700,000)	451,156	5,626,674
Pensions reserve	983,000	-	-	285,000	1,268,000
	<u>8,562,494</u>	<u>3,057,606</u>	<u>(3,794,536)</u>	<u>736,156</u>	<u>8,561,720</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

The £700k transfer between the designated and general funds represents a cash drawdown from the investments for cashflow purposes as agreed by the trustees. A similar drawdown took place last year which was not shown as a transfer, so the comparative has now been restated to show this.

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

12. GENERAL AND SPECIAL FUNDS (continued)

12.3 Restricted funds	Balance at 1 September 2024 £	Income £	Expenditure £	Gains £	Balance at 31 August 2025 £	Purpose of fund
Henman Memorial Bursary	534,794	13,473	(2,294)	5,675	551,648	For student bursaries
Student Grant Bursary	909,656	21,295	(31,367)	9,653	909,237	For student bursaries
Graham Scholarship	148,627	3,847	(655)	1,577	153,396	For student bursaries
Mary Fisher Memorial	37,512	939	(260)	398	38,589	For student bursaries
Laing Scholarship	1,500	18,600	(19,862)	-	238	For research student scholarship
Student Wives Bursary	50,131	1,416	(2,491)	532	49,588	For study support for Students' spouses
Music and Worship Bursary	568	300	(868)	-	-	For bursaries to music and worship students
Students in Need Fund	51,723	14,185	(16,743)	-	49,165	For students in need
Sir Eric Richardson Prize	59	10	(1)	-	68	For annual prizes
Griffiths Prize	2,347	70	(212)	25	2,230	For annual prizes
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	1,019	-	-	-	1,019	For the purchase of books
Beacon Trust	2,253	-	-	-	2,253	To help support a student from Latin America
Tom Rees Evangelist in residence	4,166	-	(4,166)	-	-	For funding an evangelist in residence
Building Development Fund	3,041	675	-	-	3,716	For School development projects
Alumni Fund	7,941	933	(6,046)	-	2,828	For alumni events and bursaries
Hebrew Prize	420	-	(100)	-	320	For high attainment in Hebrew language studies
W Atkinson Prize	700	-	(100)	-	600	For taught Masters prizes
ECLAS Science for Seminaries	10,029	-	-	-	10,029	For the advancement of science-engaged theology
Other restricted funds	31,382	44,896	(29,874)	-	46,404	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	31,569	2,939	(2,750)	-	31,758	For student bursaries
Jamac Hennell Bursary	12,102	943	(161)	-	12,884	For student bursaries
Sir John Laing Memorial	32,966	2,950	(872)	-	35,044	For student bursaries
Sir John Laing Lecture	1,110	416	(502)	-	1,024	For the annual memorial lecture
Total	1,877,374	127,887	(119,324)	17,860	1,903,797	

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

12.3 Restricted funds	Balance at 1 September 2023 £	Income £	Expenditure £	(Losses) £	Balance at 31 August 2024 £	Purpose of fund
Henman Memorial Bursary	499,531	12,811	(8,624)	31,076	534,794	For student bursaries
Student Grant Bursary	858,916	20,249	(18,628)	49,119	909,656	For student bursaries
Graham Scholarship	142,729	3,658	(6,633)	8,873	148,627	For student bursaries
Mary Fisher Memorial	34,708	893	(255)	2,166	37,512	For student bursaries
L Smid-Walker bursary	2,093	-	(2,093)	-	-	For international bursaries
Laing Scholarship	4,650	16,950	(20,100)	-	1,500	For research student scholarship
Student Wives Bursary	45,752	1,346	(233)	3,266	50,131	For study support for Students' spouses
Music and Worship Bursary	9,511	719	(9,662)	-	568	For bursaries to music and worship students
Students in Need Fund	25,641	37,938	(11,856)	-	51,723	For students in need
Reading Prize Fund	(200)	-	200	-	-	For annual prizes
Sir Eric Richardson Prize	29	9	(2)	22	58	For annual prizes
Griffiths Prize	2,231	66	(111)	161	2,347	For annual prizes
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton bursary	419	750	(150)	-	1,019	For the purchase of books
Beacon Trust	3,367	-	(1,114)	-	2,253	To help support a student from Latin America
Henman Internet Fund	4,013	-	(4,013)	-	-	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	(2,522)	-	4,166	For funding an evangelist in residence
Vaux sur Seine	2,224	-	(2,224)	-	-	For the translation of open learning resources into French
Building Development Fund	2,091	950	0	-	3,041	For School development projects
Alumni Fund	13,238	1,135	(6,432)	-	7,941	For LST alumni events and bursaries
Hebrew Prize	520	-	(100)	-	420	For high attainment in Hebrew language studies
W Atkinson Prize	900	-	(200)	-	700	For taught Masters prizes
ECLAS Science for Seminaries	11,625	-	(1,596)	-	10,029	For the advancement of science-engaged theology
BFBS	11,877	-	(11,877)	-	-	For research fellow
Other restricted funds	30,819	20,764	(20,200)	-	31,383	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	28,774	2,795	-	-	31,569	For student bursaries
Jomac Hennell Bursary	11,205	897	-	-	12,102	For student bursaries
Sir John Laing Memorial	30,161	2,805	-	-	32,966	For student bursaries
Sir John Laing Lecture	560	550	-	-	1,110	For the annual memorial lecture
Total	1,785,831	125,285	(128,425)	94,683	1,877,374	

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2025				
Represented by:				
Tangible fixed assets	1,275,627	-	-	1,275,627
Investments	4,835,329	1,425,700	251,698	6,512,727
Current assets	650,963	478,097	-	1,129,060
Current liabilities	(689,672)	-	-	(689,672)
Creditors due after one year	(17,618)	-	-	(17,618)
	<u>6,054,629</u>	<u>1,903,797</u>	<u>251,698</u>	<u>8,210,124</u>
Pension Scheme assets	1,152,000	-	-	1,152,000
	<u>7,206,629</u>	<u>1,903,797</u>	<u>251,698</u>	<u>9,362,124</u>

14. CORPORATION TAX

The company is exempt from Corporation Tax on its charitable activities.

15. PENSION COMMITMENTS

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme ("the Defined Benefit Scheme"), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £112,957 (2024: £112,048). At 31st August there were £16,597 of outstanding contributions (2024: £20,767) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

15. PENSION COMMITMENTS (continued)

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2024: nil) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2025 £000's	2024 £000's
Scheme assets at year end	5,141	5,241
Present value of funded obligations obligation	(3,689)	(3,673)
	<u>1,452</u>	<u>1,568</u>
Provision for costs of potential buyout of scheme	(300)	(300)
	<u>1,152</u>	<u>1,268</u>
Actuarial gains/losses comprise:		
Losses/(gains) on scheme assets in excess of interest	124	(430)
(Gains)/losses from change in assumptions	(288)	141
Gains from changes to demographic assumptions	-	(34)
Experience losses on liabilities	356	-
	<u>192</u>	<u>(323)</u>
Analysis of amounts charged to activity costs categories:		
	2025 £000's	2024 £000's
Bank and other interest/ (other finance charges)		
Interest on scheme assets	(249)	(249)
Interest on liabilities	173	187
	<u>(76)</u>	<u>(62)</u>
Change in scheme liabilities		
Beginning balance	(3,673)	(3,657)
Interest cost	(173)	(187)
Gains/(losses) from changes in actuarial assumptions	288	(141)
Changes to demographic assumptions	-	34
Experience losses on liabilities	(356)	-
Benefits paid	225	278
	<u>(3,689)</u>	<u>(3,673)</u>
Closing balance		
Change in scheme assets		
Beginning balance	5,241	4,840
Interest on scheme assets	249	249
Return on assets less interest	(124)	430
Contributions by employer	-	-
Benefits paid	(225)	(278)
	<u>5,141</u>	<u>5,241</u>
Closing balance		

15. PENSION COMMITMENTS (continued)

The value of scheme's assets currently exceeds the FRS 102 valuation of the scheme's liabilities by £1.45m. A recommendation has been made by the pension trustees that plans be put in place to move towards a complete buyout of the scheme's liabilities by an insurance company within the next three to five years. At the point this happens, any excess funds would be returned to LST and on this basis the current surplus is recorded as an asset in the accounts. Since there will be quite significant costs associated with this buy out and there are only a limited number of insurance companies that might be interested in bidding for them, which may increase the cost they quote to purchase them, the current recognised surplus has been reduced by an amount of £300k so the balance more accurately reflects the best available estimate of the potential recoverable amount.

	31 August 2025		31 August 2024	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	40%	2,059	42%	2,210
Bonds and cash	60%	3,082	58%	3,031
Total assets at end of year		<u>5,141</u>		<u>5,241</u>
			2025	2024
			£000s	£000s
Actual return on scheme assets			<u>125</u>	<u>679</u>

The value of the Scheme's liabilities has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2024, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

Actual assumptions used:	2025	2024
	%	%
Discount rate	5.70%	4.85%
Rate of increase in pensions in payment (RPI max 5%)	3.0%	3.1%
Rate of increase in pensions in payment (RPI max 3%)	2.45%	2.50%
Rate of RPI price inflation	3.05%	3.2%
Rate of CPI price inflation	2.05%	2.2%
Post – retirement mortality	110% S3PMA/ 105% S3PFA CMI 2023 [1%]	110% S3PMA/ 105% S3PFA CMI 2023 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£30k increase
Increase of 0.1% in inflation assumption	£19k increase
Increase in long-term mortality projection of 1.75%	£33k increase

16. RELATED PARTY DISCLOSURE

As disclosed in Note 11.2, the School received a loan from one of its trustees in 2023. The total value of the loan was £70,466. The loan is subject to interest, unsecured, and was provided on terms agreed in accordance with the School's governing document and conflicts of interest policy.

LONDON SCHOOL OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 AUGUST 2025

17. LEASING COMMITMENTS

At 31 August 2025 the School was committed to making the minimum lease payments in respect of hire of machinery:

Operating leases which expire:	2025 £	2024 £
Within 1 year	-	1,954
	-	1,954

18. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2024 £
INCOME FROM				
Donations and legacies	562,623	79,205	-	641,828
Charitable activities				
Education	2,158,008	-	-	2,158,008
Investments	190,144	46,080	-	236,224
Trading income	96,283	-	-	96,283
Other income	50,548	-	-	50,548
Total Income	3,057,606	125,285	-	3,182,891
EXPENDITURE ON				
Raising Funds				
Investment manager fee	35,953	-	1,431	37,384
Trading expenses	55,910	-	-	55,910
Fundraising costs	63,556	-	-	63,556
Charitable activities				
Education	3,599,608	128,425	-	3,728,033
Conferences	39,509	-	-	39,509
Total Expenditure	3,794,536	128,425	1,431	3,924,392
Net expenditure before transfers	(736,930)	(3,140)	(1,431)	(741,501)
Investment gains	451,156	94,683	16,716	562,555
Net expenditure	(285,774)	91,543	15,285	(178,946)
Defined benefit pension scheme gains	285,000	-	-	285,000
Net movement in funds	(774)	91,543	15,285	106,054
Balance brought forward at 1 September 2023	8,562,494	1,785,831	234,728	10,583,053
Balance carried forward at 31 August 2024	8,561,720	1,877,374	250,013	10,689,107

Accounts



LONDON^{SCHOOL}
OF THEOLOGY

Report and Financial Accounts

2024

Company Registered No: 381332

Registered Charity No: 312778

Year ended 31 August 2024



Welcome



It is a real pleasure to introduce the Report and Financial Accounts of the London School of Theology for the academic year 2023–2024. It has been an enjoyable and eventful year, for which we are most grateful.

At the end of the summer term, we celebrated the Graduation of our students, with another wonderful service held at Emmanuel Church, Northwood. The Revd Gavin Calvin from the Evangelical Alliance was our speaker this year and it is always good to welcome an alumnus to speak at such an important occasion for us as a School. There were 73 students who graduated across all programmes, from BA to PhD degrees! Every year our Graduation service is more than a ceremony, it is an act of worship in which we give thanks for the achievement of our students and commission them to go and serve the Lord Jesus Christ in a variety of roles and contexts. It is always a delight to celebrate together.

There were many events throughout the year. We held a celebration of achievement event in January to allow colleagues to share their research and professional contributions to knowledge. The inaugural Principal's formal dinner was held in February and provided an opportunity for third year undergraduate and postgraduate students to learn about becoming alumni of the School. A full schedule of six Research Seminars has run this year, after a partial post-Covid relaunch last year. An excellent internal Research Conference took place in March, with 12 quality papers and 40+ attending. The Foundations Course, which prepares students to enter Higher Education after some time away from formal education, was delivered for the second time in September and it was a great success. Our annual public Laing Lecture was delivered in November by Professor Daniel Jeyaraj on the subject of 'Christian Mission Past and Present: An Indian Perspective', which was appreciated by a good number of people. We closed off the calendar year with a spectacular Christmas Concert in December, which is always a reminder of just how talented our students and colleagues are at LST!

Update on our Strategic Plan and its Implementation:

There are several important updates to note:

- This year has been a very challenging year financially. We have begun to implement the closure of our two BA Theology, Music and Worship programmes and consolidate the BA Theology and Worship Studies degree (with the closure of one pathway). As a result of this decision there has been a reduction in the number of contracted faculty. The result was a more focused attention on the recruitment of students for the remaining degree, which has proved to be positive. It is lovely to see enthusiastic new students this year, which has been an encouragement to us all. We hope and pray that after the refocusing of our provision, this programme will go from strength to strength.
- Our undergraduate recruitment in general is proving a significant challenge for us as the number of new students is decreasing year on year. We anticipated this reduction, at least to some extent, and we have countered it with the design of the new MA Practical Theology and Ministry degree, which has proved very popular this year. We are delighted that it has exceeded its recruitment target, and this is matched by strong recruitment performances by the MA Biblical Studies and MA Theological Studies programmes. We are very grateful to all our colleagues who have made this possible.

- We are also diversifying our undergraduate provision with our new BA Theology and Liberal Arts programme, which is being validated by Middlesex University. A validation event is planned for April 2025, and we expect that new students will arrive in September 2025. This is a very exciting development. The degree can be taken on campus or through online delivery, or through a combination of both modes via a blended experience. We hope it will become popular, not just for British students but for international ones as well, especially from North America.
- Linked to this strategic development is a new partnership with Regent University, Virginia Beach, USA. We have agreed a new arrangement whereby second year undergraduate students from Regent can attend LST for one semester, as study abroad students. These students will take theology modules in class and have the full on-campus experience of education alongside our regular students. We are excited about this development and look forward to receiving our first group in the autumn of 2025.
- This year we have been strengthening our academic life and we have been using the Quality Assurance Agency (QAA) to assist us. Over the summer we have paid particular attention to our research degrees and to the role that our faculty research has in attracting new students. There was a dedicated faculty development day in September that focused on the nature of research and how we can develop our research culture, external engagement and publications. Over the course of the next academic year, we shall develop a new research strategy.
- In addition to this development, we are also strengthening the teaching side of the work that we do. This has involved reviewing our policies and procedures, as well as reflecting together on our pedagogical practices, including the implementation of a new marking scheme, which has been long overdue. Again, we are using the QAA to assist us in this work. I am grateful to colleagues for their significant investment in these developments, which strengthen our provision, enhance our academic standards and enrich the student learning experience.

In the context of a Higher Education sector that is struggling financially, we have needed to make several reductions in our costs, and there may well be further cost-cutting to be made in 2025. However, we are exploring how we can diversify our income streams, given our location and facilities in Northwood, Middlesex, such an attractive part of London. This year (2024-25) our strategy aims to consolidate the progress we have made and develop new initiatives in relation to research, micro credentials and life-long learning, external partnerships and impact opportunities.

I am extremely grateful for all that my colleagues do in their work for LST. They are hardworking, deeply committed and extremely cheerful in their everyday activities. I am so grateful to them, our supportive trustees and our wonderful students, without whom we would not be delivering excellent education. There is much to give thanks to Almighty God.

As usual, I write this welcome letter before the Christmas holiday. I am once again reminded of the doctrine of the Incarnation, that the eternal Son of God should take human nature and be revealed in the person of Jesus Christ. As John's Gospel declares: "The Word became flesh and made his dwelling among us. We have seen his glory, glory of the one and only Son, who came from the Father, full of grace and truth" (John 1.14). Perhaps the phrase "grace and truth" captures something of the incarnational aspect of our educational mission. It focuses on the person and work of Jesus Christ, it transforms us such that we increasingly reflect the glory of the Son, in the weakness of our own humanity. May this report be read with "incarnational eyes" and may glory be given to the one who is the eternal Trinity, Father, Son and Holy Spirit.

May I wish you every blessing for 2025!



The Revd Professor Mark J. Cartledge
Principal | Professor of Practical Theology

At a glance

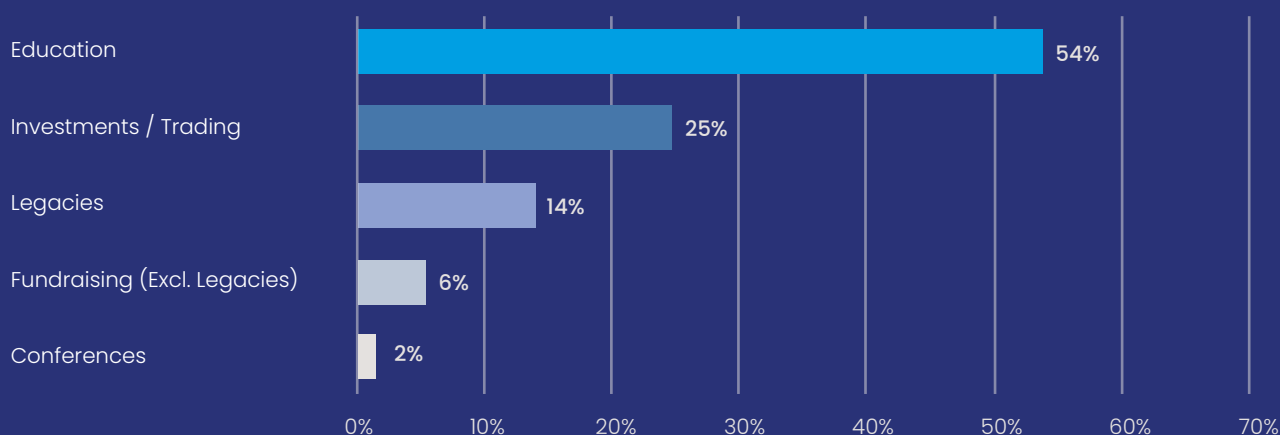
Income & Expenditure 2023-24 Year ended 31 August

	2024 £'000	2023 £'000
Income	3,183	3,049
Expenditure	(3,924)	(3,760)
Net (loss)	(741)	(711)
Investment gains / (losses)	562	(744)
Pension scheme gains	285	213
Net movement in funds	106	(1,242)

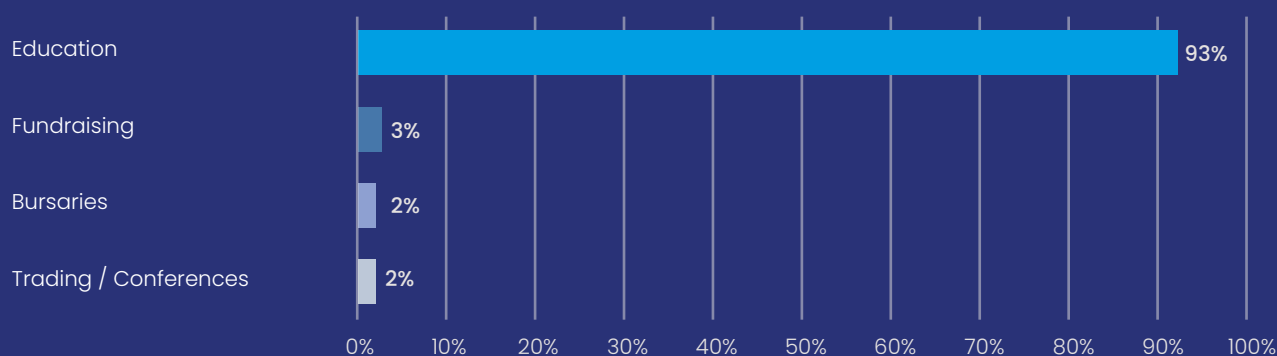
Balance Sheet 2023-24 Balance at 31 August

	2024 £'000	2023 £'000
Tangible assets	1,455	1,615
Investments	7,195	7,378
Net current assets	806	660
	9,456	9,653
Creditors greater than one year	(35)	(53)
Pension scheme asset	1,268	983
Net assets	10,689	10,583

Our Income 2023-24



Our Expenditure 2023-24



What we achieved

London School of Theology graduated 61 undergraduate level qualifications

London School of Theology graduated a total of 61 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theology & Counselling, Theology & Worship, Theology & Music and Theology, Music & Worship during the year. 43 students participated in the graduation ceremony.

London School of Theology's undergraduate programmes bring the opportunity to study the Bible in greater depth, with world-class scholars. We have three Levels, across five programmes designed to train those looking to learn more about their faith.

London School of Theology graduated 31 postgraduate qualifications

London School of Theology graduated a total of 31 postgraduate students across the MA in Aspects & Implications of Biblical Interpretation, MA in Integrative Theology, MA in Theological Studies and MA in Theological Education programmes during the year. 19 students participated in the graduation ceremony.

Postgraduate study at London School of Theology equips students with skills of understanding, discovery, depth and determination. When they graduate, students are equipped to teach others and make a positive difference in their lives. Their qualification opens up significant employment opportunities in academia, Christian leadership and the marketplace.

Each year the postgraduate students take up leadership roles all over the world. The majority of our graduates can be found teaching in churches, seminaries and university faculties around the world. As part of a larger network of over 150 students from all over the world, London School of Theology's postgraduate centre is a unique and exciting place to study.

London School of Theology graduated 11 research qualifications

London School of Theology graduated 11 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes during the year. All these students participated in the graduation ceremony.

The purpose of a research degree is to establish and demonstrate competence in a theological discipline via a thesis project. The discoveries made by research students contribute not only to their personal growth but also to the academy and the community they serve.

Those taking a research programme at London School of Theology are expected to demonstrate critical knowledge of their chosen field. Research degrees are not taught courses, although students may be asked to take a course of guided reading or attend relevant classes.

Plans for 2024-2025

The priority for the new academic year was as always to welcome our new and returning students, whether on campus, online or blended and ensure they have everything they need to thrive both in their academic and Christian life.

Much of our focus continues to be around strengthening our student support processes to ensure we identify at the earliest opportunity any students who are struggling or falling behind with their studies and determine how they can best be supported. Following the successful launch of a short foundations course last year we again offered it this year with over 20 of our new students attending. This is designed for anyone returning to studies after a significant gap who needs a confidence boost around what they can expect and the resources that will be available to them.

As we move into the third year of our five year strategy focused on Forming Disciples, Resourcing Churches and Impacting Society we also have a clear set of tasks we will be focusing on.

THE IMMEDIATE PRIORITIES SET FOR THE YEAR AHEAD HAVE BEEN AGREED AS FOLLOWS:

- Continue to implement the strategic plan, cut costs and develop new income streams.
- Achieve financial targets set for 2024-2025.
- Secure a new institutional revalidation agreement with our validating partner
- Complete a successful validation of our new BA Theology and Liberal Arts degree
- Focus on increasing our UG student recruitment numbers whilst maintaining the increased PGT numbers and current PGR student recruitment numbers
- Continue to improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).





Student life

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip Christians for life in the real world. More than ever, there is a need to train Christians to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and other costs. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance. To celebrate our 80th year, we launched a fundraising campaign 80 for 80 – £80,000 for 80 years, to help top up these fast depleting bursary funds. This has raised £69,000 to date, it's still not too late to add to this total!

We are a resource for churches

London School of Theology continues to seek to resource churches in multiple ways: through public lectures and partnership in mission, including offering students for placements. Our faculty and staff teach and preach in churches across the country and around the world. We also make our wide range of seminar rooms, excellent catering and accommodation available at competitive rates to churches, charities and Christian organisations.

We have an Alumni Association across the world

London School of Theology is one of the largest, most diverse theological colleges in Europe, with over 7,500 alumni across 40 countries. As our alumni continue to make meaningful contributions to the Church worldwide, the Alumni Association helps to maintain valuable connections to the School, faculty and classmates, as well as provide them with appropriate resources. We are confident that our Alumni website <https://alumni.lst.ac.uk> will be instrumental in facilitating this still further.

What Our Students Say



Studying at LST has taught me how to dig deeper into Scripture. **I have become more fascinated in the theological truths of the Bible, how it relates to experience, reason, tradition, and community.** I have been challenged academically and wrote a dissertation that is my proudest academic accomplishment to date.

Meagan Lord, MA Theological Studies

LST is an oasis for Christians in our contemporary society and culture, leading the way in anchoring the faith in rigorous scholarship and academic truth. **It's a real privilege and God-given opportunity to be counted part of the student body.**

Michael, MA Practical Theology and Ministry



What really attracted me to this course was the duality of **Theology and Counselling** and the REMA model that is used. Studying at LST has made me a better person and a better Christian who is **equipped to use my theological and Counselling skills to help people in my world.**

Alison Shakespeare, BA Theology and Counselling

The chance to study psychotherapy and counselling skills merged with theological studies was a unique and valuable opportunity to deepen my own faith and allow space for self-exploration, as well as gaining new skills in counselling and psychotherapy. **The level of teaching at LST, the expertise of tutors, the dedication of staff and pastoral team got me inspired and hopeful to set on a journey of pursuing a second career.** The most attractive part from the beginning was the visibly dedicated faculty team of the highest level of expertise in the fields of Christian Theology, Human and Social Psychology, Music and Worship Studies and of course, one of the greatest and richest libraries in the UK. **To have access to the best minds and the best books within a safe, relaxed and supportive environment can ensure your irreversible personal and professional growth** as well as inspiring career, that is fulfilling, rewarding and gives a chance of changing the world into a better place, one person at a time.

Julia, BA Theology and Counselling.





Year ended 31 August 2024

Report and Financial Statements

Company Name	London School of Theology
Company Number	381332
Registered Charity Number	312778
Address of School and Registered Office	London School of Theology Green Lane, Northwood, HA6 2UW
Bankers	National Westminster Bank Plc 159 High Street, Rickmansworth, Herts, WD3 1AR
Auditors	HaysMac LLP 10 Queen Street Place, London, EC4R 1AG
Solicitors	Pothecary Witham Weld 70 St George's Square, London, SW1V 3RD

Governors' Report

Introduction

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2024.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Governance and management of the charity

Trustees

The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Steve Hughes*	Chair of the Board	Trustee until 01/24, chair until 10/23
Mr Malcolm Peckham*+	Chair of the Board	Trustee and Chair from 10/23
Mrs Margaret Doyle	Vice-Chair of the Board	
Prof Peter Oakes+	Chair of the AAC	
Revd Johnny Douglas		Until 10/24
Mr Paul Smith*	Chair of the F&GP	
Rt Revd Graham Cray		Until 10/23
Mrs Kate Meathrel		Until 10/23
Revd Dr Jenni Williams+		
Ms Lydia Lee		
Revd Alton Bell*		

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge*+	Principal	
Rev Dr David Hilborn*+	Academic Dean	
Dr Shivanthi Manickasingham*+	Academic Secretary, Director of Academic Services	
Mr Jonathan Mead*	Director of Finance and Administration Company Secretary	
Dr Cornelis Bennema+	Faculty Representative	
Dr Julie Rob+	Faculty Representative	Until 09/24
Dan Forshaw	Faculty Representative	From 10/24
Mr Glenn Clarke	Staff Representative	
Mrs Elizabeth Case	Staff Representative	Until 12/24
Mr Noah Stannard	Student Representative	Until 12/23
Miss Maria Thomas	Student Representative	Until 12/23

continued overleaf >>

* Denotes member of the Finance and General Purposes Committee (F&GP).

+ Denotes member of the Academic Affairs Committee (AAC).

Governance and management of the charity (continued)

Attendees and Representatives (continued)

Name	Position	Note
Mr Nathan Kosciecha	Student Representative	From 01/24 to 03/24
Mr Will Davy	Student Representative	From 04/24 to 09/24
Miss Adrea Wright	Student Representative	From 04/24
Mr Stuart Livings	Student Representative	From 10/24

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

The Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. The Charity arranges suitable training for all trustees includes regular safeguarding training. Trustees are also asked to access the Charity Commission's website on a regular basis. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Senior Employees

Serving as the School's Executive Team during the year 2023/24:

Revd Prof Mark Cartledge	Principal
Rev Dr David Hilborn	Academic Dean
Mr Jonathan Mead	Director of Finance and Administration
Dr Shivanthi Manickasingham	Academic Secretary, Director of Academic Services

The arrangements for setting the remuneration of the senior employees are detailed in note 5.

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity's governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. In addition to the trustees, the members of the executive team and elected student, staff and faculty representatives also attend. The main operating sub-committees of the Board meet two or three times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Paul Smith and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (AAC) chaired by Prof. Peter Oakes. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub-committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://lst.ac.uk/our-policies/>

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the OfS.

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 and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The key elements of the School's system of internal control are as follows:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- Regular reviews of key performance indicators and financial results involving variance analysis reporting and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

Governance and management of the charity (continued)

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

When you support us, you can be sure of the following:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

These promises are also designed to protect vulnerable people, by ensuring we are not unreasonable or persistent or place undue pressure on any of our prospective donors.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics.

During the year we received no complaints about our fundraising activities.

The purpose of the charity

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students.

All such activities are carried on in strict accordance with the School's Doctrinal Basis of Faith.

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School
- Provision of theological education to the wider community via our Faith Seeking Understanding programme
- Access to means-tested bursaries
- Access to means tested and subsidised Counselling through the REMA Counselling Service (www.remacounselling.org)
- The provision of subsidised access to the theological library facilities for academics, students and members of the local Christian Community

Strategic Report

Aims, objectives and activities

Aims

To establish LST as an exemplar of engaged evangelical theological education in the UK.

We achieve these aims by providing:

- higher education degrees (BA Hons to PhD): interdisciplinary, intercultural and integrated
- high quality scholarship and research, especially in the relationship between church and society
- public events and conferences
- short courses and training for local churches and denominational networks
- strategic engagement on public issues with evangelical and ecumenical partners
- consultancy for churches, mission agencies and parachurch organisations

We see our key values as being:

- Actively becoming Christ-like developing godly character and virtues
- Being shaped by the canon of Scripture as the supreme authority for faith and life (the norming norm)
- Celebrating Christian community exhibiting the gifts and fruit of the Holy Spirit in praise, prayer, sacrament, fellowship and service and embodying collegiality for the flourishing of LST
- Demonstrating a commitment to excellence in all that we do, whether academic or professional
- Enhancing church life and witness, through strong networks of evangelical and ecumenical partnerships
- Forging relationships within our own wider community and greater London for the sake of the common good
- Gathering students from diverse cultures and ecclesial traditions
- Helping to care for creation, including our own physical and environmental resources, moving towards a carbon neutral footprint

And some of our unique selling points would be having:

- The longest history of delivering degree qualifications from BA Hons to PhD in the Bible College and Theological College sector
- A number of highly respected and distinguished alumni
- A very diverse student body, reflecting the cultural diversity of greater London as well as students from around the world
- Strong on-campus community having a vibrant spirituality (not all of our competitors are on-campus)
- Entirely online or blended BA Hons Theology degree options
- The 'and programmes': theology-based worship studies and counselling degrees
- Research degrees that compete with British Universities

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high-quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Strategic Report (continued)

Key Objectives and Activities for 2023/24 were:

- Continue to implement the strategic plan with a focus on rightsizing and resourcing.
- Achieve financial targets set for 2023-2024.
- Meet agreed student recruitment targets.
- Improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).

Measures of Success and Outcomes in 2023/24:

- The strategic plan was milestone and is on track
- The financial budget was met – student recruitment and hence fee income came in below budget but one off legacies and expense reductions more than offset this.
- Student recruitment targets continue to be challenging, undergraduate recruitment was down year on year and below target, but our three post graduate taught programmes recruited well.
- Focussed attention on student NSS scores has led to a significant improvement in the year. Completion and attrition continue to be an area of focus with new processes and procedure in place to monitor student attendance and progress more closely and offer focused support earlier.

Future Objectives and Activities for 2024/25:

- Continue to implement the strategic plan, cut costs and develop new income streams.
- Achieve financial targets set for 2024-2025.
- Secure a new institutional revalidation agreement with our validating partner
- Complete a successful validation of our new BA Theology and Liberal Arts degree
- Focus on increasing our UG student recruitment numbers whilst maintaining the increased PGT numbers and current PGR student recruitment numbers
- Continue to improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).

The operation of the Charity relationships and affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars, the European Evangelical Accrediting Agency and the British Association for Counselling and Psychotherapy (BACP).

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis.

The key risks facing the School during the year were identified as:

- **Academic Mission** – failing to get our new undergraduate degree validated in a timely manner.
- **Student Recruitment** – failure to attract and retain sufficient students to make our programmes financially viable.
- **Finance** – failure to achieve a balanced budget over time.

Actions to address these risks include for our:

- **Academic Mission** – working closely with Middlesex our validating partner to complete the validation of our new programme in Spring 2025,
- **Student Recruitment** – we are appointing a new enquiries officer to respond more proactively to all new student enquiries. The engagement and marketing team are meeting regularly with each programme leader to review the way their programme is being promoted and agree their involvement with recruitment events and external publicity.
- **Finance** – the financial performance of each programme continues to be reviewed and recruitment targets set. Ways to align costs to be more in line with fee income are regularly reviewed and updates presented to the board. Potential new sources of income are investigated and moved forward where viable.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping with events, as well as running the student committee and acting as course representatives on academic committees.

Facilitating Access to Christian Theological Education

The Charity operates fourteen separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

The Finances of the Charity

As is well publicised in the press many Higher Education institutions are currently struggling financially. Government actions including Brexit and changes to student visa rules have severely impacted the number of overseas students wanting to come and study in the UK and the freeze on amounts universities can charge home students makes balancing ones books particularly challenging. A brief moment of hope when increases to fee limits was announced was quickly reversed by significant increases in Employer National insurances costs. The continuing squeeze from increases in the cost of living and the negative press about the value of an HE qualification, has all made for a challenging landscape when it comes to attracting students. New students are very reticent to sign up and a sizeable number of existing students also struggle in some way, which leads to a material number interrupting, dropping out, or having to retake the year. All of this impacted student numbers and resulted in a further fall of £144k in our fee income.

Reserves

The total Unrestricted Funds amount to £7.3m (2023: £7.6m) before accounting for the pensions reserve surplus of £1,268k (2023: £983k). Included in these funds are £5.5m of designated income investments and functional fixed assets valued at £1.4m. In calculating a free reserves figure the fixed assets are excluded and historically 100% of the investments have also been excluded on the basis they were designated for income generation. In January 2024 the trustees decided that if circumstances require, 50% of the designated investments could be treated as unrestricted to enable some cash withdrawals to assist with short term cashflow requirements, an amount after withdrawals of £2.4m at 31 August 2024. Free reserves are calculated therefore to be in surplus by £4.0m (2023: £1.1m). For disclosure purposes 100% of the investment portfolio is still included in the designated funds within the financial statements.

This level of free reserves (excluding the fixed assets and relevant portion of designated investments but including the pension assets) exceeds the 20% target of annual Unrestricted Funds expenditure and gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various restricted funds are set out in note 12.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the net value of the School's fixed asset investments decreased by £182k to £7,195k (2023: decrease of £983k). This year's movement included investment gains of £562k and withdrawals of £700k to fund ongoing activities. These investments are invested with JM Finn investment managers.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund manager JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy which is based largely on the Church of England policy, to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

After a slow start investments performed well during the year recording an overall gain of £562k reflecting the positive upward movement in most exchanges around the world.

Financial Results

Overall income increased from £3,049k to £3,183k (2023: decreased from £3,210k to £3,049k). Expenditure in total increased from £3,760k to £3,924k. Declining fee income continues to be a significant issue, we had hoped that confidence might start to return to our existing and potential new students, but instead cost of living concerns continued to only exacerbate these creating even more uncertainty and increasing the chances of students interrupting or dropping out. Realistically there is a strong chance this will continue for at least a few more years so actions are being taken to address the financial viability of existing programmes and introduce new ones which should attract more new students. Investment in new programmes has continued which partially explains why the costs for the year actually increased rather than being reduced to try and offset the reduction in income. The final result for the year was an operational loss of £742k (2023: operational loss of £712k).

Investment values bounced back in the year which was encouraging after two years of underperformance. The overall gain for the year was £0.6m (2023: losses of £0.7m).

The improved investment values also impacted the School's Defined Benefit Pension Scheme, but this was partially offset by a decrease in the discount rate (based on the yields of long dated high quality corporate bonds) from 5.3% to 4.85% as part of the actuarial assumptions for the FRS 102 year end valuation, increasing the predicted liabilities of the scheme. Overall the pension fund surplus increased from £1,183k to £1,568k. With the scheme now well in surplus the pension trustees have suggested the scheme should be prepared for a buy-out by an insurance scheme as soon as practically possible. Since the costs associated with this would be in the region of £300k the current surplus value has been reduced by this amount.

]The School's funds have been applied for the purpose of the principal activity.

Future plans

The delivery of a first class education to our students continues to be our principal aim. We are acutely aware that the ongoing cost of living challenges, will present our students with additional pressures and uncertainties in the next few years and deter many potential students from applying. We are determined to increase the level of support we have in place for our students to monitor their progress and well-being and work with our lecturers, tutor group leaders and support staff to monitor any concerns they observe, so these can be quickly followed up by our excellent pastoral and registry teams. We are also focused on continuing to implement our five year strategic plan which we are confident will help us address many of the challenges we and other similar colleges in our sector are currently facing.

Independent Auditors

A resolution was made at the AGM in 2024 to reappoint HayMac LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2025. On 18th November 2024 Haysmacintyre LLP changed its name to HaysMac LLP.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:

Mr Malcolm Peckham

Chairman

29th January 2025

Independent Report of the Auditor's to the Members and Trustees of London School of Theology

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2024^{as} disclosed in note 3, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2024; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated; and
- expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition in relation to donations, grants and trading income and the risk of management override of controls. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the useful lives of fixed assets, valuation of the pension scheme asset and the bad debts provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Harper (Senior Statutory Auditor)
for and on behalf of HaysMac LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

31st January 2025

Statement of Financial Activities

Year ended 31 August 2024

		Unrestricted Funds	Restricted Funds	Endowment	Total 2024	Total 2023
		£	£	£	£	£
	Notes					
Income From						
Donations, grants and legacies		562,623	79,205	-	641,828	202,705
Charitable activities						
Education	3	2,158,008	-	-	2,158,008	2,413,672
Investments		190,144	46,080	-	236,224	274,293
Trading income		96,283	-	-	96,283	116,598
Other income		50,548	-	-	50,548	41,473
Total Income		3,057,606	125,285	-	3,182,891	3,048,741
Expenditure On						
Raising Funds						
Investment manager fee		35,953	-	1,431	37,384	40,373
Trading expenses		55,910	-	-	55,910	51,363
Fundraising costs		63,556	-	-	63,556	60,296
Charitable activities						
Education		3,599,608	128,425	-	3,728,033	3,570,655
Conferences		39,509	-	-	39,509	37,662
Total Expenditure	4	3,794,536	128,425	1,431	3,924,392	3,760,349
Net expenditure before investment gains/(losses)		(736,930)	(3,140)	(1,431)	(741,501)	(711,608)
Investment losses		451,156	94,683	16,716	562,555	(743,912)
Net expenditure		(285,774)	91,543	15,285	(178,946)	(1,455,520)
Defined benefit pension scheme gains		285,000	-	-	285,000	213,000
Net movement in funds		(774)	91,543	15,285	106,054	(1,242,520)
Balance brought forward at 1 September 2023		8,562,494	1,785,831	234,728	10,583,053	11,825,573
Balance carried forward at 31 August 2024		8,561,720	1,877,374	250,013	10,689,107	10,583,053

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above. No separate income and expenditure account has been prepared on the basis that the difference between the net result for the year as shown above and profit/(loss) as per Companies Act 2006 is shown separately in the endowment column of the Statement of Financial Activities.

Balance Sheet

As at 31 August 2024

		2024		2023	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	1,454,771		1,614,790	
Investments	8	<u>7,195,367</u>		<u>7,377,889</u>	
			8,650,138		8,992,679
Current Assets					
Stocks	9	21,401		31,629	
Debtors	10	565,087		237,363	
Cash at bank and in hand		<u>743,692</u>		<u>832,554</u>	
		1,330,180		1,101,546	
Current Liabilities					
Creditors: within one year	11.1	<u>(523,977)</u>		<u>(441,322)</u>	
Net Current Assets			806,203		660,224
Total assets less current liabilities			9,456,341		9,652,903
Creditors: after more than one year	11.2		(35,234)		(52,850)
Pension scheme asset			<u>1,268,000</u>		<u>983,000</u>
Net Assets including Pension Scheme assets			<u>10,689,107</u>		<u>10,583,053</u>
Funds					
Unrestricted	12.2,13	7,293,720		7,579,494	
Unrestricted pension reserve	12.3,13	<u>1,268,000</u>		<u>983,000</u>	
Total unrestricted			8,561,720		8,562,494
Restricted	12.3,13		1,877,374		1,785,831
Endowment	12.1,13		<u>250,013</u>		<u>234,728</u>
			<u>10,689,107</u>		<u>10,583,053</u>

The financial statements were approved and authorised for issue by the Board on 29th January 2025 and were signed on its behalf by:

Mr Malcolm Peckham
(Chairman)

Revd Prof Mark Cartledge
(Principal)

Cash Flow Statement

Year ended 31 August 2024

	2024		2023	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net outgoing resources for the year		(741,502)		(711,608)
Depreciation charged	217,419		208,898	
Decrease / (increase) in stocks	10,228		(9,896)	
Increase in debtors	(327,724)		(64,983)	
Increase / (decrease) in creditors	65,039		(52,887)	
Less investment income	(236,224)		(274,294)	
		(271,262)		(193,162)
Net cash flow from operating activities		(1,012,764)		(904,770)
Investing activities				
Investment income	236,224		274,294	
Additions to investments	(672,648)		(1,497,156)	
Withdrawals from investments	700,000		500,000	
Sale of investments	717,725		1,546,864	
Purchase of tangible fixed assets	(57,399)		(99,966)	
		929,902		724,036
Financing activities				
Loan for asset purchases		-		70,466
Decrease in cash in the year		(88,862)		(110,268)
Cash and cash equivalents at the beginning of the year		832,554		942,822
Cash and cash equivalents at the end of the year		743,692		832,554
Cash and cash equivalents (net funds) comprise:				
Cash at bank		743,692		832,554
		743,692		832,554

Notes to the Financial Statements

1. Company Status

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 9.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities SORP 2015 (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The accounts have also been prepared in accordance with the requirements of the Accounts Direction issued by the Office for Students.

London School of Theology meets the definition of a public benefit entity under FRS 102.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) Legacies

Legacies receivables are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

(d) Donations and Fund accounting

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

(e) Expenditure

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year.

Raising Funds

Fund-raising trading costs – 2%

Charitable activities

Education – 94%

Conferences – 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income – 2%

Fund-raising trading costs – 0%

Charitable activities

Education – 96%

Conferences – 2%

(f) Recognition of liabilities

Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 15. Constructive obligations under pension arrangements are also recognised as liabilities.

(g) Grants and bursaries

Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.

(h) Investments and investment income

Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.

(i) Interest receivable

The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds' holdings at the balance sheet date and transferred to the individual special funds as income in that year.

2. Accounting Policies (continued)

(j) *Tangible fixed assets*

All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%	Equipment	20% – 25%
Buildings	2%	Computers	33%
Fixture and fittings	10%		

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

(k) *Stock*

Stocks of catering and other supplies are valued at the lower of cost and net realisable value.

(i) *Exchange gains and losses*

Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.

(m) *Operating leases*

Operating lease premiums are spread on a straight-line basis over the lease term.

(n) *Pension costs*

Defined Benefit Scheme

Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.

(o) *Critical sources of estimation uncertainty and accounting judgements*

The preparation of the organisation's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The governors consider there to be the following key sources of estimation uncertainty and judgement are the useful lives of fixed assets, valuation of the pension scheme asset and the bad debts provision. Details of and the basis for the current pension scheme surplus / asset are detailed in note 15, any such surplus will be returned to the School on the buyout of the scheme, but this is totally dependent on the final amount an insurance companies agrees to pay to take over the assets and liabilities of the scheme.

3. Grant and Fee Income

	2024 £	2023 £
Grant income from the Office for Students	51,174	51,216
Fee income from taught awards	1,652,303	1,796,761
Fee income from non-qualifying courses	6,847	8,285
Other Educational and related income	447,684	557,410
	<u>2,158,008</u>	<u>2,413,672</u>

4. Expenditure

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2024			
Direct costs	38,350	565,277	603,627
Staff costs	92,510	2,326,175	2,418,685
Depreciation	8,696	208,722	217,418
Bursaries and prizes	-	128,426	128,426
Support and governance costs	17,293	538,943	556,236
	<u>156,849</u>	<u>3,767,543</u>	<u>3,924,392</u>

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2023			
Direct costs	45,058	508,439	553,497
Staff costs	92,970	2,249,128	2,342,098
Depreciation	4,178	204,721	208,899
Bursaries and prizes	-	108,950	108,950
Support and governance costs	9,826	537,079	546,905
	<u>152,032</u>	<u>3,608,317</u>	<u>3,760,349</u>

Included in expenditure are the following:

The auditor's remuneration during the year amounted to £17,335 for audit services (2023: £15,950) and £nil for other services (2023: £nil).

Hire of plant (operating leases) which amounted to £7,814 (2023: £7,814).

5. Staff Costs

	2024 £	2023 £
Wages and salaries	2,029,238	2,013,952
Social security costs	190,091	171,010
Pension contributions	112,048	121,424
Other pension costs	59,913	35,712
Termination payments	27,395	-
	<u>2,418,685</u>	<u>2,342,098</u>

No members of the London School of Theology, who are trustees and directors for the purposes of the Companies Act received any remuneration for their services during the year (2023:0). No trustees (2023:2) received reimbursement of their travel expenses (2023: total reimbursed £220) during the year. There were no other related party transactions during the year.

	2024 No.	2023 No.
The average number of employees by function was:		
Education	71	72
Fund-raising and publicity	3	3
Ancillary to main function of education	2	2
	<u>76</u>	<u>77</u>

One employee earned between £80,000 and £90,000 and 3 employees between £60,000 and £70,000 during the year, no other employees earned more than £60,000 (2023:one employee earned between £70,000 and £80,000 and 2 employees between £60,000 and £70,000). Key management personnel remuneration for the period (salaries, taxable benefits and employers pension contributions) totalled £319,000 (2023: £318,000)

Mark Cartledge was principal for the year. He was paid £81k plus pension contributions (2023: £79k plus pension contributions). The principal's base salary and gross salary including pension contributions are 2.3 times (2023: 2.4 times) the median pay of all other employees (on an FTE basis).

When making changes to the salaries of senior staff, the School takes account of:

- Sustained performance and contribution during the preceding year(s).
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff
- The overall affordability of any proposed increases to senior staff salaries, taking account both of the School's financial performance and the need to offer salaries that compare favourably with competitor institutions.

The School will review and moderate the pattern of increases across its senior staff in order to ensure fairness and consistency.

Specifically regarding the principal's remuneration, this is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process.

The current level of remuneration at 2.3 (2023: 2.4) times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently the implementation of the School's new five year strategic plan.

6. Access and Participation

	2024		2023	
	Actuals £	Per Plan £	Actuals £	Per Plan £
Access investment	92,193	47,500	68,099	41,000
Financial support	25,150	38,000	33,860	35,000
Research and evaluation	25,979	17,500	29,421	15,000
	<u>143,322</u>	<u>103,000</u>	<u>131,380</u>	<u>91,000</u>
Staff costs included in the above	63,708		57,182	

The School's Access and Participation Plan can be found at: https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2226/LondonSchoolofTheology_APP_2022-23_VI_10004075.pdf

7. Fixed Assets

	Freehold and leasehold property £	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2023	1,287,768	3,676	2,474,792	3,766,236
Additions	-	23,194	34,205	57,399
Disposals	-	(3,676)	-	(3,676)
At 31 August 2024	<u>1,287,768</u>	<u>23,194</u>	<u>2,508,997</u>	<u>3,819,959</u>
Depreciation				
At 1 September 2023	454,060	3,676	1,693,710	2,151,446
Charge for the year	-	(3,676)	-	(3,676)
Disposals	20,719	2,319	194,380	217,418
At 31 August 2024	<u>474,779</u>	<u>2,319</u>	<u>1,888,090</u>	<u>2,365,188</u>
Net Book Value				
At 31 August 2024	<u>812,989</u>	<u>20,875</u>	<u>620,907</u>	<u>1,454,771</u>
At 31 August 2023	<u>833,708</u>	<u>-</u>	<u>781,082</u>	<u>1,614,790</u>

8. Fixed Assets Investments

	2024 £	2023 £
Market value at 1 September 2023	7,377,889	8,671,508
Additional investments purchased	672,648	1,497,156
Disposals at market value	(717,725)	(1,546,864)
Withdrawals	(700,000)	(500,000)
Revaluation in the year	562,555	(743,911)
Market value at 31 August 2024	<u>7,195,367</u>	<u>7,377,889</u>
Cost of investments	<u>6,684,590</u>	<u>7,147,720</u>

The School's investments comprise a mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2024 of £7,195,367.

9. Stocks

	2024 £	2023 £
Catering and other sundry stocks	21,401	31,629

10. Debtors

	2024 £	2023 £
Fee debtors	81,741	72,363
Other debtors	798	13,070
Prepayments	482,548	151,930
	<u>565,087</u>	<u>237,363</u>

11. Creditors

11.1 Amounts falling due within one year

	2024 £	2023 £
Trade creditors	161,116	75,153
Deferred income – payments received on account	192,431	116,113
Social security costs	41,660	42,798
Pension scheme contributions	20,767	16,150
Other creditors	36,961	47,093
Accruals	71,042	144,015
	<u>523,977</u>	<u>441,322</u>

Deferred income comprises:

	Balance at 1 September 2023	Receipts in the year	Credited to income in the year	Balance at 31 August 2024
Fees in advance	103,285	124,776	(44,471)	183,590
Open learning fees	12,828	–	(3,987)	8,841
	<u>116,113</u>	<u>124,776</u>	<u>(48,458)</u>	<u>192,431</u>

11.2 Amounts falling after one year

	2024 £	2023 £
Capital payments on loan for solar panels	35,234	52,850

In 2023 the School installed 142 solar panels on its roof which it funded with a loan from one of its trustees. The loan is repayable in 4 equal instalments of £17,616 on the 5th May commissioning anniversary, the first payment was made in July 2024.

12. General and Special Funds

12.1 Endowment Funds

	Balance at 1 September 2023	Income	Gains/(Losses)	Balance at 31 August 2024
	£	£	£	£
Montague Goodman Bursary	95,164	(580)	6,777	101,361
Jomac Hennell Bursary	30,576	(186)	2,177	32,567
Sir John Laing Memorial	95,518	(582)	6,802	101,738
Sir John Laing Lecture	13,470	(82)	959	14,347
	<u>234,728</u>	<u>(1,430)</u>	<u>16,715</u>	<u>250,013</u>

	Balance at 1 September 2022	Income	Gains/(Losses)	Balance at 31 August 2023
	£	£	£	£
Montague Goodman Bursary	104,117	(599)	(8,354)	95,164
Jomac Hennell Bursary	33,452	(192)	(2,684)	30,576
Sir John Laing Memorial	104,505	(601)	(8,386)	95,518
Sir John Laing Lecture	14,738	(85)	(1,183)	13,470
	<u>256,812</u>	<u>(1,477)</u>	<u>(20,607)</u>	<u>234,728</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

12.2 Unrestricted Funds

	Balance at 1 September 2023	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2024
	£	£	£	£	£
General fund	1,703,976	3,057,606	(3,794,536)	-	967,046
Designated fund	5,875,518	-	-	451,156	6,326,674
Pensions reserve	983,000	-	-	285,000	1,268,000
	<u>8,562,494</u>	<u>3,057,606</u>	<u>(3,794,536)</u>	<u>736,156</u>	<u>8,561,720</u>

	Balance at 1 September 2022	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2023
	£	£	£	£	£
General fund	2,418,502	2,935,396	(3,649,922)	-	1,703,976
Designated fund	6,482,100	-	-	(606,582)	5,875,518
Pensions reserve	770,000	-	-	213,000	983,000
	<u>9,670,602</u>	<u>2,935,396</u>	<u>(3,649,922)</u>	<u>(393,582)</u>	<u>8,562,494</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

12. General and Special Funds (continued)

12.3 Restricted Funds

	Balance at 1 September 2023	Income	Expenditure	Gains	Balance at 31 August 2024	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	499,531	12,811	(8,624)	31,076	534,794	For student bursaries
Student Grant Bursary	858,916	20,249	(18,628)	49,119	909,656	For student bursaries
Graham Scholarship	142,729	3,658	(6,633)	8,873	148,627	For student bursaries
Mary Fisher Memorial	34,708	893	(255)	2,166	37,512	For student bursaries
L Smid-Walker bursary	2,093	-	(2,093)	-	-	For international bursaries
Laing Scholarship	4,650	16,950	(20,100)	-	1,500	For research student scholarship
Student Wives Bursary	45,752	1,346	(233)	3,266	50,131	For study support for Students' spouses
Music and Worship Bursary	9,511	719	(9,662)	-	568	For bursaries to music and worship students
Students in Need Fund	25,641	37,938	(11,856)	-	51,723	For students in need
Reading Prize Fund	(200)	-	200	-	-	For annual prizes
Sir Eric Richardson Prize	29	9	(2)	22	58	For annual prizes
Griffiths Prize	2,231	66	(111)	161	2,347	For annual prizes
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	419	750	(150)	-	1,019	For the purchase of books
Beacon Trust	3,367	-	(1,114)	-	2,253	To help support a student from Latin America
Henman Internet Fund	4,013	-	(4,013)	-	-	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	(2,522)	-	4,166	For funding an evangelist in residence
Vaux sur Seine	2,224	-	(2,224)	-	-	For the translation of open learning resources into French
Building Development Fund	2,091	950	0	-	3,041	For School development projects
Alumni Fund	13,238	1,135	(6,432)	-	7,941	For alumni events and bursaries
Hebrew Prize	520	-	(100)	-	420	For high attainment in Hebrew language studies
W Atkinson Prize	900	-	(200)	-	700	For taught Masters
ECLAS Science for Seminaries	11,625	-	(1,596)	-	10,029	For the advancement of science-engaged theology
BFBS	11,877	-	(11,877)	-	-	For research fellow
Other restricted funds	30,819	20,764	(20,200)	-	31,383	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	28,774	2,795	-	-	31,569	For student bursaries
Jomac Hennell Bursary	11,205	897	-	-	12,102	For student bursaries
Sir John Laing Memorial	30,161	2,805	-	-	32,966	For student bursaries
Sir John Laing Lecture	560	550	-	-	1,110	For the annual memorial lecture
Total	1,785,831	125,285	(128,425)	94,683	1,877,374	

12.3 Restricted Funds

	Balance at 1 September 2022	Income	Expenditure	(Losses)	Balance at 31 August 2023	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	524,686	13,885	(2,251)	(36,789)	499,531	For student bursaries
Student Grant Bursary	903,313	21,996	(3,057)	(63,336)	858,916	For student bursaries
Graham Scholarship	149,920	3,964	(643)	(10,512)	142,729	For student bursaries
Mary Fisher Memorial	36,345	1,068	(157)	(2,548)	34,708	For student bursaries
L Smid-Walker bursary	1,074	1,019	-	-	2,093	For international bursaries
Laing Scholarship	3,000	12,000	(10,350)	-	4,650	For research student scholarship
Student Wives Bursary	47,888	1,459	(237)	(3,358)	45,752	For study support for Students' spouses
Music and Worship Bursary	9,378	6,199	(6,066)	-	9,511	For bursaries to music and worship students
Students in Need Fund	21,892	19,892	(16,143)	-	25,641	For students in need
Reading Prize Fund	(100)	-	(100)	-	(200)	For annual prizes
Sir Eric Richardson Prize	130	10	(102)	(9)	29	For annual prizes
Griffiths Prize	2,442	72	(112)	(171)	2,231	For annual prizes
Faculty Hardship Fund	958	-	(958)	-	-	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	641	-	(222)	-	419	For the purchase of books
Beacon Trust	10,282	-	(6,915)	-	3,367	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	1,091	1,000	-	-	2,091	For School development projects
Alumni Fund	16,783	1,388	(4,933)	-	13,238	For alumni events and bursaries
Hebrew Prize	620	-	(100)	-	520	For high attainment in Hebrew language studies
W Atkinson Prize	900	-	-	-	900	For taught Masters
ECLAS Science for Seminaries	39,436	-	(27,811)	-	11,625	For the advancement of science-engaged theology
BFBS	20,910	1,050	(10,083)	-	11,877	For research fellow
Other restricted funds	30,158	19,371	(18,710)	-	30,819	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	25,744	3,030	-	-	28,774	For student bursaries
Jomac Hennell Bursary	10,233	972	-	-	11,205	For student bursaries
Sir John Laing Memorial	27,121	3,040	-	-	30,161	For student bursaries
Sir John Laing Lecture	(1,370)	1,930	-	-	560	For the annual memorial lecture
Total	1,898,159	113,345	(108,950)	(116,723)	1,785,831	

13. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2024				
Represented by:				
Tangible fixed assets	1,454,771	-	-	1,454,771
Investments	5,529,198	1,416,156	250,013	7,195,367
Current assets	868,962	461,218	-	1,330,180
Current liabilities	(523,977)	-	-	(523,977)
Creditors due after one year	(35,234)	-	-	(35,234)
	7,293,720	1,877,374	250,013	9,421,107
Pension Scheme assets	1,268,000	-	-	1,268,000
	8,561,720	1,877,374	250,013	10,689,107

14. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities.

15. Pension Commitments

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme ("the Defined Benefit Scheme"), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £112,376 (2023: £121,424). At 31st August there were £20,767 of outstanding contributions (2023: £16,150) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2023: nil) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2024 £000's	2023 £000's
Scheme assets at year end	5,241	4,840
Present value of funded obligations obligation	(3,673)	(3,657)
	1,568	1,183
Provision for costs of potential buyout of scheme	(300)	(200)
	1,268	983
Actuarial (gains) / losses comprise:		
(Gain)/loss on scheme assets in excess of interest	(430)	264
Losses/(gains) from change in assumptions	141	(541)
Gains from changes to demographic assumptions	(34)	-
Experience gains on liabilities	-	(103)
	(323)	(380)
Analysis of amounts charged to activity costs categories:		
	2024 £000's	2023 £000's
Bank and other Interest / (other finance charges)		
Interest on scheme assets	(249)	(212)
Interest on liabilities	187	179
	(62)	(33)
Change in scheme liabilities		
Beginning balance	(3,657)	(4,413)
Interest cost	(187)	(179)
(Losses) / gains from changes in actuarial assumptions	(141)	541
Changes to demographic assumptions	34	-
Experience gains on liabilities	-	103
Benefits paid	278	291
Closing balance	(3,673)	(3,657)
Change in scheme assets		
Beginning balance	4,840	5,183
Interest on scheme assets	249	212
Return on assets less interest	430	(264)
Contributions by employer	-	-
Benefits paid	(278)	(291)
Closing balance	5,241	4,840

15. Pension Commitments (continued)

The value of scheme's assets currently exceeds the FRS valuation of the scheme's liabilities by £1.6m. A recommendation has been made by the pension trustees that plans be put in place to move towards a complete buyout of the scheme's liabilities by an insurance company within the next three to five years. At the point this happens, any excess funds would be returned to LST and on this basis the current surplus is recorded as an asset in the accounts. Since there will be quite significant costs associated with this buy out and there are only a limited number of insurance companies that might be interested in bidding for them, which may increase the cost they quote to purchase them, the current recognised surplus has been reduced by an amount of £300k so the balance more accurately reflects the potential recoverable amount.

	31 August 2024		31 August 2023	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	42%	2,210	41%	1,988
Bonds and cash	58%	3,031	59%	2,852
Total assets at end of year		5,241		4,840
			2024	2023
			£000s	£000s
Actual return on scheme assets			679	(52)

The value of the Scheme's liabilities has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2024, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

Actual assumptions used:	2024 %	2023 %
Discount rate	4.85%	5.3%
Rate of increase in pensions in payment (RPI max 5%)	3.1%	3.3%
Rate of increase in pensions in payment (RPI max 3%)	2.50%	2.55%
Rate of RPI price inflation	3.2%	3.4%
Rate of CPI price inflation	2.2%	2.4%
Post – retirement mortality	110% S3PMA/ 105% S3PFA CMI 2023 [1%]	110% S3PMA/ 105% S3PFA CMI 2020 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£35k increase
Increase of 0.1% in inflation assumption	£9k increase
Increase in long-term mortality projection of 1.5%	£37k increase

16. Leasing Commitments

At 31 August 2024 the School was committed to making the minimum lease payments in respect of hire of machinery:

Operating leases which expire:	2024 £	2023 £
Within 1 year	1,954	7,814
Within 2 to 5 years	-	1,954
	<u>1,9548</u>	<u>9,768</u>

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2023 £
Income From				
Donations and legacies	140,785	61,920	-	202,705
Charitable activities				
Education	2,413,672	-	-	2,413,672
Investments	222,868	51,425	-	274,293
Trading income	116,598	-	-	116,598
Other income	<u>41,473</u>	<u>-</u>	<u>-</u>	<u>41,473</u>
Total Income	<u>2,935,396</u>	<u>113,345</u>	<u>-</u>	<u>3,048,741</u>
Expenditure On				
Raising Funds				
Investment manager fee	38,896	-	1,477	40,373
Trading expenses	51,363	-	-	51,363
Fundraising costs	60,296	-	-	60,296
Charitable activities				
Education	3,461,705	108,950	-	3,570,655
Conferences	<u>37,662</u>	<u>-</u>	<u>-</u>	<u>37,662</u>
Total Expenditure	<u>3,649,922</u>	<u>108,950</u>	<u>1,477</u>	<u>3,760,349</u>
Net expenditure before transfers	(714,526)	4,395	(1,477)	(711,608)
Investment losses	<u>(606,582)</u>	<u>(116,723)</u>	<u>(20,607)</u>	<u>(743,912)</u>
Net expenditure	<u>(1,321,108)</u>	<u>(112,328)</u>	<u>(22,084)</u>	<u>(1,455,520)</u>
Defined benefit pension scheme gains	<u>213,000</u>	<u>-</u>	<u>-</u>	<u>213,000</u>
Net movement in funds	<u>(1,108,108)</u>	<u>(112,328)</u>	<u>(22,084)</u>	<u>(1,242,520)</u>
Balance brought forward at 1 September 2022	<u>9,670,602</u>	<u>1,898,159</u>	<u>256,812</u>	<u>11,825,573</u>
Balance carried forward at 31 August 2023	<u>8,562,494</u>	<u>1,785,831</u>	<u>234,728</u>	<u>10,583,053</u>



LONDON SCHOOL
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Accounts

London School of Theology



Report and Financial Accounts

2023

Company Registered No: 381332

Registered Charity No: 312778

Year ended 31 August 2023



Introduction from the Principal

Welcome



I am delighted to introduce the Report and Financial Accounts of the London School of Theology for 2022–2023. It has been a busy but highly enjoyable year in the life of the School.

We are extremely thankful for our partnership with Emmanuel Church, our local Anglican church in Northwood. Members of the congregation have been good friends to us over the years and we continue to enjoy a good relationship with them. As usual, our July graduation service was held at Emmanuel Church; and it was a truly joyful occasion as we celebrated the success of our graduates with their families and friends. Many of these students started with us in 2020 and so felt the full force of the pandemic on their studies. It was wonderful to see many of them delighted in their achievement. The occasion was made even more special by having our Professor of Historical Theology, Tony Lane, as the preacher. Tony has worked with the School over 50 years, which is a remarkable achievement!

There were three main academic events during the year. Our research conference held in March focused on the theme of Wellbeing and the Digital Church, which has become significant areas for investigation since the pandemic. Our keynote speakers were the Revd

Canon Professor Leslie J. Francis, a well-known social-psychologist and theologian, and me. I discussed the problems and possibilities associated with digital media and ecclesiology (theology of church). Our summer conference in June celebrated Tony Lane's achievement by focusing on one of his research areas, namely ecumenical dialogue between Evangelicals and Roman Catholics. The conference was entitled: *Evangelicals and Catholics: Common Causes and Enduring Differences*. Finally, our annual endowed Laing Lecture was held in November. The Laing Lecture provides us with an opportunity to showcase Evangelical scholarship for a public audience. We were delighted to welcome a Canadian scholar, Dr Janet Warren, both a theologian and a medical doctor. Janet addressed the theme of *Mental Health and the Imago Dei (image of God)*, which proved to be a stimulating and encouraging occasion, which a number of people from the community joining us for the event.

UPDATE ON OUR STRATEGIC PLAN AND ITS IMPLEMENTATION:

Our strategic plan for 2022-2026 continues to drive our annual objectives. A number of areas progressed well this year.

- We have strengthened our appreciation of our vision and values and this has been evident in the quality of our Christian community, with both new on-site students and online students showing a renewed commitment to the worshipping life of the School.
- We have improved our student learning experience by investing in our learning and teaching support, including improving our skills development of students and a new pre-sessional *Foundations Course* for those coming back to education, or who feel they need extra help before they start the academic year.
- We have launched our new *MA Practical Theology and Ministry*, which is exciting. We have recruited our first students on the programme and appointed our programme leader, Dr Alistair McKitterick.
- We revalidated our *MA Biblical Studies* (using a new name) and appointed Dr Julie Robb to lead this programme as well as the *MA Theological Studies*.
- We revalidated our research degrees (*Master of Theology*; *Master of Philosophy* and *Doctor of Philosophy*).
- We have joined the *University and Colleges Admissions Service (UCAS)* just in time to participate in the summer clearing process. We are now receiving applications for 2024, which is also an exciting development.
- We have begun to strengthen our church networks, and this includes hosting the Harrow Deanery on campus as well as developing stronger links to the Northwood community. We are also looking to establish one or two new international partnerships in the coming year.
- The estate has been enhanced by the addition of solar panels this year, for which we are immensely grateful and improves our environmental impact.

The Higher Education sector continues to experience financial turbulence. Therefore, it is no surprise the Office for Students identifies financial sustainability in the sector as one of its goals as it begins to draft a new strategic plan in 2024. Recruitment continues to be a challenge for us. While we recruited more students across the range of programmes, the balance of full-time and part-time student numbers means that our Full Time Equivalent (FTE) number was, in fact, lower than last year. In order to cut some costs, we decided to reduce our Music, Theology and Worship programmes from three to one, which means that we are focusing on the *BA Theology and Worship Studies* as our only programme in this area from the autumn of 2024. Nevertheless, with a good suite of MA programmes now in place, we are in a better position to attract a greater range of students. We have also invested in the preparation of new *BA in Theology and Liberal Arts*, and we shall be working towards its validation during 2024. As well as recruiting UK-based students, we intend to attract North American students, either as full-time students or as semester abroad visiting students.

Once again, I am incredibly grateful for all my colleagues, trustees and students who make London School of Theology such a special place to work. I am thankful to my executive team colleagues, for their wisdom, humour and grace. I am also grateful to our donors and alumni, who support us with both finance and prayer. It is appreciated very much indeed.

As I write this Introduction, I am finishing my tasks before taking a Christmas break. Once again, I am reminded of the importance of our faith in Jesus Christ and the centrality of him for all that we do as Christians. The angel said to Mary that 'he will be great and will be called the Son of the Most High' (Luke 1.32). I commend this report to our readers in recognition that the LST community seeks to honour the one who is the 'Son of the Most High' in all that we do.



The Revd Professor
Mark J. Cartledge
Principal

2022-23

At A Glance

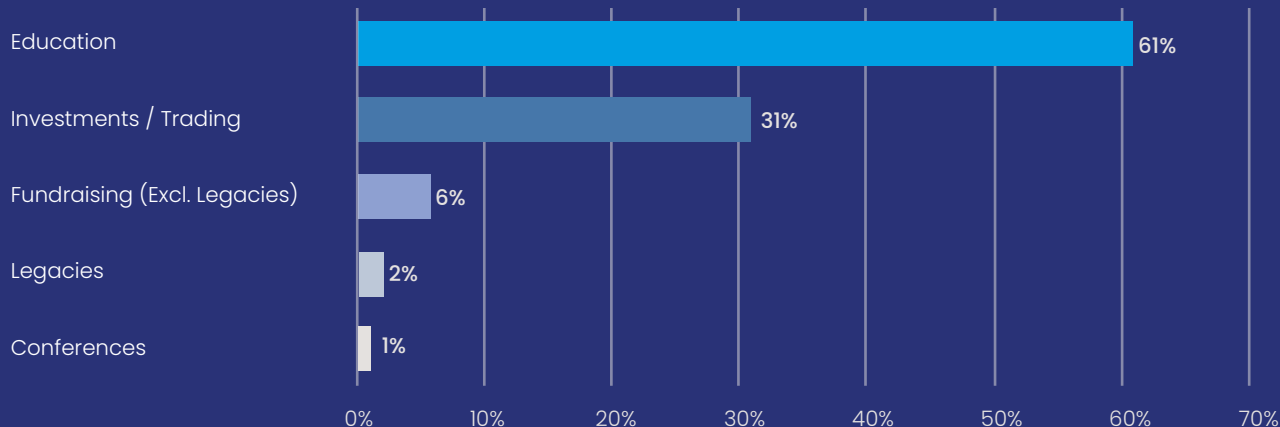
Income & Expenditure 2022-23 Year ended 31 August

	2023 £'000	2022 £'000
Income	3,049	3,210
Expenditure	(3,760)	(3,700)
Net (loss)	(711)	(490)
Investment gains / (losses)	(744)	(1,428)
Pension scheme gains / (losses)	213	343
Net movement in funds	(1,242)	(1,575)

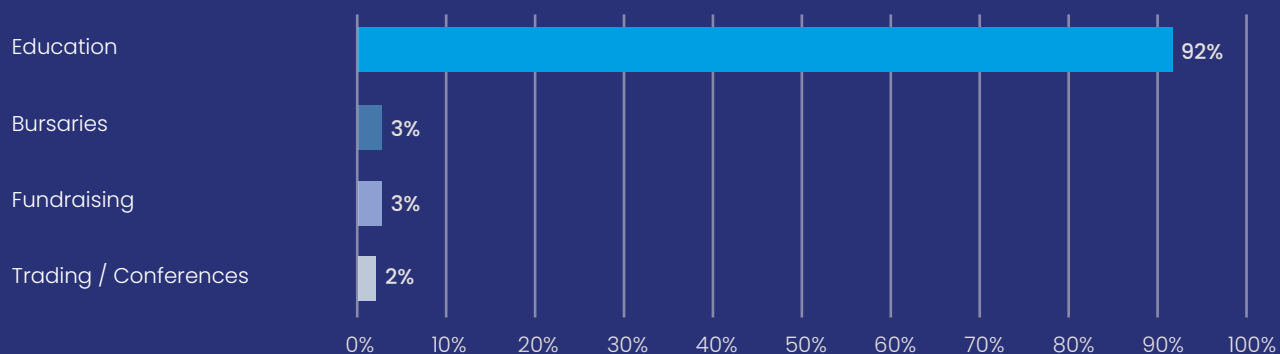
Balance Sheet 2022-23 Balance at 31 August

	2023 £'000	2022 £'000
Tangible assets	1,615	1,724
Investments	7,378	8,671
Net current assets	660	660
	9,653	11,055
Creditors greater than one year	(53)	0
Pension scheme asset	983	770
Net assets	10,583	11,825

Our Income 2022-23



Our Expenditure 2022-23



What We Achieved

London School of Theology graduated 69 undergraduate level qualifications

London School of Theology graduated 69 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theology & Counselling, Theology & Worship, and Theology, Music & Worship.

London School of Theology's undergraduate programmes bring the opportunity to study the Bible in greater depth, with world-class scholars. We have three Levels, across four programmes designed to train those looking to learn more about their faith.

London School of Theology graduated 21 postgraduate qualifications

London School of Theology graduated 21 postgraduate students across the MA in Aspects & Implications of Biblical Interpretation, MA in Integrative Theology and MA in Theological Education programmes.

Postgraduate study at London School of Theology equips students with skills of understanding, discovery, depth and determination. When they graduate, students are equipped to teach others and make a positive difference in their lives. Their qualification opens up significant employment opportunities in academia, Christian leadership and the marketplace.

Each year the postgraduate students take up leadership roles all over the world. The majority of our graduates can be found teaching in churches, seminaries and university faculties around the world. As part of a larger network of over 350 students from all over the world, London School of Theology's postgraduate centre is a unique and exciting place to study.

London School of Theology graduated 11 research qualifications

London School of Theology graduated 11 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes.

The purpose of a research degree is to establish and demonstrate competence in a theological discipline via a thesis project. The discoveries made by research students contribute not only to their personal growth but also to the academy and the community they serve.

Those taking a research programme at London School of Theology are expected to demonstrate critical knowledge of their chosen field. Research degrees are not taught courses, although students may be asked to take a course of guided reading or attend relevant classes.

Plans for 2023–2024

The priority for the new academic year was as always to welcome our new and returning students, whether on campus, online or blended and ensure they have everything they need to thrive both in their academic and Christian life.

Much of our focus will be around strengthening our student support processes to ensure we identify at the earliest opportunity any students who are struggling or falling behind with their studies and determine how they can best be supported. For the first time in September, prior to the start of the new academic year, we offered a short foundations course for anyone returning to studies after a significant gap who needed a confidence boost around what they can expect and the resources that are available to them.

As we move into the second year of our five year strategy focused on Forming Disciples, Resourcing Churches and Impacting Society we also have a clear set of tasks we will be focusing on.

THE IMMEDIATE PRIORITIES SET FOR THE YEAR AHEAD HAVE BEEN AGREED AS FOLLOWS:

- Continue to implement the strategic plan with a focus on rightsizing and resourcing.
- Achieve financial targets set for 2023–2024.
- Meet agreed student recruitment targets.
- Improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).



Student Life

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip Christians for life in the real world. More than ever, there is a need to train Christians to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and essentials such as food and travel. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance. To celebrate our 80th year, we have recently launched a new fundraising campaign 80 for 80 – £80,000 for 80 years, to help top up these fast depleting bursary funds – maybe you could help?

We are a resource for churches

London School of Theology continues to seek to resource churches in multiple ways: through public lectures and partnership in mission, including offering students for placements. Our faculty and staff teach and preach in churches across the country and around the world. We also make our wide range of seminar rooms, excellent catering and accommodation available at competitive rates to churches, charities and Christian organisations.

We have an Alumni Association across the world

London School of Theology is one of the largest, most diverse theological colleges in Europe, with over 7,500 alumni across 40 countries. As our alumni continue to make meaningful contributions to the Church worldwide, the Alumni Association helps to maintain valuable connections to the School, faculty and classmates, as well as provide them with appropriate resources. We are confident that our Alumni website <https://alumni.lst.ac.uk> will be instrumental in facilitating this still further.



Student Life

What Our Students Say

Rachel Walters



I am very thankful to have been a student at LST. Coming into first year I was excited to learn and grow in my knowledge of the LORD, and not only to know more of His deep and hidden truths, but to live them out.

The last few years at LST have grown my love for the Church, and made me eager to see it also grow in the grace and knowledge of Christ. I have made some dear friends which I am so thankful for, and I will leave LST with a rich deposit from the lecturing, friendships and understanding of the Bible that I have been entrusted with.



Peter Bloxham

There is a lot to be thankful for at LST. What a privilege it is to be able to be at a place with other people studying God's word and how it has shaped our history and culture. I felt welcomed from the first moment that I stepped onto the campus at an Open Day to the final moments at Graduation.

Although there were tough times, the support of the friends that I made at LST and the support that I received from the lecturers helped to get me through them.

I have taken all that I have learnt at LST and am now applying it in my work as a Children and Family Pastor at a local Church.



Year ended 31 August 2023

Report and Financial Statements



Company Name	London School of Theology
Company Number	381332
Registered Charity Number	312778
Address of School and Registered Office	London School of Theology Green Lane, Northwood, HA6 2UW
Bankers	National Westminster Bank Plc 159 High Street, Rickmansworth, Herts, WD3 1AR
Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG
Solicitors	Pothecary Witham Weld 70 St George's Square, London, SW1V 3RD

Year ended 31 August 2023

Governors' Report

Introduction

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2023.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Governance and management of the charity

Trustees

The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Steve Hughes*	Chair of the Board	Trustee until 01/24, chair until 10/23, chair of F&GP until 02/23
Mr Malcolm Peckham*+	Chair of the Board	Trustee and Chair from 10/23
Mrs Margaret Doyle	Vice-Chair of the Board	
Prof Peter Oakes+	Chair of the AAC	
Revd Johnny Douglas		
Mr Paul Smith*	Chair of the F&GP	Chair of F&GP from 02/23
Rt Revd Graham Cray		Until 10/23
Mrs Kate Meathrel		Until 10/23
Revd Dr Jenni Williams+		
Ms Lydia Lee		
Revd Alton Bell*		

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge*+	Principal	
Rev Dr David Hilborn*+	Academic Dean	
Revd Kate Douglas*+	Academic Secretary, Director of Academic Support	Until 12/22
Dr Shivanthi Manickasingham*+	Academic Secretary, Director of Academic Services	From 01/23
Mr Jonathan Mead*	Director of Finance and Administration Company Secretary	
Dr Cornelis Bennema+	Faculty Representative	From 10/22
Rev Dr Chris Steed+	Faculty Representative	Until 09/23
Dr Julie Rob+	Faculty Representative	From 10/23
Mr Anir Karki	Staff Representative	Until 09/23
Mr Glenn Clarke	Staff Representative	From 10/23
Mrs Elizabeth Case	Staff Representative	From 10/22

continued overleaf >>

* Denotes member of the Finance and General Purposes Committee (F&GP).

+ Denotes member of the Academic Affairs Committee (AAC).

Year ended 31 August 2023

Governance and management of the charity (continued)

Attendees and Representatives (continued)

Name	Position	Note
Miss Rachel Walters	Student Body President	Until 03/23
Mr Boaz Moody	Student Body Male Vice-President	Until 03/23
Mr Noah Stannard	Student Body President	From 04/23
Miss Maria Thomas	Student Body Female Vice-President	From 04/23

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

The Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. The Charity arranges suitable training for all trustees includes regular safeguarding training. Trustees are also asked to access the Charity Commission's website on a regular basis. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Senior Employees

Serving as the School's Executive Team during the year 2022/23:

Revd Prof Mark Cartledge	Principal
Rev Dr David Hilborn	Academic Dean
Mr Jonathan Mead	Director of Finance and Administration
Revd Kate Douglas	Academic Secretary, Director of Academic Support (until 12/22)
Dr Shivanthi Manickasingham	Academic Secretary, Director of Academic Services (from 01/23)

The arrangements for setting the remuneration of the senior employees are detailed in note 5.

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity's governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. In addition to the trustees, the members of the executive team and elected student, staff and faculty representatives also attend. The main operating sub-committees of the Board meet two or three times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Paul Smith and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (AAC) chaired by Prof. Peter Oakes. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub-committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://lst.ac.uk/our-policies/>

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the OfS.

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 and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The key elements of the School's system of internal control are as follows:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- Regular reviews of key performance indicators and financial results involving variance analysis reporting and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

Year ended 31 August 2023

Governance and management of the charity (continued)

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

When you support us, you can be sure of the following:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

These promises are also designed to protect vulnerable people, by ensuring we are not unreasonable or persistent or place undue pressure on any of our prospective donors.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics.

During the year we received no complaints about our fundraising activities

The purpose of the charity

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students, with all such activities being carried on in strict accordance with the [School's] Doctrinal Basis [of Faith].

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School
- Provision of theological education to the wider community via our Faith Seeking Understanding programme
- Access to means-tested bursaries
- Access to means tested and subsidised Counselling through the REMA Counselling Service (www.remacounselling.org)
- The provision of subsidised access to the theological library facilities for academics, students and members of the local Christian Community

Strategic report

Aims, objectives and activities

Aims

To establish LST as an exemplar of engaged evangelical theological education in the UK.

We achieve these aims by providing:

- higher education degrees (BA Hons to PhD): interdisciplinary, intercultural and integrated
- high quality scholarship and research, especially in the relationship between church and society
- public events and conferences
- short courses and training for local churches and denominational networks
- strategic engagement on public issues with evangelical and ecumenical partners
- consultancy for churches, mission agencies and parachurch organisations

We see our key values as being:

- Actively becoming Christ-like developing godly character and virtues
- Being shaped by the canon of Scripture as the supreme authority for faith and life (the norming norm)
- Celebrating Christian community exhibiting the gifts and fruit of the Holy Spirit in praise, prayer, sacrament, fellowship and service and embodying collegiality for the flourishing of LST
- Demonstrating a commitment to excellence in all that we do, whether academic or professional
- Enhancing church life and witness, through strong networks of evangelical and ecumenical partnerships
- Forging relationships within our own wider community and greater London for the sake of the common good
- Gathering students from diverse cultures and ecclesial traditions
- Helping to care for creation, including our own physical and environmental resources, moving towards a carbon neutral footprint

And some of our unique selling points would be having:

- The longest history of delivering degree qualifications from BA Hons to PhD in the Bible College and Theological College sector
- A very diverse student body, reflecting the cultural diversity of greater London as well as students from around the world
- Strong on-campus community having a vibrant spirituality (not all of our competitors are on-campus)
- Entirely online or blended BA Hons Theology degree options
- The 'and programmes': theology-based music and worship and counselling degrees
- Research degrees that compete with British Universities

Year ended 31 August 2023

Strategic report (continued)

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high-quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Key Objectives and Activities for 2022/23 were:

- Continue the implementation of the strategic plan.
- Manage the finances of the institution to get close to operational break-even and engage the staff and faculty in understanding how they can play a role in this.
- Implement actions to improve student NSS scores and to respond to staff and faculty surveys.
- Meet agreed student recruitment targets and improve student retention.

Measures of Success and Outcomes in 2022/23 were:

- The strategic plan was milestone and is on track
- Financial budgets were met but student recruitment was below target resulting in reduced fee income and an overall deficit for the year
- Focussed attention on student NSS scores has led to a significant improvement in the year. Staff and faculty surveys are also now in place on an annual basis.
- Student recruitment targets continue to be challenging to hit but key work on tackling retention has started to see beneficial results.

Future Objectives and Activities for 2023/24:

- Continue to implement the strategic plan with a focus on rightsizing and resourcing.
- Achieve financial targets set for 2023-2024.
- Meet agreed student recruitment targets.
- Improve all student-related metrics according to individual targets (satisfaction, completion/attrition, graduate outcomes etc.).

The operation of the Charity relationships and affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars, the European Evangelical Accrediting Agency and the British Association for Counselling and Psychotherapy (BACP).

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis.

The key risks facing the School during the year were identified as:

- **Academic Mission** – failing to get our new programmes validated in a timely manner.
- **Student Recruitment, Progression and Retention** – shortcomings in this area impact our students study ambitions and have a multi-year impact on the finances of the School.
- **Staff Recruitment** – we are not alone in seeing some of our staff choosing to leave and then struggling to attract new employees to replace them.
- **Compliance** – failure to meet all of the third-party requirements (Educational, GDPR and Health and Safety related).
- **Premises** – our buildings are aging and require more maintenance to keep them functioning well.

Actions to address these risks include for our:

- **Academic Mission** – working closely with Middlesex our validating partner to complete the validation of our new programmes in a timely manner.
- **Student Retention and Progression** – we engaged a third party specialist to help us review all our existing policies and processes and provide training for our faculty and staff so everyone understands these better, we also introduced a foundations course for our new students to attend before starting their first year of studies so they are better equipped to start their studies with us.
- **Student Recruitment** – we have appointed a new admissions manager to oversee the end to end process from advertising, social media, conference attendance and open day events through to applications and the offering of places, we have also joined UCAS for the first time and opened our applications in September rather than December.
- **Staff Recruitment** – we have managed to recruit some great new members of faculty but find it harder to attract senior support staff and accept it simply takes longer to fill these roles.
- **Compliance** – with the implementation of data futures reporting we have continued to enhance our Student Information System so it contains all the data we are required to report on so we can then deliver this in a more timely and accurate basis.
- **Premises** – we have increased our maintenance team to ensure all reported issues are dealt with promptly and we have the capacity to run a rolling renewal programme of items coming to the end of their useful life.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping with events, as well as running the student committee and acting as course representatives on academic committees.

Facilitating Access to Christian Theological Education

The Charity operates thirteen separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

Year ended 31 August 2023

The finances of the Charity

Whilst the physical impacts of Covid started to decline during the year, it had a sting in its tail financially. New students were reticent to sign up and a material number of existing students struggled in some way, which led to more interrupting, dropping out, having to retake the year or having too many modules to complete or retake which meant they could not progress. All of this impacted student numbers and resulted in a £300k plus drop in our fees.

Reserves

The total Unrestricted Funds amount to £7.6m (2022: £8.9m) before accounting for the pensions reserve surplus of £983k (2022: £770k). Included in these funds are £5.9m of designated income investments and functional fixed assets valued at £1.6m. Free reserves thus stand in surplus by £1.1m (2022: £1.5m).

This level of free reserve (specifically excluding the designated investments but including the pension assets) exceeds the 20% target of annual Unrestricted Funds expenditure. This level of free reserves gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various Restricted Funds are set out in note 12.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the value of the School's fixed asset investments decreased by £1,294k to £7,378k (2022: decrease of £1,481k), £500k of this decrease was a cash withdrawal to fund ongoing activities. These investments are invested with JM Finn investment managers.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund manager JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy which is based largely on the Church of England policy, to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

The value of the investments were impacted by the September 22 mini budget which triggered an increase in interest rates and a market move away from investments to cash deposits. With the portfolio heavily invested in Infrastructure companies which were adversely impacted by this move, the portfolio underperformed the market for the year. The fund managers are confident they took the right decision to maintain these investments in the expectation they will bounce back strongly with the inevitable fall in interest rates.

Financial Results

Overall income decreased from £3,210k to £3,049k (2022: decreased from £3,602k to £3,210k). Expenditure in total increased slightly from £3,700k to £3,760k. Declining income continues to be a significant issue, we had hoped that confidence might start to return to our existing and potential new students, but instead cost of living concerns continued to only exacerbate these creating even more uncertainty and increasing the chances of students interrupting or dropping out. Realistically there is a strong chance this will continue for at least a few more years so actions are being taken to address the financial viability of existing programmes and introduce new ones which should attract more new students. This investment in two new programmes one undergraduate and one postgraduate, requires a one off upfront investment in new programme leaders and module writing costs, which partially explains why the costs for the year actually increased rather than being reduced to try and offset the reduction in income. The final result for the year was an operational loss of £712k (2022: operational loss of £490k).

Investment values also suffered as a result of the market uncertainties. The overall loss for the year was £0.7m (2022: losses of £1.4m). The falling investment values also impacted the School's Defined Benefit Pension Scheme, but an increase in the discount rate (based on the yields of long dated high quality corporate bonds) from 4.2% to 5.3% as part of the actuarial assumptions for the FRS 102 year end valuation, reduced the predicted liabilities of the scheme by a greater amount than the investment losses, leading to the pension fund surplus actually increasing from £770k to £1,183k. With the scheme now well in surplus, the pension trustees have suggested the scheme should be prepared for a buy-out by an insurance scheme as soon as practically possible. Since the costs associated with this would be in the region of £200k the current surplus value has been reduced by this amount.

The School's funds have been applied for the purpose of the principal activity.

Future plans

The delivery of a first class education to our students continues to be our principal aim. We are acutely aware that the ongoing cost of living challenges, will present our students with additional pressures and uncertainties in the next few years and deter many potential students from applying. We are determined to increase the level of support we have in place for our students to monitor their progress and well-being and work with our lecturers, tutor group leaders and support staff to monitor any concerns they observe, so these can be quickly followed up by our excellent pastoral and registry teams. We are also focused on continuing to implement our five year strategic plan which we are confident will help us address many of the challenges we and other similar colleges in our sector are currently facing.

Independent Auditors

A resolution was made at the AGM in 2023 to reappoint Haysmacintyre LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2024.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:

Mr Steve Hughes
Chairman
31st January 2024

Year ended 31 August 2023

Independent Report of the Auditor's to the Members and Trustees of London School of Theology

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Matters on which we are required to report in respect of the Office for Students

In our opinion, in all material respects:

- funds administered by the charitable company for specific purposes during the year ended 31 August 2023 as disclosed in Note 3, have been applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students have been applied in accordance with the terms and conditions attached to them during the year ended 31 August 2023; and

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report where:

- grant and fee income, as disclosed in the note 3 to the accounts, has been materially misstated; and expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Year ended 31 August 2023

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the risk of improper revenue recognition in relation to donations, grants and trading income and the risk of management override of controls. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the useful lives of fixed assets, valuation of the pension scheme asset and the bad debts provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Harper (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

2nd February 2024

Statement of Financial Activities

Year ended 31 August 2023

		Unrestricted Funds	Restricted Funds	Endowment	Total 2023	Total 2022
		£	£	£	£	£
	Notes					
Income From						
Donations, grants and legacies		140,785	61,920	-	202,705	319,789
Charitable activities						
Education	3	2,413,672	-	-	2,413,672	2,533,503
Investments		222,868	51,425	-	274,293	250,353
Trading income		116,598	-	-	116,598	72,246
Other income		41,473	-	-	41,473	33,720
Total Income		2,935,396	113,345	-	3,048,741	3,209,611
Expenditure On						
Raising Funds						
Investment manager fee		38,896	-	1,477	40,373	44,544
Trading expenses		51,363	-	-	51,363	50,133
Fundraising costs		60,296	-	-	60,296	58,205
Charitable activities						
Education		3,461,705	108,950	-	3,570,655	3,509,925
Conferences		37,662	-	-	37,662	36,894
Total Expenditure	4	3,649,922	108,950	1,477	3,760,349	3,699,701
Net expenditure before investment gains/(losses)		(714,526)	4,395	(1,477)	(711,608)	(490,090)
Investment losses		(606,582)	(116,723)	(20,607)	(743,912)	(1,427,885)
Net expenditure		(1,321,108)	(112,328)	(22,084)	(1,455,520)	(1,917,975)
Defined benefit pension scheme gains		213,000	-	-	213,000	343,000
Net movement in funds		(1,108,108)	(112,328)	(22,084)	(1,242,520)	(1,574,975)
Balance brought forward at 1 September 2022		9,670,602	1,898,159	256,812	11,825,573	13,400,548
Balance carried forward at 31 August 2023		8,562,494	1,785,831	234,728	10,583,053	11,825,573

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above. No separate income and expenditure account has been prepared on the basis that the difference between the net result for the year as shown above and profit/(loss) as per Companies Act 2006 is shown separately in the endowment column of the Statement of Financial Activities.

Balance Sheet

As at 31 August 2023

		2023		2022	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	1,614,790		1,723,723	
Investments	8	<u>7,377,889</u>		<u>8,671,508</u>	
			8,992,679		10,395,231
Current Assets					
Stocks	9	31,629		21,733	
Debtors	10	237,363		172,380	
Cash at bank and in hand		<u>832,554</u>		<u>942,822</u>	
		1,101,546		1,136,935	
Current Liabilities					
Creditors: within one year	11.1	<u>(441,322)</u>		<u>(476,593)</u>	
Net Current Assets			660,224		660,342
Total assets less current liabilities			9,652,903		11,055,573
Creditors: after more than one year	11.2		(52,850)		-
Pension scheme asset			<u>983,000</u>		<u>770,000</u>
Net Assets including Pension Scheme assets			<u>10,583,053</u>		<u>11,825,573</u>
Funds					
Unrestricted	12.2,13	7,579,494		8,900,602	
Restricted	12.3,13	1,785,831		1,898,159	
Endowment	12.1,13	<u>234,728</u>		<u>256,812</u>	
Funds (excluding pension scheme reserve)			9,600,053		11,055,573
Unrestricted pension reserve			<u>983,000</u>		<u>770,000</u>
			<u>10,583,053</u>		<u>11,825,573</u>

The financial statements were approved and authorised for issue by the Board on 31st January 2024 and were signed on its behalf by:

Mr Steve Hughes
(Chairman)

Revd Prof Mark Cartledge
(Principal)

Cash Flow Statement

Year ended 31 August 2023

	2023		2022	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net outgoing resources for the year		(711,608)		(490,090)
Depreciation charged	208,898		203,653	
Increase in stocks	(9,896)		(1,844)	
Increase in debtors	(64,983)		(15,507)	
Decrease in creditors	(52,887)		(68,030)	
Less investment income	(274,294)		(250,353)	
		(193,162)		(132,081)
Net cash flow from operating activities		(904,770)		(622,171)
Investing activities				
Investment income	274,294		250,353	
Additions to investments	(1,497,156)		(2,667,100)	
Withdrawals from investments	500,000		-	
Sale of investments	1,546,864		2,719,778	
Purchase of tangible fixed assets	(99,966)		(21,594)	
		724,036		281,437
Financing activities				
Loan for asset purchases		70,466		-
Decrease in cash in the year		(110,268)		(340,734)
Cash and cash equivalents at the beginning of the year		942,822		1,283,556
Cash and cash equivalents at the end of the year		832,554		942,822
Cash and cash equivalents (net funds) comprise:				
Cash at bank		832,554		942,822
		832,554		942,822

Notes to the Financial Statements

Year ended 31 August 2023

1. Company Status

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 9.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities SORP 2015 (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The accounts have also been prepared in accordance with the requirements of the Accounts Direction issued by the Office for Students.

London School of Theology meets the definition of a public benefit entity under FRS 102.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) *Basis of accounting*

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) *Fees and similar income*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) *Legacies*

Legacies receivables are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

(d) *Donations and Fund accounting*

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

(e) *Expenditure*

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year.

Raising Funds

Fund-raising trading costs – 2%

Charitable activities

Education – 94%

Conferences – 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income – 2%

Fund-raising trading costs – 0%

Charitable activities

Education – 96%

Conferences – 2%

(f) *Recognition of liabilities*

Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 16. Constructive obligations under pension arrangements are also recognised as liabilities.

(g) *Grants and bursaries*

Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.

(h) *Investments and investment income*

Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.

(i) *Interest receivable*

The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds' holdings at the balance sheet date and transferred to the individual special funds as income in that year.

Year ended 31 August 2023

2. Accounting Policies (continued)

(j) *Tangible fixed assets*

All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%	Equipment	20% – 25%
Buildings	2%	Computers	33%
Fixture and fittings	10%		

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

(k) *Stock*

Stocks of catering and other supplies are valued at the lower of cost and net realisable value.

(i) *Exchange gains and losses*

Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.

(m) *Operating leases*

Operating lease premiums are spread on a straight-line basis over the lease term.

(n) *Pension costs*

Defined Benefit Scheme

Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.

(o) *Critical sources of estimation uncertainty and accounting judgements*

The preparation of the organisation's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The governors consider the key sources of estimation uncertainty and judgement to be: the useful lives of fixed assets, valuation of the pension scheme asset/(liability) and the bad debts provision.

3. Grant and Fee Income

	2023 £	2022 £
Grant income from the Office for Students	51,216	51,500
Fee income from taught awards	1,796,761	1,953,290
Fee income from non-qualifying courses	8,285	6,428
Other Educational and related income	557,410	522,285
	<u>2,413,672</u>	<u>2,533,503</u>

4. Expenditure

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2023			
Direct costs	45,058	508,439	553,497
Staff costs	92,970	2,249,128	2,342,098
Depreciation	4,178	204,721	208,899
Bursaries and prizes	-	108,950	108,950
Support and governance costs	9,826	537,079	546,905
	<u>152,032</u>	<u>3,608,317</u>	<u>3,760,349</u>

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2022			
Direct costs	54,739	559,054	613,793
Staff costs	85,102	2,125,937	2,211,039
Depreciation	4,073	199,580	203,653
Bursaries and prizes	-	140,319	140,319
Support and governance costs	8,968	521,929	530,897
	<u>152,882</u>	<u>3,546,819</u>	<u>3,699,701</u>

Included in expenditure are the following:

The auditor's remuneration during the year amounted to £15,950 for audit services (2022: £13,300) and £nil for other services (2022: £nil).

Hire of plant (operating leases) which amounted to £7,814 (2022: £7,814).

Year ended 31 August 2023

5. Staff Costs

	2023 £	2022 £
Wages and salaries	2,013,952	1,864,317
Social security costs	171,010	171,492
Pension contributions	121,424	110,255
Other pension costs	35,712	64,975
Termination payments	-	-
	<u>2,342,098</u>	<u>2,211,039</u>

No members of the London School of Theology, who are trustees and directors for the purposes of the Companies Act received any remuneration for their services during the year (2022: 0). Two trustees (2022: 1) received reimbursement of their travel expenses totalling £220 (2022: £206) during the year. There were no other related party transactions during the year.

The average number of employees by function was:	2023 No.	2022 No.
Education	72	69
Fund-raising and publicity	3	3
Ancillary to main function of education	2	2
	<u>77</u>	<u>74</u>

One employee earned between £70,000 and £80,000 and 2 employees between £60,000 and £70,000 during the year, no other employees earned more than £60,000 (2022: one employee earned between £70,000 and £80,000 and 2 employees between £60,000 and £70,000). Key management personnel remuneration for the period (salaries, taxable benefits and employers pension contributions) totalled £318,000 (2022: £302,000).

Mark Cartledge was principal for the year. He was paid £79k plus pension contributions (2022: £76k plus pension contributions). The principal's base salary and gross salary including pension contributions are 2.4 times (2022: 2.3 times) the median pay of all other employees (on an FTE basis).

When making changes to the salaries of senior staff, the School takes account of:

- Sustained performance and contribution during the preceding year(s).
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff
- The overall affordability of any proposed increases to senior salaries, taking account both of the School's financial performance and the need to offer salaries that compare favourably with competitor institutions.

The School will review and moderate the pattern of increases across its senior staff in order to ensure fairness and consistency.

Specifically regarding the principal's remuneration, this is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process.

The current level of remuneration at 2.4 (2022: 2.3) times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently the implementation of the School's new five year strategic plan.

6. Access and Participation

	2023		2022	
	Actuals £	Per Plan £	Actuals £	Per Plan £
Access investment	68,099	41,000	70,030	55,000
Financial support	33,860	35,000	84,383	156,000
Research and evaluation	29,421	15,000	24,166	12,500
	131,380	91,000	178,579	223,500
Staff costs included in the above	57,182		58,445	

The School's Access and Participation Plan can be found at:

<https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2226/>

[LondonSchoolofTheology_APP_2022-23_V1_10004075.pdf](#)

7. Fixed Assets

	Freehold and leasehold property £	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2022	1,287,768	3,676	2,374,827	3,666,271
Additions	-	-	99,965	99,965
At 31 August 2023	1,287,768	3,676	2,474,792	3,766,236
Depreciation				
At 1 September 2022	433,341	3,676	1,505,531	1,942,548
Charge for the year	20,719	-	188,179	208,898
At 31 August 2023	454,060	3,676	1,693,710	2,151,446
Net Book Value				
At 31 August 2023	833,708	-	781,082	1,614,790
At 31 August 2022	854,427	-	869,296	1,723,723

8. Fixed Assets Investments

	2023 £	2022 £
Market value at 1 September 2022	8,671,508	10,152,071
Additional investments purchased	1,497,156	2,667,100
Disposals at market value	(1,546,864)	(2,719,778)
Withdrawals	(500,000)	-
Revaluation in the year	(743,911)	(1,427,885)
Market value at 31 August 2023	7,377,889	8,671,508
Cost of investments	7,147,720	7,276,421

The School's investments comprise a mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2023 of £7,377,889.

Year ended 31 August 2023

9. Stocks

	2023 £	2022 £
Catering and other sundry stocks	31,629	21,733

10. Debtors

	2023 £	2022 £
Fee debtors	72,363	52,402
Other debtors	13,070	1,671
Prepayments	151,930	118,307
	<u>237,363</u>	<u>172,380</u>

11. Creditors**11.1 Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	75,153	72,970
Deferred income – payments received on account	116,113	127,299
Social security costs	42,798	44,935
Pension scheme contributions	16,150	16,270
Other creditors	47,093	34,693
Accruals	144,015	180,426
	<u>441,322</u>	<u>476,593</u>

Deferred income comprises:

	Balance at 1 September 2022	Receipts in the year	Credited to income in the year	Balance at 31 August 2023
Fees in advance	108,517	61,992	(67,224)	103,285
Open learning fees	18,782	12,828	(18,782)	12,828
	<u>127,299</u>	<u>74,820</u>	<u>(86,006)</u>	<u>116,113</u>

11.2 Amounts falling after one year

	2023 £	2022 £
Capital payments on loan for solar panels	52,850	–

During the year the School installed 142 solar panels on its roof which it funded with a loan from one of its trustees. The loan is repayable in 4 equal instalments of £17,616 on the 5th May commissioning anniversary, the first payment being due in May 2024.

12. General and Special Funds

12.1 Endowment Funds

	Balance at 1 September 2022	Income	Gains/(Losses)	Balance at 31 August 2023
	£	£	£	£
Montague Goodman Bursary	104,117	(599)	(8,354)	95,164
Jomac Hennell Bursary	33,452	(192)	(2,684)	30,576
Sir John Laing Memorial	104,505	(601)	(8,386)	95,518
Sir John Laing Lecture	14,738	(85)	(1,183)	13,470
	<u>256,812</u>	<u>(1,477)</u>	<u>(20,607)</u>	<u>234,728</u>

	Balance at 1 September 2021	Income	Gains/(Losses)	Balance at 31 August 2022
	£	£	£	£
Montague Goodman Bursary	117,072	(394)	(12,561)	104,117
Jomac Hennell Bursary	37,615	(127)	(4,036)	33,452
Sir John Laing Memorial	117,509	(396)	(12,608)	104,505
Sir John Laing Lecture	16,572	(56)	(1,778)	14,738
	<u>288,768</u>	<u>(973)</u>	<u>(30,983)</u>	<u>256,812</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

12.2 Unrestricted Funds

	Balance at 1 September 2022	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2023
	£	£	£	£	£
General fund	2,418,501	2,935,396	(3,649,922)	-	1,703,975
Designated fund	6,482,101	-	-	(606,582)	5,875,519
Pensions reserve	770,000	-	-	213,000	983,000
	<u>9,670,602</u>	<u>2,935,396</u>	<u>(3,649,922)</u>	<u>(393,582)</u>	<u>8,562,494</u>

	Balance at 1 September 2021	Income	Expenditure/ Fund transfers	Gains	Balance at 31 August 2022
	£	£	£	£	£
General fund	2,974,154	3,002,756	(3,558,409)	-	2,418,501
Designated fund	7,703,503	-	-	(1,221,402)	6,482,101
Pensions reserve	427,000	-	-	343,000	770,000
	<u>11,104,657</u>	<u>3,002,756</u>	<u>(3,558,409)</u>	<u>(878,402)</u>	<u>9,670,602</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

Year ended 31 August 2023

12. General and Special Funds (continued)**12.3 Restricted Funds**

	Balance at 1 September 2022	Income	Expenditure	(Losses)	Balance at 31 August 2023	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	524,686	13,885	(2,251)	(36,789)	499,531	For student bursaries
Student Grant Bursary	903,313	21,996	(3,057)	(63,336)	858,916	For student bursaries
Graham Scholarship	149,920	3,964	(643)	(10,512)	142,729	For student bursaries
Mary Fisher Memorial	36,345	1,068	(157)	(2,548)	34,708	For student bursaries
L Smid-Walker bursary	1,074	1,019	-	-	2,093	For international bursaries
Laing Scholarship	3,000	12,000	(10,350)	-	4,650	For research student scholarship
Student Wives Bursary	47,888	1,459	(237)	(3,358)	45,752	For study support for Students' spouses
Music and Worship Bursary	9,378	6,199	(6,066)	-	9,511	For bursaries to music and worship students
Students in Need Fund	21,892	19,892	(16,143)	-	25,641	For students in need
Reading Prize Fund	(100)	-	(100)	-	(200)	For annual prizes
Sir Eric Richardson Prize	130	10	(102)	(9)	29	For annual prizes
Griffiths Prize	2,442	72	(112)	(171)	2,231	For annual prizes
Faculty Hardship Fund	958	-	(958)	-	-	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	641	-	(222)	-	419	For the purchase of books
Beacon Trust	10,282	-	(6,915)	-	3,367	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	1,091	1,000	-	-	2,091	For School development projects
Alumni Fund	16,783	1,388	(4,933)	-	13,238	For alumni events and bursaries
Hebrew Prize	620	-	(100)	-	520	For high attainment in Hebrew language studies
W Atkinson Prize	900	-	-	-	900	For taught Masters
ECLAS Science for Seminaries	39,436	-	(27,811)	-	11,625	For the advancement of science-engaged theology
BFBS	20,910	1,050	(10,083)	-	11,877	For research fellow
Other restricted funds	30,158	19,371	(18,710)	-	30,819	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	25,744	3,030	-	-	28,774	For student bursaries
Jomac Hennell Bursary	10,233	972	-	-	11,205	For student bursaries
Sir John Laing Memorial	27,121	3,040	-	-	30,161	For student bursaries
Sir John Laing Lecture	(1,370)	1,930	-	-	560	For the annual memorial lecture
Total	1,898,159	113,345	(108,950)	(116,723)	1,785,831	

12.3 Restricted Funds

	Balance at 1 September 2021	Income	Expenditure	(Losses)	Balance at 31 August 2022	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	568,109	11,830	-	(55,253)	524,686	For student bursaries
Student Grant Bursary	979,920	18,698	-	(95,305)	903,313	For student bursaries
Graham Scholarship	162,330	3,378	-	(15,788)	149,920	For student bursaries
Mary Fisher Memorial	39,458	825	(100)	(3,838)	36,345	For student bursaries
L Smid-Walker bursary	-	16,312	(15,238)	-	1,074	For international bursaries
Laing Scholarship	1,582	12,000	(10,582)	-	3,000	For research student scholarship
Student Wives Bursary	51,670	1,243	-	(5,025)	47,888	For study support for Students' spouses
Music and Worship Bursary	1,058	8,320	-	-	9,378	For bursaries to music and worship students
Students in Need Fund	21,559	19,274	(18,941)	-	21,892	For students in need
Reading Prize Fund	-	-	(100)	-	(100)	For annual prizes
Sir Eric Richardson Prize	245	9	(100)	(24)	130	For annual prizes
Griffiths Prize	2,748	61	(100)	(267)	2,442	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	558	758	(675)	-	641	For the purchase of books
Beacon Trust	8,102	3,000	(820)	-	10,282	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,091	-	-	1,091	For School development projects
Alumni Fund	17,920	3,135	(4,272)	-	16,783	For alumni events and bursaries
Hebrew Prize	520	100	-	-	620	For high attainment in Hebrew language studies
W Atkinson Prize	-	1,000	(100)	-	900	For taught Masters
ECLAS Science for Seminaries	55,914	50	(16,528)	-	39,436	For the advancement of science-engaged theology
BFBS	-	67,073	(46,163)	-	20,910	For research fellow
Other restricted funds	24,492	32,266	(26,600)	-	30,158	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	23,164	2,580	-	-	25,744	For student bursaries
Jomac Hennell Bursary	9,404	829	-	-	10,233	For student bursaries
Sir John Laing Memorial	24,531	2,590	-	-	27,121	For student bursaries
Sir John Laing Lecture	(1,803)	433	-	-	(1,370)	For the annual memorial lecture
Total	2,007,123	206,855	(140,319)	(175,500)	1,898,159	

Year ended 31 August 2023

13. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2023				
Represented by:				
Tangible fixed assets	1,614,790	-	-	1,614,790
Investments	5,813,583	1,329,578	234,728	7,377,889
Current assets	645,293	456,253	-	1,101,546
Current liabilities	(441,322)	-	-	(441,322)
Creditors due after one year	(52,850)	-	-	(52,850)
	7,579,494	1,785,831	234,728	9,600,053
Pension Scheme assets	983,000	-	-	983,000
	8,562,494	1,785,831	234,728	10,583,053

14. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities.

15. Pension Commitments

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme ("the Defined Benefit Scheme"), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £121,424 (2022: £110,255). At 31st August there were £16,150 of outstanding contributions (2022: £16,270) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2022: nil) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2023 £000's	2022 £000's
Scheme assets at year end	4,840	5,183
Present value of funded obligations obligation	(3,657)	(4,413)
	1,183	770
Provision for costs of potential buyout of scheme	(200)	-
	983	770
Actuarial (gains) / losses comprise:		
Loss on scheme assets in excess of interest	264	1,136
Gain from change in assumptions	(541)	(1,653)
Experience (gains) / losses on liabilities	(103)	181
	(380)	(336)
Analysis of amounts charged to activity costs categories:		
	2023 £000's	2022 £000's
Bank and other interest / (other finance charges)		
Interest on scheme assets	(212)	(99)
Interest on liabilities	179	92
	(33)	(7)
Change in scheme liabilities		
Beginning balance	(4,413)	(6,070)
Interest cost	(179)	(92)
Gains from changes in actuarial assumptions	541	1,653
Experience gains / (losses) on liabilities	103	(181)
Benefits paid	291	277
Closing balance	(3,657)	(4,413)
Change in scheme assets		
Beginning balance	5,183	6,497
Interest on scheme assets	212	99
Return on assets less interest	(264)	(1,136)
Contributions by employer	-	-
Benefits paid	(291)	(277)
Closing balance	4,840	5,183

Year ended 31 August 2023

15. Pension Commitments (continued)

The value of scheme's assets currently exceeds the FRS valuation of the scheme's liabilities by £1.1m. A recommendation has been made by the pension trustees that plans be put in place to move towards a complete buyout of the scheme's liabilities by an insurance company within the next three to five years. At the point this happens, any excess funds would be returned to LST and on this basis the current surplus is recorded as an asset in the accounts. Since there will be quite significant costs associated with this buy out and there are only a limited number of insurance companies that might be interested in bidding for them, which may increase the cost they quote to purchase them, the current recognised surplus has been reduced by an amount of £200k so the balance more accurately reflects the potential recoverable amount.

	31 August 2023		31 August 2022	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	41%	1,988	45%	2,313
Bonds and cash	59%	2,852	55%	2,870
Total assets at end of year		4,840		5,183
			2023	2022
			£000s	£000s
Actual return on scheme assets			(52)	(1,037)

The value of the Scheme's liabilities has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2021, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

Actual assumptions used:	2023 %	2022 %
Discount rate	5.3%	4.2%
Rate of increase in pensions in payment (RPI max 5%)	3.3%	3.8%
Rate of increase in pensions in payment (RPI max 3%)	2.55%	2.9%
Rate of RPI price inflation	3.4%	3.9%
Rate of CPI price inflation	2.4%	2.9%
Post – retirement mortality	110% S3PMA/ 105% S3PFA CMI 2020 [1%]	110% S3PMA/ 105% S3PFA CMI 2020 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£36k increase
Increase of 0.1% in inflation assumption	£18k increase
Increase in long-term mortality projection of 1.5%	£43k increase

16. Leasing Commitments

At 31 August 2023, the School was committed to making the minimum lease payments in respect of hire of machinery:

Operating leases which expire:	2023 £	2022 £
Within 1 year	7,814	7,814
Within 2 to 5 years	1,954	9,768
	<u>9,768</u>	<u>17,582</u>

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2022 £
Income From				
Donations and legacies	155,411	164,378	-	319,789
Charitable activities				
Education	2,533,503	-	-	2,533,503
Investments	207,876	42,477	-	250,353
Trading income	72,246	-	-	72,246
Other income	<u>33,720</u>	<u>-</u>	<u>-</u>	<u>33,720</u>
Total Income	<u>3,002,756</u>	<u>206,855</u>	<u>-</u>	<u>3,209,611</u>
Expenditure On				
Raising Funds				
Investment manager fee	43,571	-	973	44,544
Trading expenses	50,133	-	-	50,133
Fundraising costs	58,205	-	-	58,205
Charitable activities				
Education	3,369,606	140,319	-	3,509,925
Conferences	<u>36,894</u>	<u>-</u>	<u>-</u>	<u>36,894</u>
Total Expenditure	<u>3,558,409</u>	<u>140,319</u>	<u>973</u>	<u>3,699,701</u>
Net expenditure before transfers	(555,653)	66,536	(973)	(490,090)
Investment losses	<u>(1,221,402)</u>	<u>(175,500)</u>	<u>(30,983)</u>	<u>(1,427,885)</u>
Net expenditure	<u>(1,777,055)</u>	<u>(108,964)</u>	<u>(31,956)</u>	<u>(1,917,975)</u>
Defined benefit pension scheme gains	<u>343,000</u>	<u>-</u>	<u>-</u>	<u>343,000</u>
Net movement in funds	<u>(1,434,055)</u>	<u>(108,964)</u>	<u>(31,956)</u>	<u>(1,574,975)</u>
Balance brought forward at 1 September 2021	<u>11,104,657</u>	<u>2,007,123</u>	<u>288,768</u>	<u>13,400,548</u>
Balance carried forward at 31 August 2022	<u>9,670,602</u>	<u>1,898,159</u>	<u>256,812</u>	<u>11,825,573</u>



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Accounts



London School of Theology

Report and Financial Accounts

2022

Company Registered No: 381332

Registered Charity No: 312778

Year ended 31 August 2022



Introduction from the Principal

Welcome



It is a pleasure to write this introduction as I come to the end of my third year as Principal of London School of Theology. It is a privilege to serve in this capacity and, despite the challenges of recent years, I see many positive signs of LST continuing to fulfil the original vision of our founders.

It has been good to begin to move past the serious challenges of the Covid-19 pandemic and as an institution we have done very well overall. Sadly, the pandemic brought a 'sting in the tail' with lower student recruitment this year, despite valiant efforts by many of our staff and faculty, especially our Engagement Team. The impact of the cost-of-living crisis continues to be seen and, no doubt, will be with us for the foreseeable future. Despite these challenges, our students enjoy their time with us, produce some outstanding pieces of academic work, and contribute to the Christian community both on campus and online. LST remains a fun place to study theology in the context of a vibrant evangelical spirituality.

We enjoyed a stimulating research conference in April, which again picked up the theme of creation care under the auspices of the Science for Seminaries project. Our graduation in July was truly wonderful, with Emmanuel Church packed with the joyful families and friends of our graduates. In partnership with the British and Foreign Bible Society we hosted a symposium on 'Christianity and the Chinese community in Britain' in October. We also held our annual Laing lecture in November, which was delivered by Dr Monique Ingalls, an ethnomusicologist from Baylor University, on the subject of congregational praise and worship. Recently we enjoyed a Christmas Concert again, which was wonderful and reminded us of what we had missed during the Covid-19 pandemic.

This year marked the end of a re-envisioning process that had begun in September 2020 at an Executive Team away day, involved various consultation events and discussions throughout 2021 and culminating in various drafts of a strategic plan presented to the Board of Trustees in January and April 2022 and finally signed off at the June 2022 meeting. I am grateful for everyone who has contributed to this very positive process. The result was a detailed strategic plan and an accessible two-page summary.

The new vision of LST is *forming disciples, resourcing churches, impacting society*. We form disciples of Jesus Christ and resource the ministry of churches, impacting society by means of our witness to the good news of the Kingdom of God. We do this by providing theological and interdisciplinary education in Christian community. We are unique in British Higher Education by being a residential college in London that provides research and practice-led teaching in an interdenominational and evangelical context.

The London School of Theology continues to educate individuals, equip local churches and engage in leading research.



OUR KEY FIVE-YEAR OBJECTIVES INCLUDE:

- Coming together as a community around our renewed vision and values
- Continuing to improve our student experience
- Launching a new BA in Theology and Liberal Arts and a new MA in Ministry Studies
- Applying for UCAS membership
- Strengthening existing church networks and establish new ones
- Establishing a research centre
- Increasing student diversity by widening access to study
- Establishing new partnerships in the UK and worldwide
- Achieving positive environmental impact in major estate developments
- Right-sizing institutional resources and implementing an enhanced organisational structure

Please do visit our website to read our two-page vision and strategy summary and to watch a short video (<https://lst.ac.uk>). May I invite you contact us to discuss our vision and strategy and how you might help us to enable it to become a reality.

I am extremely grateful to all of my colleagues, trustees, executive team members, faculty and staff. We serve a wonderful community of students, and it is a privilege to do so. I am particularly grateful to the Revd Kate Douglas who will be stepping down as Academic Secretary and Director of Academic Services at the end of 2022. Kate has been an extraordinary colleague and we shall miss her on the Executive Team. Kate will be succeeded in the role by our registrar, Dr Shivanthi Manickasingham. I am delighted with this appointment.

Finally, I continue to hold the LST motto before me in the work that I do, 'Set your mind on things above' (Col 3.2). In all things we fix our spiritual gaze on the ascended Christ, seated at the right hand of the Father. To him be glory in the church, the academy and the world, now and for evermore.



The Revd Professor
Mark J. Cartledge
Principal

2021 – 2022

At A Glance

Income & Expenditure 2021-22

Year ended 31 August

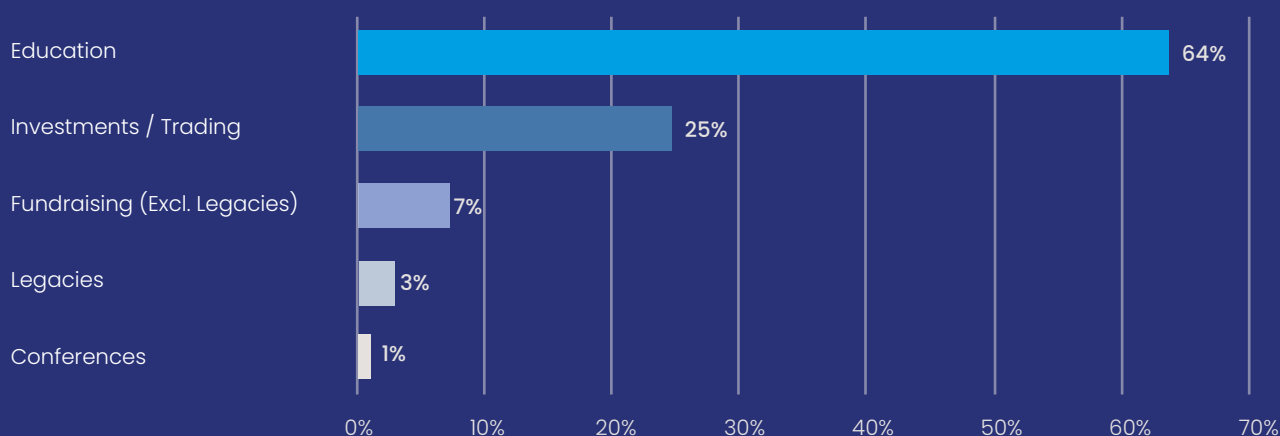
	2022 £'000	2021 £'000
Income	3,210	3,602
Expenditure	(3,700)	(3,757)
Net (loss)	(490)	(155)
Investment gains / (losses)	(1,428)	1,607
Pension scheme gains / (losses)	343	928
Net movement in funds	(1,575)	2,380

Balance Sheet 2021-22

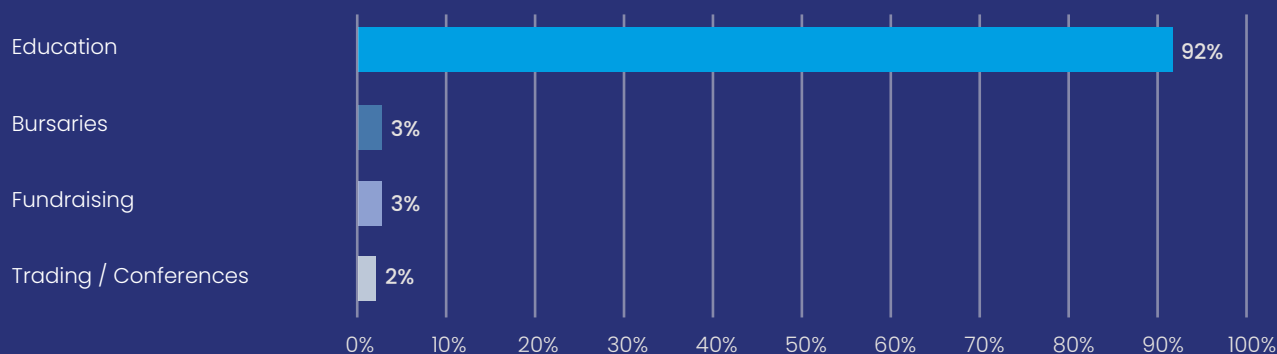
Balance at 31 August

	2022 £'000	2021 £'000
Tangible assets	1,724	1,906
Investments	8,671	10,152
Net current assets	660	915
	11,055	12,973
Pension scheme asset / (liability)	770	427
Net assets	11,825	13,400

Our Income 2021-22



Our Expenditure 2021-22





2021 – 2022

What We Achieved

London School of Theology graduated 61 undergraduate level qualifications

London School of Theology graduated 61 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theology & Counselling, Theology & Music, and Theology, Music & Worship.

London School of Theology's undergraduate programmes bring the opportunity to study the Bible in greater depth, with world-class scholars. We have three Levels, across four programmes designed to train those looking to learn more about their faith.

London School of Theology graduated 19 postgraduate qualifications

London School of Theology graduated 19 postgraduate students across the MA in Aspects & Implications of Biblical Interpretation, MA in Integrative Theology and MA in Theological Education programmes.

Postgraduate study at London School of Theology equips students with skills of understanding, discovery, depth and determination. When they graduate, students are equipped to teach others and make a positive difference in their lives. Their qualification opens up significant employment opportunities in academia, Christian leadership and the marketplace.

Each year the postgraduate students take up leadership roles all over the world. The majority of our graduates can be found teaching in churches, seminaries and university faculties around the world. As part of a larger network of over 400 students from all over the world, London School of Theology's postgraduate centre is a unique and exciting place to study.

London School of Theology graduated 12 research qualifications

London School of Theology graduated 12 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes.

The purpose of a research degree is to establish and demonstrate competence in a theological discipline via a thesis project. The discoveries made by research students contribute not only to their personal growth but also to the academy and the community they serve.

Those taking a research programme at London School of Theology are expected to demonstrate critical knowledge of their chosen field. Research degrees are not taught courses, although students may be asked to take a course of guided reading or attend relevant classes.

2021 – 2022

Plans for 2022 - 2023

The priority for the new academic year was again twofold. For new on-campus / blended students it was to integrate them into campus life. For returning students, it was to quickly assess their progress and ensure there was a clear pathway in place to progress to the next level.

For some this was immediate, but for others, who had chosen to defer assessments from one or both semesters, this could mean they were not able to progress for another year, until all of these assignments have been completed. The development of the new five-year strategy went through a few final iterations and was signed off by the board in June, having been approved the work to implement it has now started with the 2022/23 academic year being a year of preparation for change.

THE IMMEDIATE PRIORITIES SET FOR THE YEAR AHEAD HAVE BEEN AGREED AS FOLLOWS:

- Continue the implementation of the strategic plan.
- Manage the finances of the institution to get close to operational break-even and engage the staff and faculty in understanding how they can play a role in this.
- Implement actions to improve student NSS scores and to respond to staff and faculty surveys.
- Meet agreed student recruitment targets and improve student retention.

Student Life

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip Christians for life in the real world. More than ever, there is a need to train Christians to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and essentials such as food and travel. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance.

We are a resource for the local Church

London School of Theology continues to seek to equip churches in multiple ways: through public lectures and partnership in mission, including offering students for placements. Our faculty and staff teach and preach in churches across the country and around the world. We also make our wide range of seminar rooms, excellent catering and accommodation available at competitive rates to churches, charities and Christian organisations.

We have an Alumni Association across the world

London School of Theology is one of the largest, most diverse theological colleges in Europe, with over 7,500 alumni across 40 countries. As our alumni continue to make meaningful contributions to the Church worldwide, the Alumni Association helps to maintain valuable connections to the School, faculty and classmates, as well as provide them with appropriate resources. We are confident that our Alumni website <https://alumni.lst.ac.uk> will be instrumental in facilitating this still further.

2021 – 2022

What Our Students Say

In all my years of education I have never felt **so supported and loved** by a group of people; this **community at LST** really is like nothing I have ever experienced before.



Grace Callaghan



Although I am only in my second year of study at LST, I can say with absolute confidence that it has been one of the best experiences in my life so far. Even though to study God and scripture (and all the things it involves) is such a wonderful opportunity to have, my first year was daunting! However the support that the faculty offered during that first essay season, really encouraged me. In all my years of education I have never felt so supported and loved by a group of people; this community at LST really is like nothing I have ever experienced before.

Being surrounded by people that pray for you and with you, that come alongside you and sit with you in the lows but rejoice with you in the highs, is something I have always desired to have and studying at LST has given me that. Not only has it blessed me with so many great relationships, but studying here has also challenged me spiritually and emotionally. Over the past 15 months or so, I have grown and stretched in more ways than I anticipated when applying to come here. I have grown in knowledge, not just about theology but also grown in knowledge about myself and discovered things about my character and person, that I didn't know before.

I have grown in confidence in my ability to do the things God is calling me to do (like this degree) because I now recognise more than ever that He is always with me. And I have most definitely been tested in my patience during some really challenging moments. But most importantly my love for the Lord has grown, and for that I am so incredibly thankful for LST now, and I will continue to be for the rest of my time here and beyond.

What Our Students Say

Sandra Micklethwait



From the moment I came for an Open Day, I felt reassured that LST would be a safe place to come and study. This community proved to be just that. Academically, LST challenged me in many positive ways, opening my eyes to church history and theological thinkers that have influenced my faith today. Love for God and his Word shone through all of the lecturers, whose highly varied teaching styles brought added value to the learning experience.

Through my time at LST a love was nurtured for the biblical languages, as well as a deep respect for the biblical translators. One of the greatest gifts I received was the further development of my critical thinking and awareness. This has helped me to become aware of personal and cultural biases, and to understand why we do the things we do. This greater self-awareness was key for me in terms of character formation, as well as enabling me to minister more effectively to others. Overall, the LST community has a very special place in my heart. God used it to train and equip me, as well as to develop relationships with the lecturers, staff and students that have impacted me both during and after my course.



Patrick Aggrey-Fynn

I felt God was calling me to become a church minister about 20 years ago, I was not confident that I could fulfil this role. I never thought in a million years that I would have the opportunity to study Theology, but my passion to study did not go away but grew more intense. When I relocated from Ghana to the UK, I tried to pursue God's calling to study Theology but did not know which institution to enrol at. One day after a discussion with my Pastor about my passion for studying Theology, he recommended London School of Theology to me. Fast forward and I got accepted to study Theology. Studying at LST is a dream come true, and I have never regretted it.

LST has truly developed my critical thinking in my studies and my life. I have felt like a whole new world has opened to me, thanks to the selfless staff and dedicated faculty. I have never left lectures without being positively challenged about my Theological methods as a Christian. There are various modules which are all different yet intertwined with each other. LST cares about all their students, it's a place where no one is left behind, and I am a typical example of that. I have received tremendous support in my studies. Writing this testimony makes me think about the in-depth help and knowledge the College has given me, and I am humbled and grateful. To cut a long story short, I highly recommend London School of Theology to anyone who wants a life-changing experience and is looking for a great place to study.



Year ended 31 August 2022



Report and Financial Statements



Company Name	London School of Theology
Company Number	381332
Registered Charity Number	312778
Address of School and Registered Office	London School of Theology Green Lane, Northwood, HA6 2UW
Bankers	National Westminster Bank Plc 159 High Street, Rickmansworth, Herts, WD3 1AR
Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG
Solicitors	Pothecary Witham Weld 70 St George's Square, London, SW1V 3RD

Year ended 31 August 2022

Governors' Report

Introduction

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2022.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Governance and management of the charity

Trustees

The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Steve Hughes*	Chair of the Board	Chair of F&GP from 04/22
Mrs Margaret Doyle	Vice-Chair of the Board	
Prof Peter Oakes+	Chair of the AAC	
Mr Ian Thompson*	Chair of the F&GP	Until 03/22
Revd Johnny Douglas		
Canon Yemi Adediji		Until 10/21
Mr Paul Smith*		
Rt Revd Graham Cray		
Mrs Kate Meathrel		
Mrs Susan Stapleford*		Until 10/21
Revd Dr Jenni Williams+		
Ms Lydia Lee		From 01/22
Revd Alton Bell		From 06/22

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge	Principal	
Dr Cornelis Bennema *+	Academic Dean	Until 07/22
Rev Dr David Hilborn*+	Academic Dean	From 08/22
Revd Kate Douglas*+	Academic Secretary, Director of Academic Support	Until 12/22
Dr Shivanthi Manickasingham	Academic Secretary, Director of Academic Services	From 01/23
Mr Jonathan Mead*	Director of Finance and Administration Company Secretary	
Dr Graham McFarlane	Faculty Representative	Until 09/22
Dr Cornelis Bennema+	Faculty Representative	From 10/22
Rev Dr Chris Steed+	Faculty Representative	From 10/22
Ms Clare Miller	Staff Representative	Until 09/22

* Denotes member of the Finance and General Purposes Committee (F&GP).

+ Denotes member of the Academic Affairs Committee (AAC).

continued overleaf >>

Year ended 31 August 2022

Governance and management of the charity (continued)

Attendees and Representatives (continued)

Name	Position	Note
Mrs Ruth Dowsett	Staff Representative	Until 12/21
Mr Anir Karki	Staff Representative	From 10/22
Mrs Elizabeth Case	Staff Representative	From 10/22
Mr Jude King	Student Body President	Until 03/22
Miss Esther Watts	Student Body Female Vice-President	Until 03/22
Miss Rachel Walters	Student Body President	From 04/22
Mr Boaz Moody	Student Body Male Vice-President	From 04/22

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

The Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. The Charity arranges suitable training for all trustees includes regular safeguarding training. Trustees are also asked to access the Charity Commission's website on a regular basis. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Senior Employees

Serving as the School's Executive Team during the year 2021/22:

Revd Prof Mark Cartledge	Principal
Dr Cornelis Bennema	Academic Dean (until 07/22)
Rev Dr David Hilborn	Academic Dean (from 08/22)
Mr Jonathan Mead	Director of Finance and Administration
Revd Kate Douglas	Academic Secretary, Director of Academic Support

The arrangements for setting the remuneration of the senior employees are detailed in note 5.

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity' governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. In addition to the trustees, the members of the executive team and elected student, staff and faculty representatives also attend. The main operating sub-committees of the Board also meet three or four times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Steve Hughes and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (AAC) chaired by Prof. Peter Oakes. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://l1st.ac.uk/our-policies/>

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the OfS.

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 and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

THE KEY ELEMENTS OF THE SCHOOL'S SYSTEM OF INTERNAL CONTROL ARE AS FOLLOWS:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- Regular reviews of key performance indicators and financial results involving variance analysis reporting and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

Year ended 31 August 2022

Governance and management of the charity (continued)

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

WHEN YOU SUPPORT US, YOU CAN BE SURE OF THE FOLLOWING:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

These promises are also designed to protect vulnerable people, by ensuring we are not unreasonable or persistent or place undue pressure on any of our prospective donors.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics.

During the year we received a very small number of complaints about our fundraising activities, typically around the stated preferences of our recipients.

The purpose of the charity

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students.

All such activities are carried on in strict accordance with the School's Doctrinal Basis of Faith.

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School
- Provision of theological education to the wider community via our Faith Seeking Understanding programme
- Access to means-tested bursaries
- Access to means tested and subsidised Counselling through the REMA Counselling Service (www.remacounselling.org)
- The provision of free or subsidised access to the theological library facilities for academics, students and members of the local Christian Community

Year ended 31 August 2022

Strategic report

Aims, objectives and activities

Aims

To establish LST as an exemplar of engaged evangelical theological education in the UK.

WE ACHIEVE THESE AIMS BY PROVIDING:

- higher education degrees (BA Hons to PhD): interdisciplinary, intercultural and integrated
- high quality scholarship and research, especially in the relationship between church and society
- public events and conferences
- short courses and training for local churches and denominational networks
- strategic engagement on public issues with evangelical and ecumenical partners
- consultancy for churches, mission agencies and parachurch organisations

WE SEE OUR KEY VALUES AS BEING:

- Actively becoming Christ-like, developing godly character and virtues
- Being shaped by the canon of Scripture as the supreme authority for faith and life (the norming norm)
- Celebrating Christian community, exhibiting the gifts and fruit of the Holy Spirit in praise, prayer, sacrament, fellowship and service and embodying collegiality for the flourishing of LST
- Demonstrating a commitment to excellence in all that we do, whether academic or professional
- Enhancing church life and witness, through strong networks of evangelical and ecumenical partnerships
- Forging relationships within our own wider community and greater London for the sake of the common good
- Gathering students from diverse cultures and ecclesial traditions
- Helping to care for creation, including our own physical and environmental resources, moving towards a carbon neutral footprint

AND SOME OF OUR UNIQUE SELLING POINTS WOULD BE HAVING:

- The longest history of delivering degree qualifications from BA Hons to PhD in the Bible College and Theological College sector
- A very diverse student body, reflecting the cultural diversity of greater London as well as students from around the world
- Strong on-campus community having a vibrant spirituality (not all of our competitors are on-campus)
- Entirely online or blended BA Hons Theology degree options
- The 'and programmes': theology-based music and worship and counselling degrees
- Research degrees that compete with British Universities

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high-quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Key Objectives and Activities for 2021/22 were:

- Continue to manage our way through Covid and its impact
- Begin to implement the new five-year plan
- Meet agreed financial targets
- Take concrete steps to improve our NSS scores
- Address organisational resource management challenges
- Meet agreed recruitment targets

Measures of Success and Outcomes in 2021/22

- COVID continued to be a challenge with the emergence of the OMICRON strain in the autumn term, but with a robust approach to containment including isolation where necessary, we were able to keep its impact to a minimum. The assistance and cooperation of the community was critical to this and greatly appreciated.
- The five year strategic plan received board approval and the first year of preparing for change is well under way
- Nothing could have prepared us for the geopolitical events that unfolded in February this year and the resulting serious impact this had on financial markets and the cost of living. Despite this we worked hard to keep our costs below budget and keep the operating loss lower than the budgeted figure.
- NSS scores were again disappointing this year particularly for our counselling course, but concrete actions have already been taken which we are confident will start to generate a significant improvement.
- Addressing resource management challenges is very much part of the new strategic plan. The board approved the hire of a part time Strategic Delivery Partner for six months to kick start the implementation of the strategic plan and ensure all the key workstreams were successfully put in motion.
- Student recruitment proved challenging as prospective students simply did not want to commit until the very last moment. Numbers ended down on the previous year very much in line with similar Colleges in the sector.

Future Objectives and Activities for 2022/23

- Continue the implementation of the strategic plan.
- Manage the finances of the institution to get close to operational break-even and engage the staff and faculty in understanding how they can play a role in this.
- Implement actions to improve student NSS scores and to respond to staff and faculty surveys.
- Meet agreed student recruitment targets and improve student retention.

Year ended 31 August 2022

The operation of the Charity relationships and affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars, the European Evangelical Accrediting Agency and the British Association for Counselling and Psychotherapy (BACP).

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis. The key risks facing the School during the year were identified as **Covid** – the uncertainty this brings around educational delivery; **student recruitment, progression and retention** – shortcomings in this area impact our students study ambitions and have a multi-year impact on the finances of the School, **Staff recruitment** – we are not alone in seeing higher than normal levels of staff choosing to leave and then struggling to attract new employees to replace them; **compliance** – failure to meet all of the third-party requirements (Educational, GDPR and Health and Safety related). Actions to address these risks include for **Covid** closely monitoring our students well-being and academic progress and stepping in with additional support; **student retention and progression**, we have engaged the Academic Board to look at the issues impacting this and allocated additional budget to engage a third party specialist to advise us on how to better address the area and for **student recruitment** we have appointed a new admissions manager to oversee the end to end process from advertising, social media, conference attendance and open day events through to applications and the offering of places; for **staff recruitment** we are finding it difficult to match the salary expectations of potential new employees, so have had to resort to increasing the number of sites / publications where we place adverts and if necessary make use of head hunters to help us fill key roles; **compliance**, we have employed a more experienced Compliance and Reporting Officer and continue to develop the Student Information System so it can deliver more timely and accurate data.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations.

The Covid-19 pandemic had less of an impact on the running of the School than in the previous two academic years. The emergence of the OMICRON strain towards the end of the autumn term did result in cases increasing, more residential students having to isolate in the rooms and lectures having to be delivered in blended mode again and ultimately in the curtailment of some of the end of term activities such as the carol service. Its most significant impact was on the mental wellbeing of students with a much higher number than normal choosing to either defer the submission of their assignments or interrupt their studies. Where they chose to defer their submissions, this then had a knock on effect for later submissions in the year with many again being deferred, which led to a material number of students not then having sufficient credits completed before the commencement of the new academic year and so not being in a position to be able to enrol for their next level of study.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping with events, as well as running the student committee and acting as course representatives on academic committees.

Facilitating Access to Christian Theological Education

The Charity operates thirteen separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

The finances of the Charity

Whilst the physical impacts of Covid started to decline during the year, it had a sting in its tail financially. New students were reticent to sign up and a material number of existing students struggled in some way, which led to more interrupting, dropping out, having to retake the year or having too many modules to complete or retake which meant they could not progress. All of this impacted student numbers and resulted in a £300k plus drop in our fees.

Reserves

The total Unrestricted Funds amount to £8.9m (2021: £10.7m) before accounting for the pensions reserve surplus of £770k (2021: £427k). Included in these funds are £6.5m of designated income investments and functional fixed assets valued at £1.7m. Free reserves thus stand in surplus by £1.5m (2021: £1.5m).

This level of free reserve exceeds the 20% target of annual unrestricted Funds expenditure. This level of free reserves gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various restricted funds are set out in note 12.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the value of the School's fixed asset investments decreased by £1,481k to £8,672k (2021: increase of £1,558k). These investments are invested with JM Finn investment managers.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund manager JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy which is based largely on the Church of England policy, to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

Financial Results

Overall income decreased from £3,602k to £3,210k (2021: decreased from £3,628k to £3,602k). Expenditure in total decreased from £3,757k to £3,700k as actions were taken to try and compensate for the lower than expected income. Declining income continues to be a significant issue, we had hoped that with covid concerns starting to fade confidence might start to return to our existing and potential new students, but instead cost of living concerns have only exacerbated these, creating even more uncertainty and increasing the chances of students interrupting or dropping out. Realistically there is a strong chance this will continue for at least a few more years so it is imperative that actions are taken to address the financial viability of existing programmes and introduce new ones which might attract more new students. The final result for the year was an operational loss of £490k (2021: operational loss of £155k).

Investment values also suffered as a result of the global economic uncertainties more or less reversing the gains of the previous year. The overall losses for the year were £1.4m (2021: gains of £1.6m).

The falling investment values also impacted the School's Defined Benefit Pension Scheme, but an increase in the discount rate (based on the yields of long dated high quality corporate bonds) from 1.55% to 4.2% as part of the actuarial assumptions for the FRS 102 year end valuation, reduced the predicted liabilities of the scheme by a greater amount than the investment losses, leading to the pension fund surplus actually increasing from £427k to £770k.

The School's funds have been applied for the purpose of the principal activity.

Year ended 31 August 2022

Future plans

The delivery of a first class education to our students continues to be our principal aim. We are acutely aware that the tail end of the pandemic, a looming recession and significant cost of living challenges, will present our students with additional pressures and uncertainties in the next few years and deter many potential students from applying. We are determined to increase the level of support we have in place for our students to monitor their progress and well-being and work with our lecturers, tutor group leaders and support staff to monitor any concerns they observe, so these can be quickly followed up by our excellent pastoral and registry teams. We are also focused on implementing our new five year strategic plan which we are confident will help us address many of the challenges we and other similar colleges in our sector are currently facing.

Independent Auditors

A resolution was made at the AGM in 2022 to reappoint Haysmacintyre LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2023.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:

Mr Steve Hughes
Chairman
25th January 2023

Independent Report of the Auditor's to the Members and Trustees of London School of Theology

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

IN OUR OPINION, THE FINANCIAL STATEMENTS:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial

Year ended 31 August 2022

Other information (continued)

statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters prescribed by the Office for Students

We have nothing to report in respect of the following matters in relation to which the Office for Students ('OfS') requires us to report to you in Regulatory advice 9: Accounts direction if, in our opinion in all material respects:

- Where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Where applicable, funds provided by OfS, UK Research and Innovation (including Research England) the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions;
- The requirements of OfS's accounts direction have been met which would require us to report if:
 - The providers' grant and fee income, as disclosed in the financial statements, has not been materially misstated;
 - The providers' expenditure on access and participation activities for the financial year has not been materially misstated.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and the Higher Education SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to discount rate applied to interest free loans. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the useful lives of fixed assets, valuation of the pension scheme asset/(liability) and the bad debts provision.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG

27th January 2023

Statement of Financial Activities

Year ended 31 August 2022

		Unrestricted Funds	Restricted Funds	Endowment	Total 2022	Total 2021
		£	£	£	£	£
	Notes					
Income From						
Donations and legacies		155,411	164,378	-	319,789	383,042
Charitable activities						
Education	3	2,533,503	-	-	2,533,503	2,856,523
Investments		207,876	42,477	-	250,353	256,705
Trading income		72,246	-	-	72,246	43,855
Other income		33,720	-	-	33,720	62,240
Total Income		3,002,756	206,855	-	3,209,611	3,602,365
Expenditure On						
Raising Funds						
Investment manager fee		43,571	-	973	44,544	40,482
Trading expenses		50,133	-	-	50,133	48,773
Fundraising costs		58,205	-	-	58,205	59,871
Charitable activities						
Education		3,369,606	140,319	-	3,509,925	3,569,394
Conferences		36,894	-	-	36,894	38,389
Total Expenditure	4	3,558,409	140,319	973	3,699,701	3,756,909
Net expenditure before transfers		(555,653)	66,536	(973)	(490,090)	(154,544)
Investment gains/(losses)		(1,221,402)	(175,500)	(30,983)	(1,427,885)	1,606,722
Net income/ (expenditure)		(1,777,055)	(108,964)	(31,956)	(1,917,975)	1,452,178
Defined benefit pension scheme (losses)/gains		343,000	-	-	343,000	928,000
Net movement in funds		(1,434,055)	(108,964)	(31,956)	(1,574,975)	2,380,178
Balance brought forward at 1 September 2021		11,104,657	2,007,123	288,768	13,400,548	11,020,370
Balance carried forward at 31 August 2022		9,670,602	1,898,159	256,812	11,825,573	13,400,548

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above.

Balance Sheet

As at 31 August 2022

		2022		2021	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	1,723,723		1,905,782	
Investments	8	8,671,508		10,152,071	
			10,395,231		12,057,853
Current Assets					
Stocks	9	21,733		19,889	
Debtors	10	172,380		156,873	
Cash at bank and in hand		942,822		1,283,556	
		1,136,935		1,460,318	
Current Liabilities					
Creditors: within one year	11	(476,593)		(544,623)	
Net Current Assets			660,342		915,695
Total assets less current liabilities			11,055,573		12,973,548
Pension scheme asset			770,000		427,000
Net Assets including Pension Scheme assets			11,825,573		13,400,548
Funds					
Unrestricted	12, 13	8,900,602		10,677,657	
Restricted	12, 13	1,898,159		2,007,123	
Endowment	12, 13	256,812		288,768	
Funds (excluding pension scheme reserve)			11,055,573		12,973,548
Unrestricted pension reserve			770,000		427,000
			11,825,573		13,400,548

The financial statements were approved and authorised for issue by the Board on 25th January 2023 and were signed on its behalf by:

Mr Steve Hughes
(Chairman)

Revd Prof Mark Cartledge
(Principal)

Cash Flow Statement

Year ended 31 August 2022

	2022		2021	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net outgoing resources for the year		(490,090)		(154,544)
Depreciation charged	203,653		210,615	
Increase in stocks	(1,844)		(5,117)	
Increase in debtors	(15,507)		(1,915)	
Decrease in creditors	(68,030)		(101,239)	
Decrease in pension scheme reserve net of actuarial gains and losses	-		(511,000)	
Less investment income	(250,353)		(256,705)	
		(132,081)		(665,361)
Net cash flow from operating activities		(622,171)		(819,905)
Investing activities				
Investment income	250,353		256,705	
Additions to investments	(2,667,100)		(671,156)	
Sale of investments	2,719,778		719,734	
Purchase of tangible fixed assets	(21,594)		(45,313)	
		281,437		259,970
Decrease in cash in the year		(340,734)		(559,935)
Cash and cash equivalents at the beginning of the year		1,283,556		1,843,491
Cash and cash equivalents at the end of the year		942,822		1,283,556
Cash and cash equivalents comprise:				
Cash at bank		942,822		1,283,556
		942,822		1,283,556

Notes to the Financial Statements

Year ended 31 August 2022

1. Company Status

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 9.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

London School of Theology meets the definition of a public benefit entity under FRS 102. The comparative figures in these financial statements relate to the year ended 31 August 2021.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) Legacies

Legacies receivables are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

(d) Donations and Fund accounting

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

Year ended 31 August 2022

(e) *Expenditure*

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year.

Raising Funds

Fund-raising trading costs – 2%

Charitable activities

Education – 94%

Conferences – 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income – 2%

Fund-raising trading costs – 0%

Charitable activities

Education – 96%

Conferences – 2%

(f) *Recognition of liabilities*

Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 15. Constructive obligations under pension arrangements are also recognised as liabilities.

(g) *Grants and bursaries*

Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.

(h) *Investments and investment income*

Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.

(i) *Interest receivable*

The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds' holdings at the balance sheet date and transferred to the individual special funds as income in that year.

(j) Tangible fixed assets

All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%	Equipment	20% - 25%
Buildings	2%	Computers	33%
Fixture and fittings	10%		

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

(k) Stock

Stocks of catering and other supplies are valued at the lower of cost and net realisable value.

(i) Exchange gains and losses

Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.

(m) Operating leases

Operating lease premiums are spread on a straight-line basis over the lease term.

(n) Pension costs

Defined Benefit Scheme

Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.

(o) Critical sources of estimation uncertainty and accounting judgements

The preparation of the organisation's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The governors consider the following to be the key sources of estimation uncertainty and judgement - the useful lives of fixed assets, valuation of the pension scheme asset/(liability) and the bad debts provision.

Year ended 31 August 2022

3. Grant and Fee Income

	2022 £	2021 £
Grant income from the Office for Students	51,500	114,750
Fee income from taught awards	1,953,290	2,255,150
Fee income from non-qualifying courses	6,428	7,814
Other Educational and related income	522,285	478,809
	<u>2,533,503</u>	<u>2,856,523</u>

4. Expenditure

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2022			
Direct costs	54,739	559,054	613,793
Staff costs	85,102	2,125,937	2,211,039
Depreciation	4,073	199,580	203,653
Bursaries and prizes	-	140,319	140,319
Support and governance costs	8,968	521,929	530,897
	<u>152,882</u>	<u>3,546,819</u>	<u>3,699,701</u>
Year Ended 31st August 2021			
Direct costs	48,319	548,634	596,953
Staff costs	86,124	2,109,189	2,195,313
Depreciation	4,212	206,403	210,615
Bursaries and prizes	-	113,736	113,736
Support and governance costs	10,471	629,821	640,292
	<u>149,126</u>	<u>3,607,783</u>	<u>3,756,909</u>

Included in expenditure are the following:

The auditor's remuneration during the year amounted to £13,300 for audit services (2021: £12,300) and £nil for other services (2021: £nil).

Hire of plant (operating leases) which amounted to £7,814 (2021: £8,364).

5. Staff Costs

	2022 £	2021 £
Wages and salaries	1,864,317	1,849,651
Social security costs	171,492	163,799
Pension contributions	110,255	103,943
Other pension costs	64,975	77,920
Termination payments	-	-
	<u>2,211,039</u>	<u>2,195,313</u>

No members of the London School of Theology, who are trustees and directors for the purposes of the Companies Act received any remuneration for their services during the year, the Revd Johnny Douglas last year (2021) received £620 for facilitating a tutor group during the year. One trustee (2021: 1) received reimbursement of their travel expenses totalling £206 (2021: £81) during the year. There were no other related party transactions during the year.

The average number of employees by function was:	2022 No.	2021 No.
Education	69	67
Fund-raising and publicity	3	3
Ancillary to main function of education	2	1
	<u>74</u>	<u>71</u>

One employee earned between £70,000 and £80,000 and 2 employees between £60,000 and £70,000 during the year, no other employees earned more than £60,000 (2021: one employee earned between £70,000 and £80,000). Key management personnel remuneration for the period (salaries, taxable benefits and employers pension contributions) totalled £302,000 (2021: £290,000)

Mark Cartledge was principal for the year. He was paid £76k plus pension contributions (2021: £75k plus pension contributions). The principal's base salary and gross salary including pension contributions are 2.3 times (2021: 2.5 times) the median pay of all other employees (on an FTE basis).

When making changes to the salaries of senior staff, the School takes account of:

- Sustained performance and contribution during the preceding year(s).
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff
- The overall affordability of any proposed increases to senior salaries, taking account both of the School's financial performance and the need to offer salaries that compare favourably with competitor institutions.

The School will review and moderate the pattern of increases across its senior staff in order to ensure fairness and consistency.

Specifically regarding the principal's remuneration, this is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process.

The current level of remuneration at 2.3 (2021: 2.5) times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently the drafting of the School's new five year strategic plan.

Year ended 31 August 2022

6. Access and Participation

	2022		2021	
	Actuals £	Per Plan £	Actuals £	Per Plan £
Access investment	70,030	55,000	56,010	50,000
Financial support	84,383	156,000	130,402	145,000
Research and evaluation	24,166	12,500	23,475	11,250
	<u>178,579</u>	<u>223,500</u>	<u>209,887</u>	<u>206,250</u>
Staff costs included in the above	58,445		47,217	

The School's Access and Participation Plan can be found at:

https://apis.officeforstudents.org.uk/accessplansdownloads/2024/LondonSchoolOfTheology_APP_2020-21_V1_10004075.pdf

7. Fixed Assets

	Freehold and leasehold property £	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2021	1,287,768	3,676	2,353,233	3,644,677
Additions	–	–	21,594	21,594
At 31 August 2022	<u>1,287,768</u>	<u>3,676</u>	<u>2,374,827</u>	<u>3,666,271</u>
Depreciation				
At 1 September 2021	412,622	3,676	1,322,597	1,738,895
Charge for the year	20,719	–	182,934	203,653
At 31 August 2022	<u>433,341</u>	<u>3,676</u>	<u>1,505,531</u>	<u>1,942,548</u>
Net Book Value				
At 31 August 2022	<u>854,427</u>	<u>–</u>	<u>869,296</u>	<u>1,723,723</u>
At 31 August 2021	<u>875,146</u>	<u>–</u>	<u>1,030,636</u>	<u>1,905,782</u>

8. Fixed Assets Investments

	2022 £	2021 £
Market value at 1 September 2021	10,152,071	8,593,927
Additional investments purchased	2,667,100	663,783
Disposals at market value	(2,719,778)	(719,734)
Investment income reinvested in the period / movement in cash balances	-	7,373
Revaluation in the year	(1,427,885)	1,606,722
Market value at 31 August 2022	8,671,508	10,152,071
Cost of investments	7,276,421	7,276,421

The School's investments comprise a mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2022 of £8,671,508. During the year the School divested its holdings of BlackRock Charities UK Equity and Bond units, managed by BlackRock Life Limited and added the proceeds to its JM Finn & Co. portfolio.

9. Stocks

	2022 £	2021 £
Catering and other sundry stocks	21,733	19,889

10. Debtors

	2022 £	2021 £
Fee debtors	52,402	52,611
Other debtors	1,671	955
Prepayments	118,307	103,307
	172,380	156,873

11. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	72,970	121,299
Deferred income – payments received on account	127,299	175,481
Social security costs	44,935	39,858
Pension scheme contributions	16,270	14,894
Other creditors	34,693	25,399
Accruals	180,426	167,692
	476,593	544,623

Deferred income comprises:

	Balance at 1 September 2021	Receipts in the year	Credited to income in the year	Balance at 31 August 2022
Fees in advance	145,778	122,938	(160,199)	108,517
Open learning fees	29,703	18,782	(29,703)	18,782
	175,481	141,720	(189,902)	127,299

Year ended 31 August 2022

12. General and Special Funds

	Balance at 1 September 2021	Income	Gains/(Losses)	Balance at 31 August 2022
	£	£	£	£
12.1 Endowment Funds				
Montague Goodman Bursary	117,072	(394)	(12,561)	104,117
Jomac Hennell Bursary	37,615	(127)	(4,036)	33,452
Sir John Laing Memorial	117,509	(396)	(12,608)	104,505
Sir John Laing Lecture	16,572	(56)	(1,778)	14,738
	<u>288,768</u>	<u>(973)</u>	<u>(30,983)</u>	<u>256,812</u>
	Balance at 1 September 2020	Income	Gains/(Losses)	Balance at 31 August 2021
	£	£	£	£
Montague Goodman Bursary	99,853	-	17,219	117,072
Jomac Hennell Bursary	32,083	-	5,532	37,615
Sir John Laing Memorial	100,226	-	17,283	117,509
Sir John Laing Lecture	14,135	-	2,437	16,572
	<u>246,297</u>	<u>-</u>	<u>42,471</u>	<u>288,768</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

	Balance at 1 September 2021	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2022
	£	£	£	£	£
12.2 Unrestricted Funds					
General fund	2,974,154	3,002,756	(3,558,409)	-	2,418,501
Designated fund	7,703,503	-	-	(1,221,402)	6,482,101
Pensions reserve	427,000	-	-	343,000	770,000
	<u>11,104,657</u>	<u>3,002,756</u>	<u>(3,558,409)</u>	<u>(878,402)</u>	<u>9,670,602</u>
	Balance at 1 September 2020	Income	Expenditure/ Fund transfers	Gains	Balance at 31 August 2021
	£	£	£	£	£
General fund	3,720,284	3,408,043	(4,154,173)	-	2,974,154
Designated fund	6,379,822	-	-	1,323,681	7,703,503
Pensions reserve	(1,012,000)	-	511,000	928,000	427,000
	<u>9,088,106</u>	<u>3,408,043</u>	<u>(3,643,173)</u>	<u>2,251,681</u>	<u>11,104,657</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

12.3 Restricted Funds

	Balance at 1 September 2021	Income	Expenditure	(Losses)	Balance at 31 August 2022	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	568,109	11,830	-	(55,253)	524,686	For student bursaries
Student Grant Bursary	979,920	18,698	-	(95,305)	903,313	For student bursaries
Graham Scholarship	162,330	3,378	-	(15,788)	149,920	For student bursaries
Mary Fisher Memorial	39,458	825	(100)	(3,838)	36,345	For student bursaries
L Smid-Walker bursary	-	16,312	(15,238)	-	1,074	For international bursaries
Laing Scholarship	1,582	12,000	(10,582)	-	3,000	For research student scholarship
Student Wives Bursary	51,670	1,243	-	(5,025)	47,888	For study support for Students' spouses
Music and Worship Bursary	1,058	8,320	-	-	9,378	For bursaries to music and worship students
Students in Need Fund	21,559	19,274	(18,941)	-	21,892	For students in need
Reading Prize Fund	-	-	(100)	-	(100)	For annual prizes
Sir Eric Richardson Prize	245	9	(100)	(24)	130	For annual prizes
Griffiths Prize	2,748	61	(100)	(267)	2,442	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton book bursary	558	758	(675)	-	641	For the purchase of books
Beacon Trust	8,102	3,000	(820)	-	10,282	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,091	-	-	1,091	For School development projects
Alumni Fund	17,920	3,135	(4,272)	-	16,783	For alumni events and bursaries
Hebrew Prize	520	100	-	-	620	For high attainment in Hebrew language studies
W Atkinson Prize	-	1,000	(100)	-	900	For taught Masters
ECLAS Science for Seminaries	55,914	50	(16,528)	-	39,436	For the advancement of science-engaged theology
BFBS	-	67,073	(46,163)	-	20,910	For research fellow
Other restricted funds	24,492	32,266	(26,600)	-	30,158	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	23,164	2,580	-	-	25,744	For student bursaries
Jomac Hennell Bursary	9,404	829	-	-	10,233	For student bursaries
Sir John Laing Memorial	24,531	2,590	-	-	27,121	For student bursaries
Sir John Laing Lecture	(1,803)	433	-	-	(1,370)	For the annual memorial lecture
Total	2,007,123	206,855	(140,319)	(175,500)	1,898,159	

Year ended 31 August 2022

12. General and Special Funds (continued)

12.3 Restricted Funds

	Balance at 1 September 2020	Income	Expenditure	Gains	Balance at 31 August 2021	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	476,579	15,904	-	75,626	568,109	For student bursaries
Student Grant Bursary	824,023	25,139	-	130,758	979,920	For student bursaries
Graham Scholarship	136,180	4,541	-	21,609	162,330	For student bursaries
Mary Fisher Memorial	33,270	1,109	(200)	5,279	39,458	For student bursaries
Laing Scholarship	-	12,000	(10,418)	-	1,582	For research student scholarship
Student Wives Bursary	43,153	1,670	-	6,847	51,670	For study support for Students' spouses
Music and Worship Bursary	204	854	-	-	1,058	For bursaries to music and worship students
Students in Need Fund	28,703	23,879	(31,023)	-	21,559	For students in need
Reading Prize Fund	184	-	(184)	-	-	For annual prizes
Sir Eric Richardson Prize	373	13	(200)	59	245	For annual prizes
Griffiths Prize	2,473	83	(200)	392	2,748	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton Bursary	551	975	(968)	-	558	For the purchase of books
Maranatha Trust Scholarship	22,000	-	(22,000)	-	-	For overseas students to study for 1 year on site
Beacon Trust	5,102	3,000	-	-	8,102	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,222	(1,222)	-	-	For School development projects
Alumni Fund	22,176	46	(5,425)	-	16,797	For LST alumni events
Alumni Bursary Fund	4,418	-	(3,295)	-	1,123	For student bursaries
Hebrew Prize	520	-	-	-	520	For high attainment in Hebrew language studies
ECLAS Science for Seminaries	-	60,000	(4,086)	-	55,914	For the advancement of Science-engaged theology
Other restricted funds	23,677	35,330	(34,515)	-	24,492	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	19,695	3,469	-	-	23,164	For student bursaries
Jomac Hennell Bursary	8,289	1,115	-	-	9,404	For student bursaries
Sir John Laing Memorial	21,049	3,482	-	-	24,531	For student bursaries
Sir John Laing Lecture	(2,294)	491	-	-	(1,803)	For the annual memorial lecture
Total	1,685,967	194,322	(113,736)	240,570	2,007,123	

13. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2022				
Represented by:				
Tangible fixed assets	1,723,723	-	-	1,723,723
Investments	6,960,032	1,454,664	256,812	8,671,508
Current assets	693,440	443,495	-	1,136,935
Current liabilities	(476,593)	-	-	(476,593)
	8,900,602	1,898,159	256,812	11,055,573
Pension Scheme reserve	770,000	-	-	770,000
	9,670,602	1,898,159	256,812	11,825,573

14. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities.

15. Pension Commitments

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme ("the Defined Benefit Scheme"), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £110,255 (2021: £103,943). At 31st August there were £16,270 of outstanding contributions (2021: £14,894) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

Year ended 31 August 2022

15. Pension Commitments (continued)

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2021: nil) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The Scheme's net surplus of £770,000 plus the non-scheme provision of £nil results in a reserve surplus of £770,000.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2022	2021
	£000's	£000's
Scheme assets at year end	5,183	6,497
Present value of funded obligations obligation	(4,413)	(6,070)
	<u>770</u>	<u>427</u>
Actuarial (gains) / losses comprise:		
Loss / (gain) on scheme assets in excess of interest	1,136	(728)
Gain from change in assumptions	(1,653)	(11)
Experience losses/(gains) on liabilities	181	(153)
	<u>(336)</u>	<u>(892)</u>
Analysis of amounts charged to activity costs categories:		
	2022	2021
	£000's	£000's
Bank and other interest / (other finance charges)		
Interest on scheme assets	(99)	(89)
Interest cost	92	100
	<u>(7)</u>	<u>11</u>
Change in scheme liabilities		
Beginning balance	(6,070)	(6,387)
Interest cost	(92)	(100)
Gains / (losses) from changes in actuarial assumptions	1,653	(140)
Experience (gains) / losses on liabilities	(181)	153
Changes in demographic assumptions	-	151
Benefits paid	277	253
Closing balance	<u>(4,413)</u>	<u>(6,070)</u>
Change in scheme assets		
Beginning balance	6,497	5,411
Interest on scheme assets	99	89
Return on assets in less interest	(1,136)	728
Contributions by employer	-	522
Benefits paid	(277)	(253)
Closing balance	<u>5,183</u>	<u>6,497</u>

The major categories of the scheme assets are as follows:

	31 August 2022		31 August 2021	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	45%	2,313	43%	2,786
Bonds and cash	55%	2,870	57%	3,711
Total assets at end of year		5,183		6,497
			2022	2021
			£000s	£000s
Actual return on scheme assets			(1,037)	817

The value of the Scheme has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2021, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

Actual assumptions used:	2022 %	2021 %
Discount rate	4.2%	1.55%
Rate of increase in pensions in payment	3.8%	3.55%
Rate of RPI price inflation	3.9%	3.6%
Rate of CPI price inflation	2.9%	2.6%
Post – retirement mortality	110% S3PMA/ 105% S3PFA CMI 2020 [1%]	110% S3PMA/ 105% S3PFA CMI 2020 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£46k increase
Increase of 0.1% in inflation assumption	£13k increase
Increase in long-term mortality projection of 1.5%	£56k increase

Year ended 31 August 2022

16. Leasing Commitments

At 31 August 2022, the School was committed to making the minimum lease payments in respect of hire of machinery:

Operating leases which expire:	2022 £	2021 £
Within 1 year	7,814	7,814
Within 2 to 5 years	9,768	17,582
	<u>17,582</u>	<u>25,396</u>

17. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2021 £
Income From				
Donations and legacies	245,737	137,305	-	383,042
Charitable activities				
Education	2,856,523	-	-	2,856,523
Investments	199,688	57,017	-	256,705
Trading income	43,855	-	-	43,855
Other income	62,240	-	-	62,240
Total Income	3,408,043	194,322	-	3,602,365
Expenditure On				
Raising Funds				
Investment manager fee	40,482	-	-	40,482
Trading expenses	48,773	-	-	48,773
Fundraising costs	59,871	-	-	59,871
Charitable activities				
Education	3,455,658	113,736	-	3,569,394
Conferences	38,389	-	-	38,389
Total Expenditure	3,643,173	113,736	-	3,756,909
Net expenditure before transfers	(235,130)	80,586	-	(154,544)
Investment gains	1,323,681	240,570	42,471	1,606,722
Net income	1,088,551	321,156	42,471	1,452,178
Defined benefit pension scheme gains	928,000	-	-	928,000
Net movement in funds	2,016,551	321,156	42,471	2,380,178
Balance brought forward at 1 September 2020	9,088,106	1,685,967	246,297	11,020,370
Balance carried forward at 31 August 2021	11,104,657	2,007,123	288,768	13,400,548



Graduation 2022





LST in the snow



London School of Theology | Green Lane | Northwood | HA6 2UW
t: 01923 456000 | e: enquiries@lst.ac.uk | w: lst.ac.uk



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youtube.com/user/LSTheology

Accounts



London School of Theology

Report and Financial Accounts

2021

Company Registered No: 381332

Registered Charity No: 312778

Year ended 31 August 2021



Report and Financial Accounts

The London School of Theology continues to educate individuals, equip local churches and engage in leading research.

2020-2021

We are committed to offering the **highest standard** of education.



Introduction from the Principal

Welcome

I write this introduction as I come towards the end of my second year as Principal of London School of Theology. This year seems to have rushed past, with a number of challenges and much to celebrate, for which we thank God.

Similar to last year, this year has not been an easy one with lockdowns (again) a return to campus and finally a restoration of normal on campus teaching. The special arrangements to help students during the Covid season has meant that extra marking time had to be arranged during the month of August. It also meant that a number of students struggled to progress in a timely manner. Nevertheless, we have done well overall, and I am most grateful to faculty and staff for all their hard work.

I was very pleased to participate in two graduation services this past summer, one in July for the graduates of 2020 and one in September for the graduates of 2021. Both occasions were very special ones, and it was wonderful to see the joy on the faces of our students as well as the pride of their families and friends.

We have welcomed a great bunch of new students both on campus and online, with some taking advantage of the opportunity to move between the two modes of study in what

we call a 'blended' approach. We welcome students from all over the world and it is exciting to see a culturally diverse group in the dining room and chapel when we gather together.

This year we have benefitted from being part of the science for seminaries project, being run from the University of Durham. It invites theological colleges to embed science into the curriculum in order to better equip church leaders to engage with aspects of science and overcome the divide between faith and science that is still prevalent in many quarters. We have focused on creation and its care as our major theme; and this has been reflected in our summer conference on the theme of evangelical ecotheology and will be addressed at our forthcoming research conference in 2022.

In many ways, this particular project highlights our commitment to theology as an 'engaged' discipline. At LST we don't think of theology in an arcane manner. We maintain academic rigour, but we do so by bringing theology into dialogue with other domains, such as music, counselling and psychology. Theology has never been 'pure' but has always interfaced with things like history, literary studies, philosophy and culture. To these subjects we now add science as well. This is an exciting development and helps us to

be creative while maintaining our commitment to Evangelical Theology and the supreme authority of Scripture in matters of faith and doctrine.

During this year, we have been involved in a re-envisioning process and this has included an interesting and important set of conversations about our identity, purpose and vision for the future. As part of this process, we have listened to many people both internally and externally. We have also reflected on our past as well as our existing organisational culture. Over the next year we shall finalise our new five-year strategic plan and move forward with energy and a renewed sense of purpose. May I invite you to pray for us as we continue to discern the way forward together.

Once again, I am so grateful to all my colleagues, my executive team, trustees, faculty and staff, for working with me to ensure the success of the School. As last year, I am reminded of the old London Bible College motto: "Set your mind on things above" (Col. 3.2). Whatever the circumstances, we exist to serve the Lord Jesus Christ and his Church. May we continue in his service for the glory of his name!



The Revd Professor
Mark J. Cartledge
Principal

Bringing **theology within reach** for students around the globe.



At A Glance

Income & Expenditure

Year ended 31 August

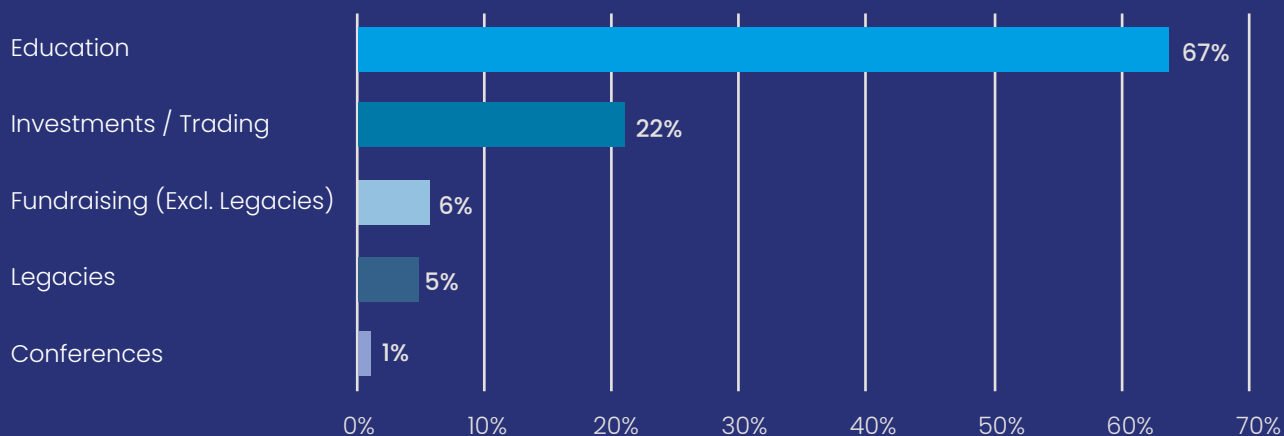
	2021 £'000	2020 £'000
Income	3,602	3,627
Expenditure	(3,757)	(3,594)
Net (losses) / income	(155)	33
Investment gains / (losses)	1,607	(57)
Pension scheme gains / (losses)	928	(80)
Net movement in funds	2,380	(104)

Balance Sheet

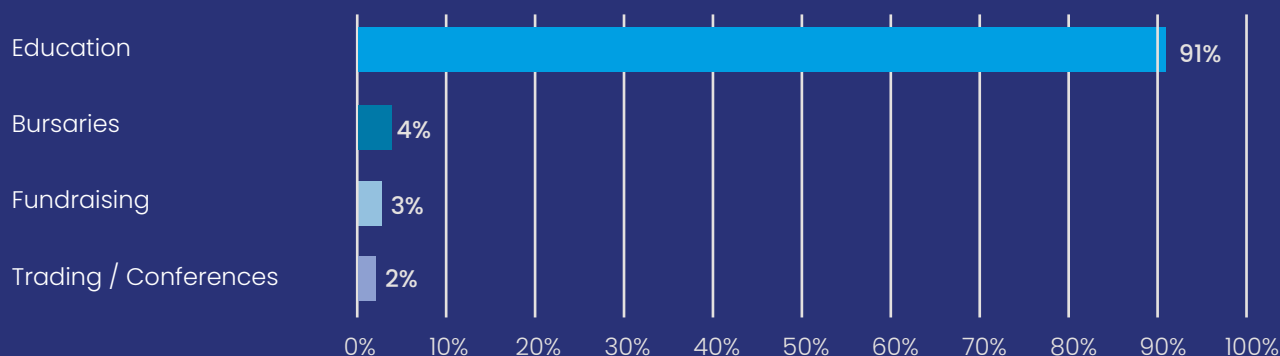
Balance at 31 August

	2021 £'000	2020 £'000
Tangible assets	1,906	2,071
Investments	10,152	8,594
Net current assets	915	1,371
	12,973	12,036
Creditors > than 1 year	0	(4)
Pension scheme asset / (liability)	427	(1,012)
Net assets	13,400	11,020

Our Income



Our Expenditure



What We Achieved

London School of Theology graduated 63 undergraduate level qualifications

London School of Theology graduated 63 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theology & Counselling, Theology & Music, and Theology, Music & Worship.

London School of Theology's undergraduate programmes bring the opportunity to study the Bible in greater depth, with world-class scholars. We have three Levels, across four programmes designed to train those looking to learn more about their faith.

London School of Theology graduated 20 postgraduate qualifications

London School of Theology graduated 20 postgraduate students across the MA in Aspects & Implications of Biblical Interpretation, MA in Integrative Theology and MA in Theological Education programmes.

Postgraduate study at London School of Theology equips students with skills of understanding, discovery, depth and determination. When they graduate, students are equipped to teach others and make a positive difference in their lives. Their qualification opens up significant employment opportunities in academia, Christian leadership and the marketplace.

Each year the postgraduate students take up leadership roles all over the world. The majority of our graduates can be found teaching in churches, seminaries and university faculties around the world. As part of a larger network of over 500 students from all over the world, London School of Theology's postgraduate centre is a unique and exciting place to study.

London School of Theology graduated 5 research qualifications

London School of Theology graduated 5 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes.

The purpose of a research degree is to establish and demonstrate competence in a theological discipline via a thesis project. The discoveries made by research students contribute not only to their personal growth but also to the academy and the community they serve.

Those taking a research programme at London School of Theology are expected to demonstrate critical knowledge of their chosen field. Research degrees are not taught courses, although students may be asked to take a course of guided reading or attend relevant classes.

Plans for 2021-2022

The priority for the new academic year was twofold. For new on-campus / blended students it was to start the year with a full provision of face to face teaching and the complete offering of all on-campus activities. For returning students, it was to quickly assess their progress and ensure there was a clear pathway in place to progress to the next level. For some this was immediate, but for others, who had chosen to defer assessments from one or both semesters, this could mean they were not able to progress for another year, once all of these assignments have been completed and passed. The development of the new five-year strategy which commenced last year but had been paused due to the challenges presented by the pandemic, picked up pace over the summer and will be presented to the January 2022 Board of Trustees and once approved, preparation will begin in earnest for its implementation starting in the 2022/23 academic year.

The immediate priorities set for the year ahead have been agreed as follows:

- Continue to manage our way through Covid and its impact
- Begin to implement the new five-year plan
- Meet agreed financial targets
- Take concrete steps to improve our NSS scores
- Address organisational resource management challenges
- Meet agreed student recruitment targets

Student Life

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip Christians for life in the real world. More than ever, there is a need to train Christians to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and essentials such as food and travel. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance.

We are a resource for the local Church

Covid restrictions permitting, London School of Theology continues to seek to equip local churches in multiple ways: through public lectures and partnership in mission, including offering students for placements. Our faculty and staff teach and preach in local churches across the country and around the world. When the campus is open, we also make our wide range of seminar rooms, excellent catering and newly renovated accommodation available at competitive rates to churches, charities and Christian organisations.

We have an Alumni Association across the world

London School of Theology is one of the largest, most diverse theological colleges in Europe, with over 7,500 alumni across 40 countries. As our alumni continue to make meaningful contributions to the Church worldwide, the Alumni Association helps to maintain valuable connections to the School, faculty and classmates, as well as provide them with appropriate resources. We are confident that our Alumni website <https://alumni.lst.ac.uk> will be instrumental in facilitating this still further.

What Our Students Say

London School
of Theology has
challenged me, let me
safely ask questions
and develop answers
I had never previously
considered, and helped
me affirm my vocation
in academia.



Jacob Hussain – Student



When I came to the London School of Theology, I was largely unsure of who I was, and where my faith was leading me in future years. Since coming here, and through the fantastic guidance of many lecturers and friends, I have both found myself and where my calling lies. This place has challenged me, let me safely ask questions and develop answers I had never previously considered, and helped me affirm my vocation in academia.

The theology course allowed me to delve into a wide plethora of ideas and fields of study, and during my time here I have encountered students with a variety of beliefs and practices, which has stretched my own beliefs and ability to communicate effectively with different types of people. I was anxious as to how my primary interest in philosophy was going to mix into my studies here, but the openness of the course and the passions and knowledge of the lecturers allowed me to play into my strengths and interests, and pursue the fields of study that I feel particularly called into. My time here has been highly formative, challenging, and has grown me as an academic, a theologian, and as a person, and the lessons I have learnt here will be absolutely instrumental throughout all the ventures I go into in my future.

What Our Students Say



Manuela Mai – Theology & Worship Graduate



My time studying Theology & Worship at London School of Theology has been truly life changing. I have fallen in love with God and his word in a new and fresh way. When I started, I didn't know what it would lead to. I enrolled with the hope that it would be a helpful tool in my worship ministry at my church, but when I graduated, I had a very strong sense of excitement that I was about to step into God's plan for my life.

The unique combination of academic studies and the focus on worshipping the one true living God, is what gives LST its unique characteristic. My mind has been stretched and provoked, and I've discovered my joy in worshipping God with my mind. My faith has grown to higher level, but always remaining firmly planted on unshakable ground.

LST has been influential in my life in so many ways but what I take away more than anything is how I've learnt to worship God with all my mind, my body, soul, and strength. A whole life devoted to discovering more of God, to serving and worshipping him more and more, is where I find my joy.

Ruth Bainbridge – Theology & Worship Graduate

Studying at London School of Theology has provided me with the chance to develop my critical thinking and essay writing skills as well as ponder the deep mysteries of the Christian faith and explore the vast realm of theological thought in the LST Library, lecture rooms and in discussions around the dining room table.

As well as the high academic standards, one thing that I believe sets LST apart from other institutions is the sense of community. Living onsite was a wonderful experience for me - having delicious meals provided and eating with both students and lecturers was a special time of togetherness and friendship.



Year ended 31 August 2021

Report and Financial Statements

Company Name	London School of Theology
Company Number	381332
Registered Charity Number	312778
Address of School and Registered Office	London School of Theology Green Lane, Northwood, HA6 2UW
Bankers	National Westminster Bank Plc 159 High Street, Rickmansworth, Herts, WD3 1AR
Auditors	Haysmacintyre LLP 10 Queen Street Place, London, EC4R 1AG
Solicitors	Pothecary Witham Weld 70 St George's Square, London, SW1V 3RD

Year ended 31 August 2021

Governors' Report

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2021.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Governance and management of the charity

Trustees

The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Steve Hughes*	Chair of the Board	
Mrs Margaret Doyle+	Vice-Chair of the Board	AAC member until 01/21
Prof Hugh Williamson+	Chair of the AAC	Until 01/21
Prof Peter Oakes+	Chair of the AAC	From 02/21
Mr Ian Thompson*	Chair of the F&GP	
Revd Johnny Douglas		
Canon Yemi Adedeji		Until 10/21
Mr Paul Smith*		
Rt Revd Graham Cray		
Mrs Kate Meathrel		
Mrs Susan Stapleford*		Until 10/21
Revd Dr Jenni Williams		AAC member from 06/21

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge	Principal	
Prof Graham Twelftree *+	Academic Dean	Until 09/21
Dr Cornelis Bennema *+	Academic Dean	From 10/21
Revd Kate Douglas*+	Academic Secretary, Director of Academic Support	
Mr Jonathan Mead*	Director of Finance and Administration Company Secretary	
Dr John Dennis+	Faculty Representative	Until 09/21
Dr Graham McFarlane+	Faculty Representative	
Mr Adam Freeth Wright	Staff Representative	Until 01/21
Ms Clare Miller	Staff Representative	
Mrs Ruth Dowsett	Staff Representative	From 06/21

* Denotes member of the Finance and General Purposes Committee (F&GP).

+ Denotes member of the Academic Affairs Committee (AAC).

continued overleaf >>

Year ended 31 August 2021

Governance and management of the charity (continued)

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Miss Sophie La Bouchardiere	Student Body President	Until 04/21
Mr Philip Hyde	Student Body Male Vice-President	Until 04/21
Mr Jude King	Student Body President	From 04/21
Miss Esther Watts	Student Body Female Vice-President	From 04/21

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

The Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. The Charity arranges suitable training for all trustees includes regular safeguarding training. Trustees are also asked to access the Charity Commission's website on a regular basis. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Senior Employees

Serving as the School's Executive Team during the year 2020/21:

Revd Prof Mark Cartledge	Principal
Dr Cornelis Bennema	Academic Dean (from 10/21)
Prof Graham Twelftree	Academic Dean (to 09/21)
Mr Jonathan Mead	Director of Finance and Administration
Revd Kate Douglas	Academic Secretary, Director of Academic Support

The arrangements for setting the remuneration of the senior employees are detailed in note 5.

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity's governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. The Board of Governors is complimented by both Students, staff and faculty representatives of the School. The main operating sub-committees of the Board also meet three or four times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Ian Thompson and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (AAC) chaired by Prof. Peter Oakes. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub-committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://lst.ac.uk/our-policies/>

Following the governance review undertaken last year a follow up meeting of the trustees agreed a plan for the next year to pick up on the outstanding items identified.

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the Office for Students (OfS).

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 and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

Year ended 31 August 2021

Governance and management of the charity (continued)

The key elements of the School's system of internal control are as follows:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- Regular reviews of key performance indicators and financial results involving variance analysis reporting and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

When you support us, you can be sure of the following:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

These promises are also designed to protect vulnerable people, by ensuring we are not unreasonable or persistent or place undue pressure on any of our prospective donors.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics.

During the year we received a very small number of complaints about our fundraising activities, typically around the stated preferences of our recipients.

The purpose of the charity

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students.

All such activities are carried on in strict accordance with the School's Doctrinal Basis of Faith.

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School
- Provision of theological education to the wider community via our Theology within reach programme
- Access to means-tested bursaries
- Access to Counselling through the REMA Counselling Service
- The provision of subsidised access to the theological library facilities for academics, students and members of the local Christian Community

Year ended 31 August 2021

Strategic report

Aims, objectives and activities

Aims

To serve the Church of Jesus Christ throughout the world by educating individuals, equipping local Churches and engaging in leading research.

To achieve this end, LST does not simply seek to serve the Church but it also seeks to be part of the Church. Our ways of working must be marked by faithfulness to God, commitment to the way of Christ and ongoing transformation by the Spirit.

Our Strategic Plan is an outworking of a deeper set of virtues by which its implementation is to be measured. Shaped by our understanding of what it means to be a community of disciples, we seek to embody virtues which reflect the Christ who calls us to follow him and the Spirit who empowers our work.

Our conviction is that these virtues are to infuse our community and that for all who work or study at LST they will be deeply experienced, internalised and expressed.

Gentleness (Galatians 5:22) and Humility (Romans 12:3)

Compassion (Galatians 5:22) and Forgiveness (Ephesians 4:32)

Excellence (Philippians 4:8) and Integrity (John 8:32)

Hospitality (Hebrews 13:1-2) and Service (Matthew 22:37-39)

Hope (Romans 4:3-4) and Joy (Galatians 5:22)

We achieve these aims

By:

- Developing Biblical, theological thinking and practice to the highest levels
- Nurturing Christian faith, spiritual gifts, vocational skills and personal formation
- Encouraging creative integration of biblical learning with other disciplines
- Supporting dynamic innovation in Christian research and practice
- Pursuing Christian excellence in all aspects of School life

Through:

- Academic discipline
- Practical training
- Worship
- Community life
- Pastoral care
- Personal example

In the power of the Holy Spirit, for the furthering of Christ's Kingdom and to the glory of God.

Objectives

- To deliver world class theological education for the 21st Century
- To build a strong and vibrant Christian community
- To operate as a sustainable and efficient business
- To build strong and effective relationships across a range of networks

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high-quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Key Objectives and Activities for 2019/20

- Manage our way through the Covid season
- Develop and agree a five-year strategy
- Continue to meet or exceed the financial target of breaking even before depreciation
- Meet student recruitment targets
- Improve retention for all programmes
- Measure organisational health and make any necessary changes. Further develop our Christian community

Measures of Success and Outcomes in 2020/21

- Managing the COVID season was a challenging backdrop to the year but it was very competently handled and feedback from staff and students was as positive as we could have hoped
- The five year strategy is still in progress but should be agreed at the January board meeting
- Financial results for the year were more positive than the agreed budget
- Student recruitment was good but fell below target in line with other similar Colleges in the sector
- Student retention proved difficult with many mature students struggling with the impact of lockdowns on their home and work lives
- Progress is being made in terms of measuring organisational health and actions to follow this up will be built into the forward strategy

Future Objectives and Activities for 2021/22

- Continue to manage our way through Covid and its impact
- Begin to implement the new five-year plan
- Meet agreed financial targets
- Take concrete steps to improve our NSS scores
- Address organisational resource management challenges
- Meet agreed recruitment targets

Year ended 31 August 2021

The operation of the Charity relations and affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars, the European Evangelical Accrediting Agency and the British Association for Counselling and Psychotherapy (BACP).

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis. The key risks facing the School are currently seen as Covid – the uncertainty this brings around educational delivery, student progression and retention and general student recruitment; compliance – failure to meet all of the third-party requirements (Educational, GDPR and Health and Safety related); and financial, the impact a decline in student numbers resulting from a failure to recruit or retain sufficient students or raise adequate 3rd party funding or investment returns, might have on our ability to meet the budgeted income targets for the year. Actions to address these risks include for Covid planning for all possible eventualities and closely monitoring our students well-being and academic progress and stepping in with additional support where possible; compliance, continuing to develop the Student Information System so it can deliver timely and accurate data. Regarding student retention and progression, we have engaged the Academic Board to look at the issues impacting this so they can be addressed and for student recruitment generally, we have appointed an admissions officer to ensure all potential applicants are promptly followed up. Regarding the investments, the F&GP Committee reviews the investments and their performance on a quarterly basis, the portfolio is actively monitored by its investment fund managers who are invited to attend the F&GP or Board meeting once a year to discuss the market outlook and their investment approach for the year ahead to ensure they are on track to reach the required returns.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations.

The Covid-19 pandemic had a significant impact on the School for the second year running. The School re-opened at the beginning of the academic year adopting all the recommended Covid safeguards including one way systems, social distancing, reducing class sizes and setting up an inhouse testing centre. Most classes were also run in hybrid so those not wishing to come onto site or having to self-isolate, could attend their classes online. The Covid Response team continued meeting weekly to monitor developments, whilst the Covid marshal and an enhanced housekeeping team focused their attention on monitoring compliance with the guidelines and maintaining cleanliness of the site.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping run events.

Facilitating Access to Christian Theological Education

The Charity operates twelve separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

The finances of the Charity

Covid-19 has impacted most areas of the School for a second year, with the finances being just one of them. We did all we could to resume face to face teaching from the beginning of the new academic year although understandably some students preferred to stay away and continue to attend lectures online. This delivery of classes in hybrid mode proved more challenging than being fully online and meant we had to incur all the costs of running the site but with fewer students in residential accommodation. Not knowing when and if we would return to full lockdown made financial planning very difficult and impacted staff and students alike. When full lockdown did return in the new year, we again placed some of our staff on furlough although not as many and not for so long as the initial period of lockdown. Donations held up well during the year, coming in above budget and helped to offset a shortfall against budget in both accommodation charges, resulting from fewer students wanting to live onsite and the accommodation refunds to students for the period of lock down and conference income, with the majority of our conferences again cancelled due to Covid concerns. Overall however total income came in on budget and our costs, despite being higher than the previous year, still came in below budget, so we ended with an operating deficit of £154k but then with investments and pension fund gains, we ended strongly with a net movement in funds of £2.38m.

Reserves

The total Unrestricted Funds amount to £10.7m (2020: £10.1m) before accounting for the pensions reserve surplus of £427k (2020 deficit: £1,012k). Included in these funds are £7.7m of designated income investments and functional fixed assets valued at £1.9m. Free reserves thus stand in surplus by £1.5m (2020: £637k).

This level of free reserve exceeds the 20% target of annual unrestricted Funds expenditure. This level of free reserves gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various restricted funds are set out in note 13.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the value of the School's fixed asset investments increased by £1,558k to £10,152k (2020: decrease of £627k). Of this investment total £8.23m was invested with JM Finn investment managers with the balance in BlackRock Charities UK Equities and Bond Funds.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund managers, BlackRock and JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with BlackRock and JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy which is based largely on the Church of England policy, to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

Financial Results

Overall income decreased marginally from £3,628k to £3,602k (2020: increased from £3,359k to £3,628k). Expenditure in total increased from £3,594k to £3,757k due to the campus being shut for a shorter period in this second year impacted by the Covid-19 pandemic. With income remaining flat, partially due to further residential income being refunded and costs creeping back up to more normal levels, along with the additional costs incurred to counter the ongoing infection risks, resulted in an operational loss of £155k (2020: operational profit of £33k).

Year ended 31 August 2021

The finances of the charity (continued)

Investment values rebounded however leading to investments gains in the year of £1.6m (2020: loss of £57k).

Similarly improved investment performance and additional contributions into the fund by the school of £522k during the year, led to pension fund moving from a deficit of £1,012k to a surplus of £427k.

The School's funds have been applied for the purpose of the principal activity.

Future Plans

The delivery of a first class education to our students continues to be our principle aim. At the beginning of the new academic year we returned to full face to face delivery for all on campus and blended students. With Covid still a real threat we continued with our requirement for all students wishing to come on site to take twice weekly lateral flow tests and report the results to us, so we could monitor compliance. Having learnt how to deliver education fully on-line and in a Blended manner over the last two years, we feel confident despite the continued uncertainties, most recently with the Omicron variant, that we can quickly adapt to whatever restrictions are imposed upon us for the rest of the year. We have to date had only a handful of Covid cases among our students and have established a robust system of students reporting when they have received a positive result and helping us immediately track their close contacts, who we then require to take a PCR test and self-isolate until their results come through. This has been successful to date in preventing the virus spread beyond the initial student involved. We are acutely aware of the extra pressures all of this uncertainty places on our students and we do whatever we can to try and monitor their well-being by asking our lecturers, tutor group leaders and support staff to feed back any concerns they have, so these can be quickly followed up by our excellent pastoral team.

Independent Auditors

A resolution was made at the AGM in 2021 to reappoint Haysmacintyre LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2022.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:

Steve Hughes
Chairman
26th January 2022

Independent report of the Auditor's to the Members and Trustees of London School of Theology

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Year ended 31 August 2021

Independent report of the Auditor's to the Members and Trustees of LST (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters prescribed by the Office for Students

We have nothing to report in respect of the following matters in relation to which the Office for Students ('OfS') requires us to report to you in Regulatory advice 9: Accounts direction if, in our opinion in all material respects:

- Where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Where applicable, funds provided by OfS, UK Research and Innovation (including Research England) the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions;

- The requirements of OfS's accounts direction have been met which would require us to report if:
 - The providers' grant and fee income, as disclosed in the financial statements, has been materially misstated;
 - The providers' expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to regulations prescribed by the Office for Students, employment law, safeguarding regulations and Company and Charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011, OfS Accounts Direction and the Higher Education SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to discount rate applied to interest free loans. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Inspecting correspondence with regulators and tax authorities;

Year ended 31 August 2021

Independent report of the Auditor's to the Members and Trustees of LST (continued)

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the useful lives of fixed assets, valuation of the pension scheme asset/ (liability) and the bad debts provision.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG
28th January 2022



Statement of Financial Activities

Year ended 31 August 2021

		Unrestricted Funds	Restricted Funds	Endowment	Total 2021	Total 2020
		£	£	£	£	£
	Notes					
Income From						
Donations and legacies		245,737	137,305	-	383,042	319,249
Charitable activities						
Education	3	2,856,523	-	-	2,856,523	2,887,241
Conferences		-	-	-	-	3,530
Investments		199,688	57,017	-	256,705	286,975
Trading income		43,855	-	-	43,855	24,863
Other income		62,240	-	-	62,240	105,665
Total Income		<u>3,408,043</u>	<u>194,322</u>	<u>-</u>	<u>3,602,365</u>	<u>3,627,523</u>
Expenditure On						
Raising Funds						
Investment manager fee		40,482	-	-	40,482	39,939
Trading expenses		48,773	-	-	48,773	45,906
Fundraising costs		59,871	-	-	59,871	55,082
Charitable activities						
Education		3,455,658	113,736	-	3,569,394	3,418,444
Conferences		38,389	-	-	38,389	34,950
Total Expenditure	4	<u>3,643,173</u>	<u>113,736</u>	<u>-</u>	<u>3,756,909</u>	<u>3,594,321</u>
Net expenditure before transfers		(235,130)	80,586	-	(154,544)	33,202
Investment gains/(losses)		<u>1,323,681</u>	<u>240,570</u>	<u>42,471</u>	<u>1,606,722</u>	<u>(56,985)</u>
Net income/ (expenditure)		<u>1,088,551</u>	<u>321,156</u>	<u>42,471</u>	<u>1,452,178</u>	<u>(23,783)</u>
Defined benefit pension scheme (losses)/gains		<u>928,000</u>	<u>-</u>	<u>-</u>	<u>928,000</u>	<u>(80,000)</u>
Net movement in funds		<u>2,016,551</u>	<u>321,156</u>	<u>42,471</u>	<u>2,380,178</u>	<u>(103,783)</u>
Balance brought forward at 1 September 2020		<u>9,088,106</u>	<u>1,685,967</u>	<u>246,297</u>	<u>11,020,370</u>	<u>11,124,153</u>
Balance carried forward at 31 August 2021		<u>11,104,657</u>	<u>2,007,123</u>	<u>288,768</u>	<u>13,400,548</u>	<u>11,020,370</u>

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above.

Balance Sheet

As at 31 August 2021

		2021		2020	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	1,905,782		2,071,084	
Investments	8	<u>10,152,071</u>		<u>8,593,927</u>	
			12,057,853		10,665,011
Current Assets					
Stocks	9	19,889		14,772	
Debtors	10	156,873		154,958	
Cash at bank and in hand		<u>1,283,556</u>		<u>1,843,491</u>	
		1,460,318		2,013,221	
Current Liabilities					
Creditors: within one year	11	<u>(544,623)</u>		<u>(641,883)</u>	
Net Current Assets			915,695		1,371,338
Total assets less current liabilities			12,973,548		12,036,349
Creditors: Amounts falling due after more than one year	12		-		(3,979)
Pension scheme liability			<u>427,000</u>		<u>(1,012,000)</u>
Net Assets After Pension Scheme Liabilities			<u>13,400,548</u>		<u>11,020,370</u>
Funds					
Unrestricted	13	10,677,657		10,100,106	
Restricted	13	2,007,123		1,685,967	
Endowment	13	<u>288,768</u>		<u>246,297</u>	
Funds (excluding pension scheme reserve)			<u>12,973,548</u>		<u>12,032,370</u>
Unrestricted pension reserve (deficit)			427,000		(1,012,000)
			<u>13,400,548</u>		<u>11,020,370</u>

The financial statements were approved and authorised for issue by the Board on 26th January 2022 and were signed on its behalf by:

Mr Steve Hughes
Chairman

Revd Prof Mark Cartledge
Principal



Cash Flow Statement

Year ended 31 August 2021

	2021		2020	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net (outgoing) / incoming resources for the year		(154,544)		33,202
Depreciation charged	210,615		236,217	
(Increase) in stocks	(5,117)		(1,395)	
(Increase) / Decrease in debtors	(1,915)		90,426	
(Decrease) / Increase in creditors	(101,239)		15,157	
(Decrease) / Increase in pension scheme deficit net of actuarial gains and losses	(511,000)		14,000	
Less investment income	(256,705)		(286,975)	
		(665,361)		67,430
Net cash flow from operating activities		(819,905)		100,632
Investing activities				
Investment income	256,705		286,975	
Additions to investments	(671,156)		(1,043,489)	
Sale of investments	719,734		1,613,416	
Purchase of tangible fixed assets	(45,313)		(22,773)	
		259,970		834,129
(Decrease) / Increase in cash in the year		(559,935)		934,761
Cash and cash equivalents at the beginning of the year		1,843,491		908,730
Cash and cash equivalents at the end of the year		1,283,556		1,843,491
Cash and cash equivalents comprise:				
Cash at bank		1,283,556		1,843,491
		1,283,556		1,843,491

Notes to the Financial Statements

Year ended 31 August 2021

1. Company Status

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 11.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

London School of Theology meets the definition of a public benefit entity under FRS 102. The comparative figures in these financial statements relate to the year ended 31 August 2020.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the possible impact Covid 19 might have on the School, its finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) *Basis of accounting*

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) *Fees and similar income*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) *Legacies*

Legacies receivables are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

(d) *Donations and Fund accounting*

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

(e) Expenditure

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year.

Raising Funds

Fund-raising trading costs – 2%

Charitable activities

Education – 94%

Conferences – 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income – 2%

Fund-raising trading costs – 0%

Charitable activities

Education – 96%

Conferences – 2%

(f) Recognition of liabilities

Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 16. Constructive obligations under pension arrangements are also recognised as liabilities.

(g) Grants and bursaries

Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.

(h) Investments and investment income

Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.

2. Accounting Policies (continued)

(i) *Interest receivable*

The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds' holdings at the balance sheet date and transferred to the individual special funds as income in that year.

(j) *Tangible fixed assets*

All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%
Buildings	2%
Fixture and fittings	10%
Equipment	20% - 25%
Computers	33%

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

(k) *Stock*

Stocks of catering and other supplies are valued at the lower of cost and net realisable value.

(i) *Exchange gains and losses*

Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.

(m) *Operating leases*

Operating lease premiums are spread on a straight-line basis over the lease term.

(n) *Pension costs*

Defined Benefit Scheme

Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.

(o) *Critical sources of estimation uncertainty and accounting judgements*

The preparation of the organisation's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that

are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The governors consider there to be the following key sources of estimation uncertainty and judgement are the useful lives of fixed assets, valuation of the pension scheme asset/(liability) and the bad debts provision.

3. Grant and Fee Income

	2021 £	2020 £
Grant income from the Office for Students	114,750	63,644
Fee income from taught awards	2,255,150	2,258,557
Fee income from non-qualifying courses	7,814	52,102
Other Educational and related income	478,809	512,938
	<u>2,856,523</u>	<u>2,887,241</u>

4. Expenditure

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2021			
Direct costs	48,319	548,634	596,953
Staff costs	86,124	2,109,189	2,195,313
Depreciation	4,212	206,403	210,615
Bursaries and prizes	-	113,736	113,736
Support and governance costs	10,471	629,821	640,292
	<u>149,126</u>	<u>3,607,783</u>	<u>3,756,909</u>

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2020			
Direct costs	46,973	596,256	643,229
Staff costs	81,027	1,978,282	2,059,309
Depreciation	4,725	231,492	236,217
Bursaries and prizes	-	158,665	158,665
Support and governance costs	8,202	488,699	496,901
	<u>140,927</u>	<u>3,453,394</u>	<u>3,594,321</u>

Included in expenditure are the following:

The auditor's remuneration during the year amounted to £12,300 for audit services (2020: £11,650) and £nil for other services (2020: £nil).

Hire of plant (operating leases) which amounted to £8,364 (2020: £20,624).

5. Staff Costs

	2021 £	2020 £
Wages and salaries	1,849,651	1,730,790
Social security costs	163,799	152,138
Pension contributions	103,943	103,224
Other pension costs	77,920	61,907
Termination payments	-	11,250
	<u>2,195,313</u>	<u>2,059,309</u>

One member of the London School of Theology, who is a trustee and director for the purposes of the Companies Act, Revd Johnny Douglas received £620 for facilitating a tutor group during the year. In 2020, one member of the London School of Theology, who is a trustee and director for the purposes of the Companies Act, Alex Irving received £6,910 for writing lecture materials. One trustee (2020: 2) received reimbursement of their travel expenses totalling £81 (2020: £589) during the year. There were no other related party transactions during the year.

	2021 No.	2020 No.
The average number of employees by function was:		
Education	67	62
Fund-raising and publicity	3	3
Ancillary to main function of education	1	1
	<u>71</u>	<u>66</u>

One employee earned between £70,000 and £80,000 during the year, no other employees earned more than £60,000 (2020: one employee earned between £60,000 and £70,000). Key management personnel remuneration for the period (salaries, taxable benefits and employers pension contributions) totalled £290,000 (2020: £258,000)

Mark Cartledge was principal for the year. He was paid £75k plus pension contributions. The principal's base salary and gross salary including pension contributions are 2.5 times the median pay of all other employees (on a FTE basis).

In 2020 Graham Twelftree filled the role of acting principal for 4 months and Mark Cartledge the role of principal for 8 months. Both were paid the monthly prorate amount of £75k p.a. plus pension contributions whilst in post. Graham received £25,000 base salary plus £1,250 pension contributions and Mark £50,000 plus £1,562 respectively. Both the principal's base salary and gross salary including pension contributions are 2.5 times the median pay of all other employees (on a FTE basis).

When making changes to the salaries of senior staff, the School takes account of:

- Sustained performance and contribution during the preceding year(s).
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff
- The overall affordability of any proposed increases to senior salaries, taking account both of the School's financial performance and the need to offer salaries that compare favourably with competitor institutions.

The School will review and moderate the pattern of increases across its senior staff in order to ensure fairness and consistency.

Specifically regarding the principal's remuneration, this is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process. The current salary has remained unchanged for a number of years, but with the change of principals during the year and therefore the limited timeframe in which to meet any goals set, no change was considered appropriate.

The current level of remuneration at 2.5 (2020: 2.5) times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently successfully registering with the OFS and increasing the annual number of students recruited.

6. Access and Participation

	2021		2020	
	Actuals £	Per Plan £	Actuals £	Per Plan £
Access investment	56,010	50,000	49,219	27,500
Financial support	130,402	145,000	199,277	235,000
Research and evaluation	23,475	11,250	-	-
Success investment	-	-	63,634	76,250
Progression investment	-	-	32,115	11,250
	<u>209,887</u>	<u>206,250</u>	<u>344,245</u>	<u>350,000</u>
Staff costs included in the above	47,217		126,454	

The School's Access and Participation Plan can be found at: <https://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/accessplans/10004075>

7. Fixed Assets

	Freehold and leasehold property £	Motor Vehicles £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2020	1,287,768	3,676	2,307,920	3,599,364
Additions	-	-	45,313	45,313
At 31 August 2021	<u>1,287,768</u>	<u>3,676</u>	<u>2,353,233</u>	<u>3,644,677</u>
Depreciation				
At 1 September 2020	391,903	3,676	1,132,701	1,528,280
Charge for the year	<u>20,719</u>	<u>-</u>	<u>189,896</u>	<u>210,615</u>
At 31 August 2021	<u>412,622</u>	<u>3,676</u>	<u>1,322,597</u>	<u>1,738,895</u>
Net Book Value				
At 31 August 2021	<u>875,146</u>	<u>-</u>	<u>1,030,636</u>	<u>1,905,782</u>
At 31 August 2020	<u>895,865</u>	<u>-</u>	<u>1,175,219</u>	<u>2,071,084</u>

8. Fixed Assets Investments

	2021 £	2020 £
Market value at 1 September 2020	8,593,927	9,220,839
New funds placed and invested in year	-	-
Additional investments purchased	663,783	1,043,489
Disposals at market value	(719,734)	(1,613,416)
Investment income reinvested in the period / movement in cash balances	7,373	-
Revaluation in the year	1,606,722	(56,985)
Market value at 31 August 2021	10,152,071	8,593,927
Cost of investments	7,276,421	7,276,421

The School's investments comprise historical holdings of BlackRock Charities UK Equity and Bond units, managed by BlackRock Life Limited, with a total value as at 31 August 2021 of £1,924,443 and mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2021 of £8,227,628.

9. Stocks

	2021 £	2020 £
Catering and other sundry stocks	19,889	14,772

10. Debtors

	2021 £	2020 £
Fee debtors	52,611	65,632
Other debtors	955	3,978
Prepayments	103,307	85,348
	156,873	154,958

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	121,299	184,076
Deferred income – payments received on account	175,481	168,152
Social security costs	39,858	36,511
Pension scheme contributions	14,894	14,176
Other creditors	25,399	80,732
Accruals	167,692	158,236
	544,623	641,883

Deferred income comprises:

	Balance at 1 September 2020	Receipts in the year	Credited to income in the year	Balance at 31 August 2021
Fees in advance	146,815	168,559	(169,596)	145,778
Open learning fees	21,337	29,703	(21,337)	29,703
	<u>168,152</u>	<u>198,262</u>	<u>(190,933)</u>	<u>175,481</u>

12. Creditors: amounts falling due after one year

	2021 £	2020 £
Finance lease falling due 1-2 years	-	3,979
	<u>-</u>	<u>3,979</u>

13. General and Special Funds

	Balance at 1 September 2020 £	Income £	Gains/(Losses) £	Balance at 31 August 2021 £
13.1 Endowment Funds				
Montague Goodman Bursary	99,853	-	17,219	117,072
Jomac Hennell Bursary	32,083	-	5,532	37,615
Sir John Laing Memorial	100,226	-	17,283	117,509
Sir John Laing Lecture	14,135	-	2,437	16,572
	<u>246,297</u>	<u>-</u>	<u>42,471</u>	<u>288,768</u>
	Balance at 1 September 2019 £	Income £	Gains/(Losses) £	Balance at 31 August 2020 £
Montague Goodman Bursary	111,166	-	(11,313)	99,853
Jomac Hennell Bursary	35,718	-	(3,635)	32,083
Sir John Laing Memorial	111,582	-	(11,356)	100,226
Sir John Laing Lecture	15,736	-	(1,601)	14,135
	<u>274,202</u>	<u>-</u>	<u>(27,905)</u>	<u>246,297</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

13. General and Special Funds (continued)

	Balance at 1 September 2020	Income	Expenditure/ Fund transfers	Gains	Balance at 31 August 2021
13.2 Unrestricted Funds	£	£	£	£	£
General fund	3,720,284	3,408,043	(4,154,173)	-	2,974,154
Designated fund	6,379,822	-	-	1,323,681	7,703,503
Pensions reserve	(1,012,000)	-	511,000	928,000	427,000
	<u>9,088,106</u>	<u>3,408,043</u>	<u>(3,643,173)</u>	<u>2,251,681</u>	<u>11,104,657</u>
	Balance at 1 September 2019	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2020
	£	£	£	£	£
General fund	3,665,733	3,476,207	(3,421,656)	-	3,720,284
Designated fund	6,250,840	-	-	128,982	6,379,822
Pensions reserve	(918,000)	-	(14,000)	(80,000)	(1,012,000)
	<u>8,998,573</u>	<u>3,476,207</u>	<u>(3,435,656)</u>	<u>48,982</u>	<u>9,088,106</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

	Balance at 1 September 2020	Income	Expenditure	Gains	Balance at 31 August 2021	Purpose of fund
13.3 Restricted Funds	£	£	£	£	£	
Henman Memorial Bursary	476,579	15,904	-	75,626	568,109	For student bursaries
Student Grant Bursary	824,023	25,139	-	130,758	979,920	For student bursaries
Graham Scholarship	136,180	4,541	-	21,609	162,330	For student bursaries
Mary Fisher Memorial	33,270	1,109	(200)	5,279	39,458	For student bursaries
Laing Scholarship	-	12,000	(10,418)	-	1,582	For research student scholarship
Student Wives Bursary	43,153	1,670	-	6,847	51,670	For study support for Students' spouses
Music and Worship Bursary	204	854	-	-	1,058	For bursaries to music and worship students
Students in Need Fund	28,703	23,879	(31,023)	-	21,559	For students in need
Reading Prize Fund	184	-	(184)	-	-	For annual prizes
Sir Eric Richardson Prize	373	13	(200)	59	245	For annual prizes
Griffiths Prize	2,473	83	(200)	392	2,748	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton Bursary	551	975	(968)	-	558	For the purchase of books
Maranatha Trust Scholarship	22,000	-	(22,000)	-	-	For overseas students to study for 1 year on site
Beacon Trust	5,102	3,000	-	-	8,102	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	6,688	-	-	-	6,688	For funding an evangelist in residence
Vaux sur Seine	2,224	-	-	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,222	(1,222)	-	-	For School development projects
Alumni Fund	22,176	46	(5,425)	-	16,797	For LST alumni events
Alumni Bursary Fund	4,418	-	(3,295)	-	1,123	For student bursaries
Hebrew Prize	520	-	-	-	520	For high attainment in Hebrew language studies
ECLAS Science for Seminaries	-	60,000	(4,086)	-	55,914	For the advancement of Science-engaged theology
Other restricted funds	23,677	35,330	(34,515)	-	24,492	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	19,695	3,469	-	-	23,164	For student bursaries
Jomac Hennell Bursary	8,289	1,115	-	-	9,404	For student bursaries
Sir John Laing Memorial	21,049	3,482	-	-	24,531	For student bursaries
Sir John Laing Lecture	(2,294)	491	-	-	(1,803)	For the annual memorial lecture
Total	1,685,967	194,322	(113,736)	240,570	2,007,123	

13. General and Special Funds (continued)

	Balance at 1 September 2019	Income	Expenditure	Losses	Balance at 31 August 2020	Purpose of fund
	£	£	£	£	£	
13.3 Restricted Funds						
Henman Memorial Bursary	509,848	16,114	-	(49,383)	476,579	For student bursaries
Student Grant Bursary	884,083	25,570	-	(85,630)	824,023	For student bursaries
Graham Scholarship	145,690	4,601	-	(14,111)	136,180	For student bursaries
Mary Fisher Memorial	35,595	1,123	-	(3,448)	33,270	For student bursaries
Laing Scholarship	-	12,000	(12,000)	-	-	For research student scholarship
Jerusalem Trust	-	1,500	(1,500)	-	-	For online education
Student Wives Bursary	53,644	1,693	(6,988)	(5,196)	43,153	For study support for Students' spouses
Music and Worship Bursary	10,785	1,254	(11,835)	-	204	For bursaries to music and worship students
Students in Need Fund	23,981	42,912	(38,190)	-	28,703	For students in need
Reading Prize Fund	184	-	-	-	184	For annual prizes
Sir Eric Richardson Prize	394	17	-	(38)	373	For annual prizes
Griffiths Prize	2,646	83	-	(256)	2,473	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton Bursary	450	500	(399)	-	551	For the purchase of books
Maranatha Trust Scholarship	40,000	-	(18,000)	-	22,000	For overseas students to study for 1 year on site
Student Information System grant	6,912	-	(6,912)	-	-	To help cover the cost of implementing new SIS
Beacon Trust	6,000	4,000	(4,898)	-	5,102	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	7,968	-	(1,280)	-	6,688	For funding an evangelist in residence
Vaux sur Seine	5,224	-	(3,000)	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,310	(1,310)	-	-	For School development projects
Alumni Fund	22,645	344	(813)	-	22,176	For LST alumni events
Alumni Bursary Fund	25,581	-	(21,163)	-	4,418	For student bursaries
Hebrew Prize	520	-	-	-	520	For high attainment in Hebrew language studies
Other restricted funds	24,427	29,627	(30,377)	-	23,677	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	16,181	3,514	-	-	19,695	For student bursaries
Jomac Hennell Bursary	7,159	1,130	-	-	8,289	For student bursaries
Sir John Laing Memorial	17,522	3,527	-	-	21,049	For student bursaries
Sir John Laing Lecture	(2,791)	497	-	-	(2,294)	For the annual memorial lecture
Total	1,851,378	151,316	(158,665)	(158,062)	1,685,967	

14. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2021				
Represented by:				
Tangible fixed assets	1,905,782	-	-	1,905,782
Investments	8,227,628	1,635,675	288,768	10,152,071
Current assets	1,088,870	371,448	-	1,460,318
Current liabilities	(544,623)	-	-	(544,623)
	10,677,657	2,007,123	288,768	12,973,548
Pension Scheme liabilities	427,000	-	-	427,000
	11,104,657	2,007,123	288,768	13,400,548

15. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities.

16. Pension Commitments

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme ("the Defined Benefit Scheme"), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £103,943 (2020: £103,244). At 31st August there were £14,894 of outstanding contributions (2020: £14,176) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

16. Pension Commitments (continued)

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2020: £36,000) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The Scheme's net surplus of £427,000 plus the non-scheme provision of £nil results in a reserve surplus of £427,000.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2021 £000's	2020 £000's
Scheme assets at year end	6,497	5,411
Present value of funded obligations obligation	(6,070)	(6,387)
	<u>427</u>	<u>(976)</u>
Actuarial (gains) / losses comprise:		
(Gain) on scheme assets in excess of interest	(728)	(89)
(Gain) / Loss from change in assumptions	(11)	169
Experience (gains) on liabilities	(153)	-
	<u>(892)</u>	<u>80</u>
Analysis of amounts charged to activity costs categories:		
	2021 £000's	2020 £000's
Bank and other interest / (other finance charges)		
Interest on scheme assets	(89)	(96)
Interest cost	<u>100</u>	<u>112</u>
	<u>11</u>	<u>16</u>



Change in scheme liabilities

	2021 £000's	2020 £000's
Beginning balance	(6,387)	(6,327)
Interest cost	(100)	(112)
(Losses) from changes in actuarial assumptions	(140)	(169)
Experience gains on liabilities	153	-
Changes in demographic assumptions	151	-
Benefits paid	253	221
Closing balance	(6,070)	(6,387)

Change in scheme assets

Beginning balance	5,411	5,447
Interest on scheme assets	89	96
Return on assets in less interest	728	89
Contributions by employer	522	-
Benefits paid	(253)	(221)
Closing balance	6,497	5,411

The major categories of the scheme assets are as follows:

	31 August 2021		31 August 2020	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	43%	2,786	44%	2,357
Bonds and cash	57%	3,711	56%	3,054
Total assets at end of year		6,497		5,411
			2021 £000s	2020 £000s
Actual return on scheme assets			817	185

The value of the Scheme's liabilities has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2021, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

16. Pension Commitments (continued)

Actual assumptions used:	2021 %	2020 %
Discount rate	1.55%	1.6%
Rate of increase in pensions in payment	3.55%	3.35%
Rate of RPI price inflation	3.6%	3.4%
Rate of CPI price inflation	2.6%	2.4%
Post – retirement mortality	110% S3PMA/ 105% S3PFA CMI 2020 [1%]	110% S2PA/ 105% S2PFA CMI 2017 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£81k increase
Increase of 0.1% in inflation assumption	£27k increase
Increase in long-term mortality projection of 1.5%	£110k increase

17. Leasing Commitments

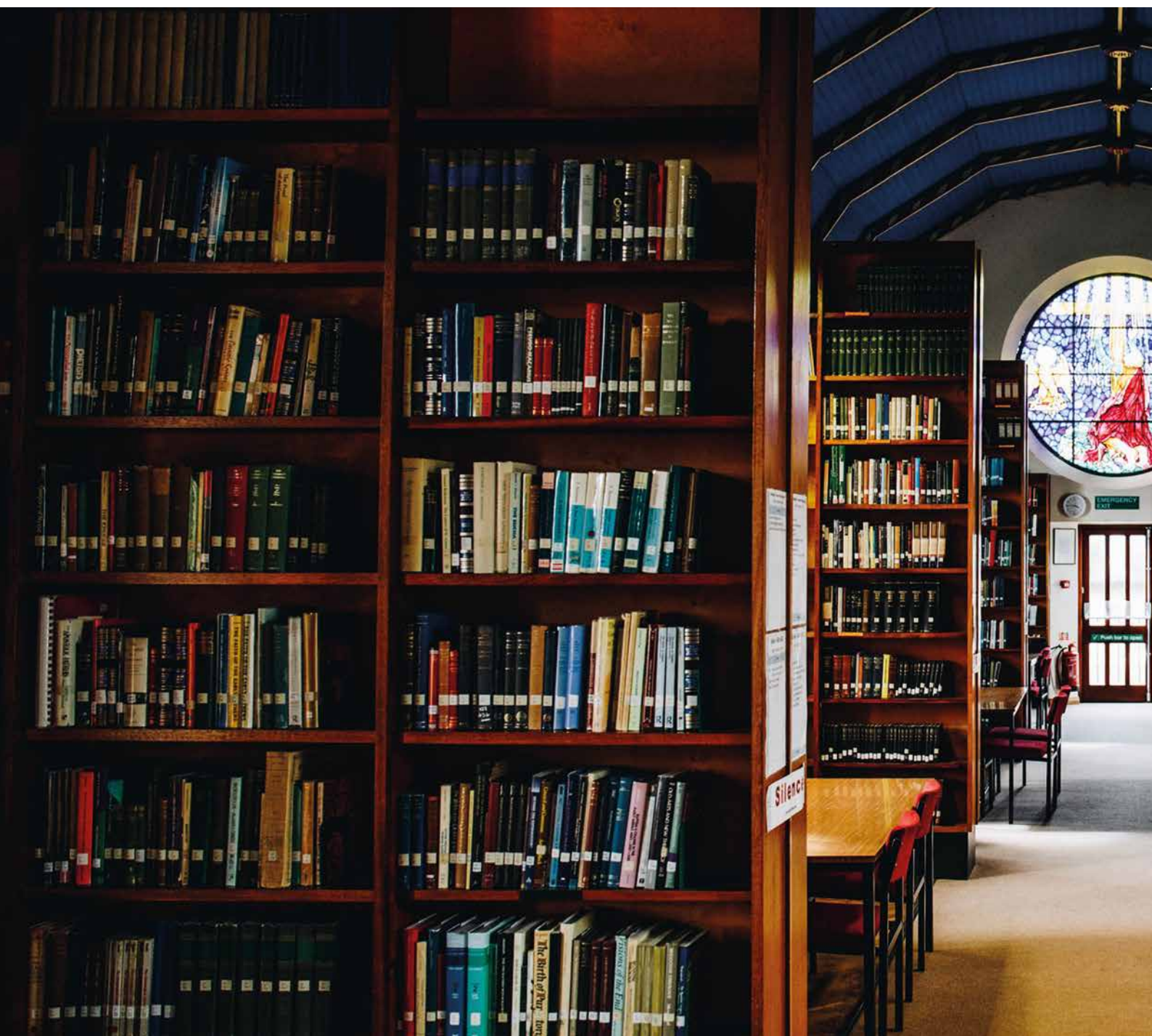
At 31 August 2021, the School was committed to making the minimum lease payments in respect of hire of machinery:

Operating leases which expire:	2021 £	2020 £
Within 1 year	7,814	9,452
Within 2 to 5 years	17,582	25,396
	<u>25,396</u>	<u>34,848</u>

18. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2020 £
Income From				
Donations and legacies	225,802	93,447	-	319,249
Charitable activities				
Education	2,887,241	-	-	2,887,241
Conferences	3,530	-	-	3,530
Investments	229,106	57,869	-	286,975
Trading income	24,863	-	-	24,863
Other income	105,665	-	-	105,665
Total Income	<u>3,476,207</u>	<u>151,316</u>	<u>-</u>	<u>3,627,523</u>
Expenditure On				
Raising Funds				
Investment manager fee	39,939	-	-	39,939
Trading expenses	45,906	-	-	45,906
Fundraising costs	55,082	-	-	55,082
Charitable activities				
Education	3,259,779	158,665	-	3,418,444
Conferences	34,950	-	-	34,950
Total Expenditure	<u>3,435,656</u>	<u>158,665</u>	<u>-</u>	<u>3,594,321</u>
Net expenditure before transfers	40,551	(7,349)	-	33,202
Investment gains	128,982	(158,062)	(27,905)	(56,985)
Net (expenditure)/ income	<u>169,533</u>	<u>(165,411)</u>	<u>(27,905)</u>	<u>(23,783)</u>
Defined benefit pension scheme (losses)	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>
Net movement in funds	<u>89,533</u>	<u>(165,411)</u>	<u>(27,905)</u>	<u>(103,783)</u>
Balance brought forward at 1 September 2019	<u>8,998,573</u>	<u>1,851,378</u>	<u>274,202</u>	<u>11,124,153</u>
Balance carried forward at 31 August 2020	<u>9,088,106</u>	<u>1,685,967</u>	<u>246,297</u>	<u>11,020,370</u>

London School of Theology is one of the **largest Evangelical theological** colleges in Europe. Our programmes are designed to give you a **biblical and theological foundation** on which to build your life and ministry.







London School of Theology | Green Lane | Northwood | HA6 2UW
t: 01923 456000 | e: enquiries@lst.ac.uk | w: lst.ac.uk



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Company limited by guarantee. Registered in England No. 381332 | Registered Charity No. 312778

Accounts



London School of Theology



Report and Financial Accounts

2020

Company Registered No: 381332
Registered Charity No: 312778

Year ended 31 August 2020

Report and Financial Accounts

The London School of Theology continues to educate individuals, equip local churches and engage in leading research.



20

2019-2020



We are committed
to offering the
highest standard of
education.

Introduction from the Principal

Welcome

I write this introduction as I come towards the end of my first year as Principal of London School of Theology. I want to say that it is an immense privilege to be called into this role. I am humbled to be the new Principal.

I would like to be able to say that everything has been straightforward and easy in my first year. I had just about settled in, having moved back from Virginia, USA, when a global pandemic hit with considerable force and all of our on-campus life was moved online in the space of a week. I was enormously grateful for the way that staff and faculty responded to the crisis and did what was needed to enable us to complete our work for the academic year.

Sadly, our graduation was postponed until December, and then postponed again until next summer, following the news of a second lockdown period. The summer break was also short because of the need to progress students and to get ready for the next academic year. We finished our final assessment board the week before the arrival of our new students. Nevertheless, and despite the extra demands this Covid-19 season has brought, we started the new academic year very well, with a wonderful group of new students, for which we thank God.

My experience of talking with students suggests that, despite the obvious strains and stresses, they are doing very well overall. There is a genuine appreciation by on-campus student of our desire to teach in a hybrid manner (on-campus and online simultaneously) when so many universities and colleges have simply moved online. We have also noticed an increased take-up of our online delivery, which is very encouraging. So, it seems, we are benefitting from both modes of delivery this year.

As I have become established in the role, it is clear to me that LST continues to work from within its heritage as an Evangelical institution. As such, it is committed to the supreme authority of Scripture in matters of faith and doctrine, while it also functions like a university college, being committed to the highest academic standards. In other words, LST integrates authentic Evangelical spirituality with rigorous intellectual enquiry. In this regard it continues to deliver the original vision articulated by those who started the School in 1943.

I am so grateful to all my colleagues, my executive team, trustees, faculty and staff, for working with me to ensure the success of the School. Recently, I have been reminded of the old London Bible College motto: "Set your mind on things above" (Col. 3.2), which I have reinstituted for the School's use. In this text, Paul reminds his readers that their identity is in Christ first and foremost. We are reminded of the same reality today. Whatever the circumstances, we exist to serve the Lord Jesus Christ and his Church. May we continue in his service for the glory of his name!



The Revd Professor Mark J. Cartledge
Principal

Bringing
theology
within reach
for students
around the
globe.



2019 - 2020

At A Glance

Income & Expenditure

Year ended 31 August

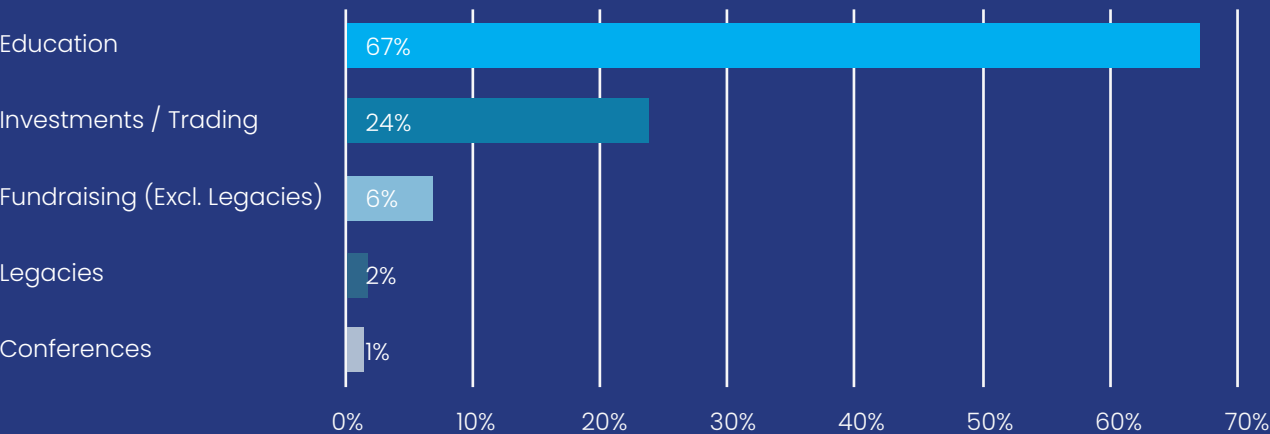
	2020	2019
	£'000	£'000
Income	3,627	3,359
Expenditure	(3,594)	(3,724)
Net income / (losses)	33	(365)
Pension scheme losses	(80)	(604)
Investment (losses) / gains	(57)	178
Net movement in funds	(104)	(791)

Balance Sheet

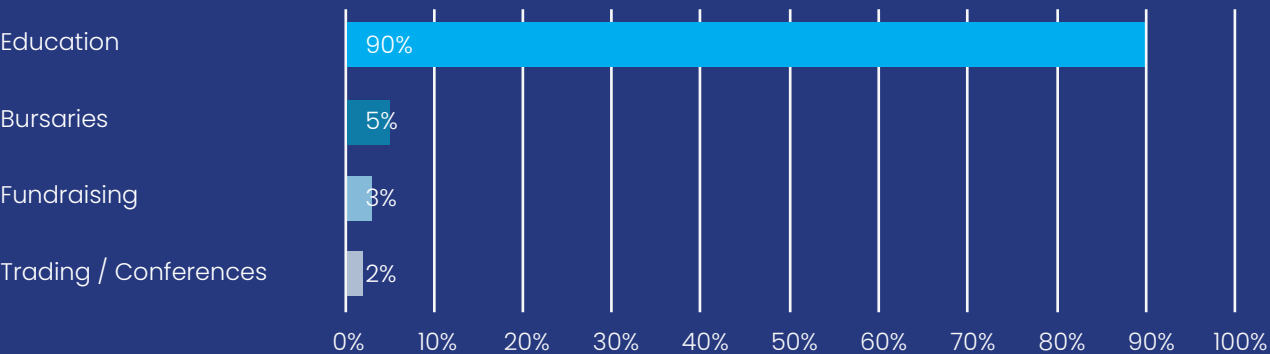
Balance at 31 August

	2020	2019
	£'000	£'000
Tangible assets	2,071	2,284
Investments	8,594	9,221
Net current assets	1,371	589
	12,036	12,094
Creditors > than 1 year	(4)	(52)
Pension scheme liability	(1,012)	(918)
Net assets	11,020	11,124

Our Income



Our Expenditure



2019 - 2020

What We Achieved

London School of Theology graduated 72 undergraduate level qualifications

London School of Theology graduated 72 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theology & Counselling, Theology & Music, and Theology, Music & Worship.

London School of Theology's undergraduate programmes bring the opportunity to study the Bible in greater depth, with world-class scholars. We have three levels, across four programmes designed to train those looking to learn more about their faith.

London School of Theology graduated 19 postgraduate qualifications

London School of Theology graduated 19 postgraduate students across the MA in Aspects & Implications of Biblical Interpretation, MA in Integrative Theology and MA in Theological Education programmes.

Postgraduate study at London School of Theology equips students with skills of understanding, discovery, depth and determination. When they graduate, students are equipped to teach others and make a positive difference in their lives. Their qualification opens up significant employment opportunities in academia, Christian leadership and the marketplace.

Each year the postgraduate students take up leadership roles all over the world. The majority of our graduates can be found teaching in churches, seminaries and university faculties around the world. As part of a larger network of over 500 students from all over the world, London School of Theology's postgraduate centre is a unique and exciting place to study.

London School of Theology graduated 13 research qualifications

London School of Theology graduated 13 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes.

The purpose of a research degree is to establish and demonstrate competence in a theological discipline via a thesis project. The discoveries made by research students contribute not only to their personal growth but also to the academy and the community they serve.

Those taking a research programme at London School of Theology are expected to demonstrate critical knowledge of their chosen field. Research degrees are not taught courses, although students may be asked to take a course of guided reading or attend relevant classes.

2019 - 2020

Plans for 2020–2021

With the arrival of our new Principal in January, consideration was given to the development of a new five-year strategy. No sooner had initial discussions taken place, than the Covid-19 pandemic struck and the first national lockdown forced this to be put on hold, while attention turned to switching educational delivery fully online from the last week of the Spring term. The campus remained closed throughout the summer term, but there was no let up to the matter of delivering a first class education to our students and our staff ensured other business continued as normal, especially in the area of student recruitment. With a large contingent of new students successfully signed up, we were very keen to return to face to face teaching and residential life back on campus for those who wanted it for the beginning of the new academic year and with suitable precautions in place this was achieved and the college remained open for the entire Autumn term.

As we look forward, our plans for the year ahead are to:

- Manage our way through the Covid season
- Develop and agree a five-year strategy
- Continue to meet or exceed the financial target of breaking even before depreciation
- Meet student recruitment targets
- Improve retention for all programmes
- Measure organisational health and make any necessary changes. Further develop our Christian community

Student Life

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip Christians for life in the real world. More than ever, there is a need to train Christians to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and essentials such as food and travel. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance.

We are a resource for the local Church

Covid restrictions permitting, London School of Theology continues to seek to equip local churches in multiple ways: through public lectures and partnership in mission, including offering students for placements. Our faculty and staff teach and preach in local churches across the country and around the world. When the campus is open, we also make our wide range of seminar rooms, excellent catering and newly renovated accommodation available at competitive rates to churches, charities and Christian organisations.

We have an Alumni Association across the world

London School of Theology is one of the largest, most diverse theological colleges in Europe, with over 7,000 alumni across 40 countries. As our alumni continue to make meaningful contributions to the Church worldwide, the Alumni Association helps to maintain valuable connections to the School, faculty and classmates, as well as provide them with appropriate resources. We are confident that our newly launched Alumni website <https://alumni.lst.ac.uk> will be instrumental in facilitating this still further.

2019 - 2020

What Our Students Say

What surprised me the most about London School of Theology is not just my spiritual transformation but my character transformation too.



Annabelle Adams – Graduate

What surprised me the most about London School of Theology is not just my spiritual transformation, but my character transformation too. When starting LST, I was new to the Christian lifestyle but confident in who I was; when leaving LST, I was firmly grounded in my theology which consequently made me not only confident but secure in who I was.

This growth of character didn't just come from being challenged and encouraged to explore my current theology, coming face to face with misconceptions and, let's be honest, the things I was willing to ignore; but rather, my character grew from the community and support that LST is unique in. The willingness to help you through one of the most foundational journey's any Christian could ever do still astounds me to this day. The ability for a place of study where a majority of faculty and staff share the same groundwork is so powerful, because it means any questions that you may have it's almost certain you can find someone else who has either journeyed through it or has the same question as you. You are never alone at LST.

I have said and still will continue to say, have you really studied Theology if you haven't had a breakdown? It is hard, of course it is, but I was safe at LST, I was allowed to have breakdowns at LST because I knew that there would always be someone there to help me through it, whether it was to do with my studies or just the confusing and complicated journey of life. I have so many thanks for the London School of Theology, for not only allowing me to be vulnerable and giving me opportunities to lead mission trips around Europe but mostly for allowing me the space to grow my own Father-Daughter relationship with God in the purest way. I am so thankful.

2019 - 2020

What Our Students Say



Matthew Whyte – Master of Theology Student

Studying at London School of Theology has been a formative and rewarding adventure. Where prior to my studies issues of faith and academia aroused concern and fear, after three years of undergraduate study, I have been stretched and nourished academically, to a point where my faith rests on firm foundations and a tangible theological method.

What appealed to me most in the application process was the broad range of subjects delivered through the degree – and that range has paid off significantly. Through my practical placement I enhanced my interpersonal skills and developed a vocation for church ministry. In lectures I discovered a passion for Old Testament, which has developed into Masters level research. Thanks to the holistic experience of a London School of Theology undergraduate degree, my faith, future, and passions have been forever challenged and impacted.

Joost van den Boogaard – BA Theology Student

My first year of studying Theology at London School of Theology exposed me to a wealth of ideas and perspectives on the Christian faith. This has been an exciting journey. The lecturers have expanded my knowledge and laid the groundwork for critical engagement. Beside the academic rigour, I'm continuously impressed at how the lecturers at London School of Theology encourage students to 'keep their balance' and keep investing in their personal and devotional life.

Now in my second year, I feel encouraged to take a deep dive and explore – even as I've had to study from a distance due to the global crisis. The LST faculty maintains a close relationship to their students, ready to provide academic and prayerful support. I feel I'm being challenged as I go into deeper theological waters – but I do so knowing that there will be 'oxygen' whenever I need it.



Year ended 31 August 2020

Report and Financial Statements

Company Name

London School of Theology

Company Number

381332

Registered Charity Number

312778

Address of School and Registered Office

London School of Theology
Green Lane, Northwood, HA6 2UW

Bankers

National Westminster Bank Plc
159 High Street, Rickmansworth
Herts, WD3 1AR

Auditors

Haysmacintyre LLP
10 Queen Street Place, London, EC4R 1AG

Solicitors

Pothecary Witham Weld
70 St George's Square, London, SW1V 3RD

Year ended 31 August 2020

Governors' Report

The Governors, who are the trustees and directors of the London School of Theology, have pleasure in presenting their report and the financial statements for the year ended 31 August 2020.

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit for that period. In preparing those financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business;
- Follow the methods and principles of the Charities SORP.

The Governors are responsible for maintaining proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Preparation of accounts

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Governance and management of the charity

Trustees

Governance and managament of the charity

Trustees
The following served as Governors of the charitable company for the whole of the period, and up to the approval of the accounts, unless otherwise stated:

Name	Honorary Position	Note
Mr Steve Hughes*	Chair of the Board	
Revd Dr Alex Irving		Until 06/20
Prof Hugh Williamson+	Chair of the AAC	
Mrs Margaret Doyle+	Vice-Chair of the Board	
Revd Johnny Douglas		
Canon Yemi Adedeji		
Mr Paul Smith*		
Mr Ian Thompson*	Chair of the F&GP	
Rt Revd Graham Cray		
Mrs Kate Meathrel		From 01/20
Mrs Susan Stapleford*		From 01/20
Revd Dr Jenni Williams		From 06/20
Prof Peter Oakes+		From 10/20

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Revd Prof Mark Cartledge	Principal	From 01/20
Prof Graham Twelftree *+	Academic Dean	
	Acting Principal	Until 01/20
Mrs Kate Douglas*+	Academic Secretary, Director of Academic Support	

* Denotes member of the Finance and General Purposes Committee (F&GP).
+ Denotes member of the Academic Affairs Committee (AAC).

Governance and management of the charity (continued)

Name	Position	Note
Mr Jonathan Mead*	Director of Finance and Administration Company Secretary	
Dr John Dennis+	Faculty Representative	
Dr Graham McFarlane+	Faculty Representative	
Mr Mark Allen	Staff Representative	Until 10/19
Mrs Nisha Panicker	Staff Representative	Until 10/20
Mr Adam Freeth Wright	Staff Representative	From 10/20
Ms Clare Miller	Staff Representative	From 10/19
Miss Lydia Lee	Student Body President	Until 04/20
Mr Zac Lambert	Student Body Male Vice-President	Until 04/20
Miss Sophie La Bouchardiere	Student Body President	From 04/20
Mr Philip Hyde	Student Body Male Vice-President	From 04/20

* Denotes member of the Finance and General Purposes Committee (F&GP).

+ Denotes member of the Academic Affairs Committee (AAC).

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

The Charity draws on its wide range of supporters and former students, from whom trustee candidates with the required experience and skills are sought. It is the Charity's aim always to maintain a broad representation among its trustees, in terms of their academic, financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointment

Once potential trustees have been identified and following a discussion at a meeting of the Board of Governors, the candidates are asked to submit a CV for consideration at the next Board meeting. Once candidates have been accepted by the Board and have confirmed their agreement to the Charity's Doctrinal Basis statement, they are usually co-opted onto the Board. Subsequently, at the next AGM they formally stand for election as a Company Member (if required) then stand for election as a Governor for a three year term.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity, but each new trustee is personally briefed about their role. In the past the Charity has arranged professional outside training for all trustees. Trustees are also asked to access the Charity Commission's website on a regular basis. Trustees are encouraged to attend and to be involved in the Charity's activities throughout the year.

Governance and management of the charity (continued)

Senior Employees

Serving as the School's Executive Team during the year 2019/20:

Revd Prof Mark Cartledge	Principal (from 01/20)
Prof Graham Twelftree	Academic Dean and Acting Principal (to 01/20)
Mr Jonathan Mead	Director of Finance and Administration
Mrs Kate Douglas	Academic Secretary, Director of Academic Support

Statement of Corporate Governance

The Governors confirm that the financial Statements comply with the current statutory requirements and with the requirements of the charity's governing document.

The Board of Governors meets three or four times a year to consider all matters pertaining to the governance of the Charity. The Board of Governors is complimented by both Students, staff and faculty representatives of the School. The main operating sub-committees of the Board also meet three or four times a year and are the Finance & General Purposes Committee (F&GP), which is chaired by Ian Thompson and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board and the Academic Affairs Committee (ACC) chaired by Prof. Hugh Williamson. In addition, there is a Scholarships and Bursaries Committee and a Pensions Committee, the former being chaired by the Director of Finance and Administration and the latter by a Pensions Trustee. The School reviews the terms of reference for all sub-committees of the Board of Governors every two years to ensure the School's governance is to the levels required by the School's status as a HEI.

The School has posted all its policies on matters of public, students and staff interest on the School's website. Please see: <https://lst.ac.uk/our-policies/>

A full review of the governance of the charity was undertaken during the year with the assistance of an experienced external facilitator. No major concerns were identified, some specific process improvements have been put in place, and a further discussion will take place on outstanding items at a future meeting.

How the Charity is managed

The Executive Team (ExT) is the day-to-day decision-making body of the Charity, covering its full life and operations. The ExT meets regularly and is accountable to the Board of Governors.

Salaries of key staff are reviewed from time to time taking into account pay in comparable organisations and the finances of the Charity.

On academic matters arising from the Charity's work in providing higher education courses, the Charity has the Academic Affairs Committee mentioned above and an Academic Board that is chaired by the Academic Dean and to which various academic sub-committees report.

Internal Control

The governors are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the members of the Board in the terms and conditions of funding with the OfS.

Governance and management of the charity (continued)

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 and to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The key elements of the School's system of internal control are as follows:

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- Regular reviews of key performance indicators and financial results involving variance analysis reporting and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;
- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

The Board's view of the effectiveness of the system of internal control is informed by the work of the Finance & General Purposes Committee and management who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports.

Fundraising approach and performance

The School undertakes fundraising activity to its supporters via direct mail, email, telephone and fundraising events. Our fundraising promise is:

When you support us, you can be sure of the following:

- We will never share your contact details with any other fundraisers
- We will only contact you if you are an alumnus, have expressed an interest in our work or are known to support similar organisations to ourselves.
- If we phone you, we will always check you are happy to take the call
- If you ask us to change how we communicate with you, or to stop, we will respect that
- We do not engage in cold-calling
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.

The charity does not work with any other organisation to deliver its fundraising activity. We have a training programme for all our fundraising staff to regularly reinforce our fundraising ethics. During the year we received a very small number of complaints about our fundraising activities, typically around the stated preferences of our recipients.

The purpose of the Charity

Summary of the Objects of the Charity

The principal activity and objectives of the charitable company, as set out in the Articles of Association, is the advancement of the Christian religion, by such means as the Company may determine, including but not limited to:

- a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;
- b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;
- c. The support of the School, its students and its former students.

All such activities are carried on in strict accordance with the School's Doctrinal Basis of Faith.

Public Benefit of the Charity

Trustees are aware of the guidance on Public Benefit as described by the Charity Commission, have taken it into account in operating the Charity, and have sought to ensure that any decisions taken are in furtherance of the Charity's benefit to the public. Trustees consider that the Charity's aims, objectives and activities as described below demonstrate proof of public benefit in the advancement of religion and in the advancement of education. In addition, through the operation of the Charity, associated benefits to the public arising from the operation of the Charity include:

- The provision of subsidised access to the theological library facilities for academics, students and members of the local Christian Community
- Access to means-tested bursaries;
- Access to Counselling through the REMA Counselling Service;
- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School.
- Provision of theological education to the wider community via our Theology within reach programme.

Strategic Report

Aims, objectives and activities

Aims

To serve the Church of Jesus Christ throughout the world by educating individuals, equipping local Churches and engaging in leading research.

To achieve this end, LST does not simply seek to serve the Church but it also seeks to be part of the Church. Our ways of working must be marked by faithfulness to God, commitment to the way of Christ and ongoing transformation by the Spirit.

Our Strategic Plan is an outworking of a deeper set of virtues by which its implementation is to be measured.

Strategic Report (continued)

Shaped by our understanding of what it means to be a community of disciples, we seek to embody virtues which reflect the Christ who calls us to follow him and the Spirit who empowers our work.

Our conviction is that these virtues are to infuse our community and that for all who work or study at LST they will be deeply experienced, internalised and expressed.

Gentleness (Galatians 5:22) and Humility (Romans 12:3)

Compassion (Galatians 5:22) and Forgiveness (Ephesians 4:32)

Excellence (Philippians 4:8) and Integrity (John 8:32)

Hospitality (Hebrews 13:1-2) and Service (Matthew 22:37-39)

Hope (Romans 4:3-4) and Joy (Galatians 5:22)

We achieve these aims

By:

- Developing Biblical, theological thinking and practice to the highest levels;
- Nurturing Christian faith, spiritual gifts, vocational skills and personal formation;
- Encouraging creative integration of biblical learning with other disciplines;
- Supporting dynamic innovation in Christian research and practice;
- Pursuing Christian excellence in all aspects of School life,

Through:

- Academic discipline;
- Practical training;
- Worship;
- Community life;
- Pastoral care;
- Personal example,

In the power of the Holy Spirit, for the furthering of Christ's Kingdom and to the glory of God.

Objectives

- To deliver world class theological education for the 21st Century;
- To build a strong and vibrant Christian community;
- To operate as a sustainable and efficient business;
- To build strong and effective relationships across a range of networks.

Activities

All activities undertaken are in support of the aims and objectives of the Charity. Our primary activity is the provision of high quality academic education that will equip our students for Christian service and leadership. All our other activities support that primary activity and help ensure that the School operates in a financially viable manner. Full details of our courses and other resources can be found on our website (www.lst.ac.uk).

Key Objectives and Activities for 2019/20

- New Principal recruited and in post by the end of the year
- The Restoring Foundation targets met for the year

Strategic Report (continued)

- Student recruitment levels maintained at their current levels and retention percentages improved for all programs and forms of delivery
- Student Information System fully implemented for all LST courses and integrated with the School's VLE platform
- The Financial target of breakeven before depreciation met

Measures of Success and Outcomes in 2019/20

- Revd Prof Mark Cartledge started as principal on 1st January 2020
- Whilst many of the targets were met, due to the Covid pandemic a number were not and have either been rescheduled or deferred for further consideration as part of the new five year strategy to be developed in 2021
- Undergraduate recruitment improved along with some of the Masters programmes
- Rather than press ahead with further SIS development / integration it was decided to pause this and spend time ensuring the full functionality of the current system was fully understood and used
- With the onset of Covid efforts were made to preserve income and cut costs. With income not being impacted as much as had been expected and costs savings successfully made the College ended with an operating surplus before and after depreciation

Future Objectives and Activities for 2020/21

- Manage our way through the Covid season
- Develop and agree a five-year strategy
- Continue to meet or exceed the financial target of breaking even before depreciation
- Meet student recruitment targets
- Improve retention for all programmes
- Measure organisational health and make any necessary changes
- Further develop our Christian community

The operation of the Charity relations and affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship.

The School is a member of the Evangelical Alliance, Global Connections (the Evangelical Missionary Alliance), the Association of Bible College Principals, the Association of Bible College Bursars and the European Evangelical Accrediting Agency.

Risk Management Statement

The Charity's risk management strategy continues to be reviewed to identify the potential risks that could materially impact the Charity. The F&GP Committee reviews and monitors risk on a regular basis, taking direction from the risk evaluation undertaken by the school's departments during the year through a risk matrix. It seeks to mitigate identified risks on an on-going basis. The key risks facing the School are currently seen as compliance - failure to meet all of the third-party requirements (Educational, GDPR and Health and

The operation of the Charity relationships and affiliations (continued)

Safety related), financial, a failure to recruit or retain sufficient students or raise adequate 3rd party funding or investment returns, all combining in a failure to meet the budgeted income targets for the year. Actions to address these risks include for compliance, ensuring the Student Information System is fully implemented across all programmes, for retention the engagement of the Academic Board to understand the issues impacting this so they can be addressed and for recruitment the appointment of an admissions officer to ensure all applicants are promptly followed through the recruitment process. Regarding the investments, the F&GP Committee reviews the investments and their performance on a quarterly basis, the portfolio is actively monitored by its investment fund managers who are invited to attend the F&GP meeting once a year to discuss the market outlook and their investment approach for the year ahead to ensure they are on track to reach the required returns.

The purchase of appropriate insurance products is also used to protect the Charity's assets and operations. None of this could have prepared us for the Covid-19 pandemic however which had a significant impact on the School during the year. Due to the first lockdown the campus had to be closed one week before the end of the spring term and all teaching moved online for the rest of the academic year. The summer saw the cancellation of all our booked conferences with the loss of all associated income. The School was determined to re-open for the Autumn term with much time and effort put in to making the campus as safe as possible to minimise the risk of any of our students contracting the virus or bringing it onto campus. A Covid Response team was formed, a Covid marshal employed and the housekeeping team boosted to minimise the potential risks.

Dependence on Volunteers

The Charity is reliant on the continuing voluntary commitment of the trustees, as well as other volunteers who have helped in a number of ways around the school. Students also volunteered in areas such as the library and helping run events.

Facilitating Access to Christian Theological Education

The Charity operates twelve separate restricted bursary funds. The Charity's policy is to award grants on the basis of demonstrable financial need, subject to any restrictions imposed by the original donors of the funds. Award decisions are made by the Charity's Scholarship and Bursary Committee.

The finances of the Charity

Covid-19 has impacted most areas of the School with the finances being just one of them. A quick assessment was made at the beginning of the first lockdown as to what the possible impact might be on income and actions taken to try and match this by reducing costs. With the campus closed a number of employees had no work to perform (mainly catering and housekeeping) and were put on furlough, costs associated with running the site were reduced to the minimum and other overhead costs were also carefully controlled to achieve maximum savings. Not only did we successfully reduce costs compared to the budget by £350k the income side was not as seriously impacted as had been anticipated with investment and donation income both bouncing back and finally coming in close to budget, which just left conferencing as the one major area where a significant deficit against the budget was recorded. The outcome of higher than expected income and significantly lower costs was that rather than just breaking even before depreciation as budgeted, we ended the year with a small surplus before investment and

The finances of the Charity (continued)

defined pension fund losses. Regrettably the shadow of Covid still hangs heavily over us all and so there is no room for complacency and the position is being carefully monitored to ensure we continue to protect our finances going forward from any major impact.

Effective September 2019 as a provider without a TEF award, we have had to cap our undergraduate fees at or below the full time limit of £9,000 and the part time limit of £6,750. For our students it has meant that if eligible to claim a student loan, they can borrow 100% of the fees we charge.

Many of our students however are ineligible to apply for a student loan, having already completed another degree or being from overseas and where they struggle to cover their fees or other costs and face financial pressures they are assisted and encouraged to seek support from potential external sources. The Charity also has limited bursary funds available to assist those students in financial difficulties to complete their studies. To enable certain postgraduate students to access the School's programmes, it operates a discount fee rate for UK, EU & EEA countries as well as for international students from low-income countries.

Reserves

The total Unrestricted Funds amount to £10.1m (2019: £9.917m) before accounting for the pensions reserve deficit of £1,012k (2019: £918k). Included in these funds are £6.38m of designated income investments and functional fixed assets valued at £2.07m. Free reserves thus stand in surplus by £637k (2019: £463k).

This level of free reserve falls below the 20% target of annual unrestricted Funds expenditure. In order to achieve this target, the School has developed and is implementing a strategy to return regular surpluses based on the introduction of new and streamlined programs and improved operational efficiency. Notwithstanding the level of free reserves, the current size of designated funds gives the trustees confidence that the School remains a going concern.

The value and purposes of the School's various restricted funds are set out in note 13.3. The Trustees make use of these funds as opportunities arise.

Investments

Over the year the value of the School's fixed asset investments decreased by £627k to £8,594k (2019: increase of £131k) with £522k being divested and held in cash at the year end to provide additional funding to reduce the pension deficit in September 2020. Of this investment total £6.953m was invested with JM Finn investment managers with the balance in BlackRock Charities UK Equity and Bond Funds.

The School's investment objectives are to provide long-term growth of both capital and income. These objectives form part of the contract with the fund managers, BlackRock and JM Finn. The investments are reviewed quarterly by the F&GP Committee, who also meet with BlackRock and JM Finn as required.

The School's investments are held in managed funds. The school operates an Ethical investment policy, which is based largely on the Church of England policy to ensure that the school's investments are held in companies and sectors that demonstrate a proper regard for the environment and for the well-being of the created order.

The finances of the Charity (continued)

Financial Results

Overall income increased from £3,359k to £3,628k (2019: decreased from £3,419k to £3,359k) mainly due to increased fee income resulting from higher student numbers. Expenditure in total decreased from £3,724k to £3,594k due to careful cost control measures put into place when the school had to move all its education online in March and it was felt that income might be materially impacted.

The result of income proving to be more resilient than expected and costs being successfully reduced, led to the SOFA showing an operational profit of £33k (2019: operational loss of £365k).

Investments were impacted leading to losses on investments of £57k (2019: gains £178k).

The continued decline in bond yields led to further actuarial losses of £80k (2019: losses of £604k). These combined resulted in a total net decrease in funds of £104k.

The School's funds have been applied for the purpose of the principal activity.

Future Plans

The delivery of a first class education to our students continues to be our principle aim. In the 2020 summer term all education had to be delivered online, in the Autumn term we successfully implemented all the measures necessary to re-open the campus and start the delivery of our classes back onsite. For those of our students and employees with underlying health conditions for whom it was not appropriate to return to campus, we introduced Hybrid teaching with the majority of classes jointly delivered in the classroom and on Zoom. Having successfully delivered classes fully online and now in a blended manner, we are confident that we can quickly adapt to whatever guidelines are imposed upon us for the rest of the year. We have to date had only a handful of Covid cases among our students and will shortly be opening a Lateral Flow Testing capacity on site which will enable us going forward to regularly test students and enhance our ability to minimise the cases of Covid in our students and employees and quickly isolate any outbreaks.

Independent Auditors

A resolution was made at the AGM in 2020 to reappoint Haysmacintyre LLP as auditors to the Charity. This appointment and the auditor's remuneration will be reviewed again at the AGM in 2021.

Statement of disclosure to Auditors

As far as the Trustees are aware:

- There is no relevant audit information of which the Charity's Auditors are unaware.
- Trustees have taken all steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the Charity's Auditors are aware of that information.

This Governors' Report, which incorporates the Strategic Report, was signed on behalf of the Board of Governors in their capacity as the Company Directors by:

Steve Hughes
Chairman
27th January 2021

Independent report of the Auditor's to the Members and Trustees of London School of Theology

Opinion

We have audited the financial statements of London School of Theology for the period ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Independent report of the Auditor's to the Members and Trustees of London School of Theology (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

Independent report of the Auditor's to the Members and Trustees of London School of Theology (continued)

- the strategic report and the directors' report which are included in the Governors' Report have been prepared in accordance with applicable legal requirements.

Opinion on other matters required by the Office for Students ("OfS")

- In our opinion, in all material respects: Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Where applicable, funds provided by the OfS, Research England, the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which includes the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Halsey
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG
27th January 2021

Statement Of Financial Activities

Year Ended 31 August 2020

		Unrestricted Funds	Restricted Funds	Endowment	Total 2020	Total 2019
		£	£	£	£	£
	Notes					
	Income From					
Donations and legacies		225,802	93,447	-	319,249	378,286
Charitable activities						
Education	3	2,887,241	-	-	2,887,241	2,539,674
Conferences		3,530	-	-	3,530	13,102
Investments		229,106	57,869	-	286,975	304,286
Trading income		24,863	-	-	24,863	49,447
Other income		105,665	-	-	105,665	74,294
Total Income		<u>3,476,207</u>	<u>151,316</u>	<u>-</u>	<u>3,627,523</u>	<u>3,359,089</u>
	Expenditure On					
	Raising Funds					
Investment manager fee		39,939	-	-	39,939	39,589
Trading expenses		45,906	-	-	45,906	49,151
Fundraising costs		55,082	-	-	55,082	57,822
Charitable activities						
Education		3,259,779	158,665	-	3,418,444	3,539,268
Conferences		34,950	-	-	34,950	38,565
Total Expenditure	4	<u>3,435,656</u>	<u>158,665</u>	<u>-</u>	<u>3,594,321</u>	<u>3,724,395</u>
Net expenditure before transfers		40,551	(7,349)	-	33,202	(365,306)
Investment gains/(losses)		<u>128,982</u>	<u>(158,062)</u>	<u>(27,905)</u>	<u>(56,985)</u>	<u>177,847</u>
Net income/ (expenditure)		<u>169,533</u>	<u>(165,411)</u>	<u>(27,905)</u>	<u>(23,783)</u>	<u>(187,459)</u>
Defined benefit pension scheme (losses)		<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>	<u>(604,000)</u>
Net movement in funds		<u>89,533</u>	<u>(165,411)</u>	<u>(27,905)</u>	<u>(103,783)</u>	<u>(791,459)</u>
Balance brought forward at 1 September 2019		<u>8,998,573</u>	<u>1,851,378</u>	<u>274,202</u>	<u>11,124,153</u>	<u>11,915,612</u>
Balance carried forward at 31 August 2020		<u>9,088,106</u>	<u>1,685,967</u>	<u>246,297</u>	<u>11,020,370</u>	<u>11,124,153</u>

The School had no recognised gains and losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above.

Balance Sheet - as at 31 August 2020

		2020		2019	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7	2,071,084		2,284,528	
Investments	8	<u>8,593,927</u>		<u>9,220,839</u>	
			10,665,011		11,505,367
Current Assets					
Stocks	9	14,772		13,377	
Debtors	10	154,958		245,384	
Cash at bank and in hand		<u>1,843,491</u>		<u>908,730</u>	
		2,013,221		1,167,491	
Current Liabilities					
Creditors: within one year	11	<u>(641,883)</u>		<u>(578,980)</u>	
Net Current Assets			<u>1,371,338</u>		<u>588,511</u>
Total assets less current liabilities			12,036,349		12,093,878
Creditors: Amounts falling due after more than one year	12		(3,979)		(51,725)
Pension scheme liability			<u>(1,012,000)</u>		<u>(918,000)</u>
Net Assets After Pension Scheme Liabilities			<u>11,020,370</u>		<u>11,124,153</u>
Funds					
Unrestricted	13	10,100,106		9,916,573	
Restricted	13	1,685,967		1,851,378	
Endowment	13	<u>246,297</u>		<u>274,202</u>	
Funds (excluding pension scheme reserve)			<u>12,032,370</u>		<u>12,042,153</u>
Unrestricted pension reserve (deficit)			<u>(1,012,000)</u>		<u>(918,000)</u>
			<u>11,020,370</u>		<u>11,124,153</u>

The financial statements were approved and authorised for issue by the Board on 27th January 2021 and were signed on its behalf by:

Mr Steve Hughes
Chairman

Revd Prof Mark Cartledge
Principal

Cash Flow Statement

Year Ended 31 August 2020

	2020		2019	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net incoming /(outgoing) resources for the year		33,202		(365,306)
Depreciation charged	236,217		243,395	
Increase in stocks	(1,395)		(1,262)	
Decrease in debtors	90,426		48,678	
Increase in creditors	15,157		49,112	
Decrease in pension scheme deficit net of actuarial gains and losses	14,000		2,000	
Less investment income	(286,975)		(304,286)	
		67,430		37,637
Net cash flow from operating activities		100,632		(372,669)
Investing activities				
Investment income	286,975		304,286	
Additions to investments	(1,043,489)		(1,029,994)	
Sale of investments	1,613,416		1,076,701	
Purchase of tangible fixed assets	(22,773)		(73,569)	
		834,129		277,424
Increase/ (decrease) in cash in the year		934,761		(50,245)
Cash and cash equivalents at the beginning of the year		908,730		958,975
Cash and cash equivalents at the end of the year		1,843,491		908,730
Cash and cash equivalents comprise:				
Cash at bank		1,843,491		908,730
		1,843,491		908,730

Notes to the Financial Statements

Year Ended 31 August 2020

1. Company Status

London School of Theology is a charitable company incorporated in England and Wales. Further company information can be found on page 11.

London School of Theology is a company limited by guarantee and not having a share capital. The members have each undertaken to contribute such a sum as may be required, not exceeding £10, in the event of the company being wound up.

The London School of Theology is also a registered charity and as such is exempt from Corporation Tax on its charitable activities.

2. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Companies Act 2006 and FRS102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland. .

London School of Theology meets the definition of a public benefit entity under FRS 102. The comparative figures in these financial statements relate to the year ended 31 August 2019.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. As part of this review specific consideration has been given to the possible impact Covid 19 might have on the School, its finances, cashflow as well as the potential risks and how these could be mitigated. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(a) *Basis of accounting*

The financial statements are prepared under the historical cost convention which has been modified to include the revaluation of fixed asset investments.

(b) *Fees and similar income*

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for scholarships, bursaries and other grants.

(c) *Legacies*

Legacies receivable are credited to the Statement of Financial Activities only to the extent that the 3 principles of entitlement, probability and measurability can be applied.

Notes To The Financial Statements – Year Ended 31 August 2020

2. Accounting Policies (continued)**(d) Donations and Fund accounting**

Donations under Gift Aid are included in the Statement of Financial Activities inclusive of any tax recoverable. Donations received for the general purposes of the charity are included as Unrestricted Funds. Donations whose application is restricted by the wishes of the donor are taken to Restricted Funds and donations that are required to be retained as capital in accordance with the donor's wishes are accounted for as Endowments. Designated funds are those funds set aside by the Trustees out of the Unrestricted Funds for a particular purpose.

(e) Expenditure

Resources Expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These include some specific costs and the following larger cost areas:

The Administration Department activities cover supporting teaching and students as well as administering the charity. 5% of the Administration Department's staff costs are charged to the Governance of the charity.

The Communication Department activities cover the issue of information to prospective students as well as publicising the charity for fundraising purposes. 20% of the Communication Department's costs are charged to fundraising and publicity.

Catering & Housekeeping costs are apportioned between the following activities at the given percentages, based on the estimated use of these resources during the year:

Raising Funds

Fund-raising trading costs – 2%

Charitable activities

Education – 94%

Conferences – 4%

Other administration and IT costs and Property & Services costs are apportioned between the following activities at the given percentages:

Costs of generating funds

Costs of generating voluntary income – 2%

Fund-raising trading costs – 0%

Charitable activities

Education – 96%

Conferences – 2%

Notes To The Financial Statements – Year Ended 31 August 2020

2. Accounting Policies (continued)

- (f) *Recognition of liabilities*
Liabilities are recognised in the period to which they relate. Shortfalls in anticipated future pension scheme commitments are calculated on the basis of assumptions stated in Note 16. Constructive obligations under pension arrangements are also recognised as liabilities.
- (g) *Grants and bursaries*
Grants and bursaries from Restricted Funds are included as expenditure in the period in which the award is given.
- (h) *Investments and investment income*
Investments are stated at the middle market price at the balance sheet date. Realised increases or decreases in the value of these investments are shown as realised gains or losses in the statement of financial activities. Investment income is accounted for in the period in which the charity is entitled to receive it.
- (i) *Interest receivable*
The cash holdings of the special funds are held in the general fund bank accounts. The interest receivable on these balances is based on each of the special funds holdings at the balance sheet date and transferred to the individual special funds as income in that year.
- (j) *Tangible fixed assets*
All assets are included at cost and capitalised only where the value is greater than £500.

Depreciation is calculated (except on freehold land) to write off the cost of buildings and tangible fixed assets on a straight-line basis over their estimated useful lives. Rates for fixed assets are applied as follows:

Land	0%
Buildings	2%
Fixture and fittings	10%
Equipment	20% - 25%
Computers	33%

A depreciation rate on the building element of the properties reflects the anticipated active life of the existing structures. The Governors are, nevertheless, of the opinion that the residual value of the School's freehold buildings is substantially in excess of the present book value.

Leasehold properties are depreciated over the remaining life of the lease.

- (k) *Stock*
Stocks of catering and other supplies are valued at the lower of cost and net realisable value.

Notes To The Financial Statements – Year Ended 31 August 2020

2. Accounting Policies (continued)**(i) Exchange gains and losses**

Transactions designated in foreign currencies are translated at the rate prevailing on the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the balance sheet date.

(m) Operating leases

Operating lease premiums are spread on a straight-line basis over the lease term.

(n) Pension costs**Defined Benefit Scheme**

Contributions to the defined benefit scheme are charged to the statement of financial activities on the basis of the current service cost as reported by the scheme actuaries under FRS 102.

Defined Contribution Scheme

Contributions payable to the defined contribution pension scheme are charged to the statement of financial activities in the period to which they relate.

(o) Critical sources of estimation uncertainty and accounting judgements

The governors consider there to be the following sources of estimation uncertainty and have therefore applied judgement:

Useful lives of fixed assets

The useful lives over which fixed assets are depreciated are estimated by reference to historical experience of the times assets are retained and utilised by the school.

3. Grant and Fee Income

	2020	2019
	£	£
Grant income from the Office for Students	63,644	-
Fee income from taught awards	2,258,557	1,902,008
Fee income from non-qualifying courses	52,102	60,284
Other Educational and related income	512,938	577,382
	<u>2,887,241</u>	<u>2,539,674</u>

4. Expenditure

	Raising Funds	Charitable Activities	Total
	£	£	£
Year Ended 31st August 2020			
Direct costs	46,973	596,256	643,229
Staff costs	81,027	1,978,282	2,059,309
Depreciation	4,725	231,492	236,217
Bursaries and prizes	-	158,665	158,665
Support and governance costs	8,202	488,699	496,901
	<u>140,927</u>	<u>3,453,394</u>	<u>3,594,321</u>

Notes To The Financial Statements – Year Ended 31 August 2020

4. Expenditure (continued)

	Raising Funds	Charitable Activities	Total
	£	£	£
Year Ended 31st August 2019			
Direct costs	51,312	561,625	612,937
Staff costs	79,987	1,955,034	2,035,021
Depreciation	4,868	238,527	243,395
Bursaries and prizes	-	247,561	247,561
Support and governance costs	10,395	575,086	585,481
	<u>146,562</u>	<u>3,577,833</u>	<u>3,724,395</u>

Included in resources expended are the following:

The auditor's remuneration during the year amounted to £11,650 for audit services (2019: £10,200) and £nil for other services (2019: £nil).

Hire of plant (operating leases) which amounted to £20,624 (2019: £29,755).

5. Staff Costs

	2020	2019
	£	£
Wages and salaries	1,730,790	1,700,468
Social security costs	152,138	146,005
Pension contributions	103,224	88,804
Other pension costs	61,907	79,094
Termination payments	11,250	20,650
	<u>2,059,309</u>	<u>2,035,021</u>

One member of the London School of Theology, who is a trustee and director for the purposes of the Companies Act, Alex Irving received £6,910 for writing lecture materials during the year. Two trustees received reimbursement of their travel expenses during the year. There were no other related party transactions during the year.

	2020	2019
	No.	No.
The average number of employees by function was:		
Education	62	61
Fund-raising and publicity	3	2
Ancillary to main function of education	1	1
	<u>66</u>	<u>64</u>

One employee earned between £60,000 and £70,000 during the year, no other employees earned more than £60,000 (2019: one employee earned between £60,000 and £70,000). Key management personnel remuneration for the period totalled £258,000 (2019: £257,811).

Notes To The Financial Statements – Year Ended 31 August 2020

5. Staff Costs (continued)

Graham Twelftree filled the role of acting principal for 4 months and Mark Cartledge the role of principal for 8 months. Both were paid the standard principal's salary during this period of £75k p.a. plus pension contributions. Graham received £25,000 base salary plus £1,250 pension contributions and Mark £50,000 plus £1,562 respectively. Both the principal's base salary and gross salary including pension contributions are 2.5 times the median pay of all other employees (on a FTE basis).

In 2019 Calvin Samuel filled the role of principal for just over 6 months and Graham Twelftree the role of acting principal for 6 months. Both were paid the standard principal's salary during this period of £75k p.a. plus pension contributions. Graham received £37,500 base salary plus £1,125 pension contributions and Calvin £40,000 plus £1,125 respectively. Calvin also received a payment in lieu of notice for an additional 3 months of £18,750 plus £562 of pension contributions. Both the principal's base salary and gross salary including pension contributions were 2.6 times the median pay of all other employees (on a FTE basis).

The Principal's remuneration is set by the chair and vice chair of trustees taking in to account his or her performance in meeting the goals set as part of the annual appraisal process. Consideration is also given to annual financial performance of the school and its ability to pay the amount agreed. The current salary has remained unchanged for a number of years, but with the change of principals during the year and therefore the limited timeframe in which to meet any goals set, no change was considered appropriate during the year.

The current level of remuneration at 2.5 times the medium salary of all other staff is considered relatively low, for the level of responsibility held by the post holder, the breadth of courses offered by the School and the significant changes he has had to manage in recent years, including most recently successfully registering with the OFS and increasing the annual number of students recruited.

6. Access and Participation

	2020	Per Plan
	£	£
Access investment	49,219	27,500
Success investment	63,634	76,250
Progression investment	32,115	11,250
Other Educational and related income	199,277	235,000
	<u>344,245</u>	<u>350,000</u>

Staff costs included in the above 126,454

The College's Access and Participation Plan can be found at:

<https://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/accessplans/10004075>

Note: There are no prior year comparisons as 2019/20 was the first year LST was required to produce an APP.

Notes To The Financial Statements – Year Ended 31 August 2020

7. Fixed Assets

	Freehold and leasehold property	Motor Vehicles	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2019	1,287,768	3,676	2,282,938	3,574,382
Additions	-	-	22,773	22,773
Disposals	-	-	-	-
At 31 August 2020	<u>1,287,768</u>	<u>3,676</u>	<u>2,305,711</u>	<u>3,597,155</u>
Depreciation				
At 1 September 2019	371,184	3,676	914,994	1,289,854
Charge for the year	20,719	-	215,498	236,217
Disposals	-	-	-	-
At 31 August 2020	<u>391,903</u>	<u>3,676</u>	<u>1,130,492</u>	<u>1,526,071</u>
Net Book Value				
At 31 August 2020	<u>895,865</u>	<u>-</u>	<u>1,175,219</u>	<u>2,071,084</u>
At 31 August 2019	<u>916,584</u>	<u>-</u>	<u>1,367,944</u>	<u>2,284,528</u>

8. Fixed Assets Investments

	2020	2019
	£	£
Market value at 1 September 2019	9,220,839	9,089,699
New funds placed and invested in year	-	-
Additional investments purchased	1,043,489	1,029,994
Disposals at market value	(1,613,416)	(1,076,701)
Investment income reinvested in the period / movement in cash balances	-	-
Revaluation in the year	(56,985)	177,847
Market value at 31 August 2020	<u>8,593,927</u>	<u>9,220,839</u>
Cost of investments	<u>7,276,421</u>	<u>7,276,421</u>

The School's investments comprise historical holdings of BlackRock Charities UK Equity and Bond Funds, managed by BlackRock Life Limited, with a total value as at 31 August 2020 of £1,641,402 and mixed portfolio of listed investments managed by JM Finn & Co., with a total value as at 31 August 2020 of £6,952,526.

Notes To The Financial Statements – Year Ended 31 August 2020

9. Stocks

	2020	2019
	£	£
Catering and other sundry stocks	<u>14,772</u>	<u>13,377</u>

10. Debtors

	2020	2019
	£	£
Fee debtors	65,632	110,579
Other debtors	3,978	10,688
Prepayments	<u>85,348</u>	<u>124,117</u>
	<u>154,958</u>	<u>245,384</u>

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	184,076	69,690
Deferred income – payments received on account	168,152	180,372
Social security costs	36,511	37,487
Pension scheme contributions	14,176	12,061
Other creditors	80,732	88,943
Accruals	<u>158,236</u>	<u>190,427</u>
	<u>641,883</u>	<u>578,980</u>

Deferred income comprises:

	Balance at 1 September 2019	Receipts in the year	Credited to income in the year	Balance at 31 August 2020
Fees in advance	112,187	167,320	(132,692)	146,815
Open learning fees	<u>68,185</u>	<u>21,371</u>	<u>(68,219)</u>	<u>21,337</u>
	<u>180,372</u>	<u>188,691</u>	<u>(200,911)</u>	<u>168,152</u>

12. Creditors: amounts falling due after one year

	2020	2019
	£	£
Finance lease falling due 1-2 years	<u>3,979</u>	<u>51,725</u>
	<u>3,979</u>	<u>51,725</u>

13. General and Special Funds

	Balance at 1 September 2019 £	Income £	Gains/(Losses) £	Balance at 31 August 2020 £
13.1 Endowment Funds				
Montague Goodman Bursary	111,166	-	(11,313)	99,853
Jomac Hennell Bursary	35,718	-	(3,635)	32,083
Sir John Laing Memorial	111,582	-	(11,356)	100,226
Sir John Laing Lecture	15,736	-	(1,601)	14,135
	<u>274,202</u>	<u>-</u>	<u>(27,905)</u>	<u>246,297</u>
	Balance at 1 September 2018 £	Income £	Gains/(Losses) £	Balance at 31 August 2019 £
Montague Goodman Bursary	110,144	-	1,022	111,166
Jomac Hennell Bursary	35,389	-	329	35,718
Sir John Laing Memorial	110,556	-	1,026	111,582
Sir John Laing Lecture	15,591	-	145	15,736
	<u>271,680</u>	<u>-</u>	<u>2,522</u>	<u>274,202</u>

The Montague Goodman, Jomac Hennell and Sir John Laing Memorial funds were established for the provision of bursaries to students attending the School. The Sir John Laing Lecture fund was established to finance the organisation of the annual memorial lecture. The capital of these funds are to be kept in perpetuity.

Notes To The Financial Statements – Year Ended 31 August 2020

	Balance at 1 September 2019	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2020
	£	£	£	£	£
13.2 Unrestricted Funds					
General fund	3,665,733	3,476,207	(3,421,656)	-	3,720,284
Designated fund	6,250,840	-	-	128,982	6,379,822
Pensions reserve	(918,000)	-	(14,000)	(80,000)	(1,012,000)
	<u>8,998,573</u>	<u>3,476,207</u>	<u>(3,435,656)</u>	<u>48,982</u>	<u>9,088,106</u>
	Balance at 1 September 2018	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2019
	£	£	£	£	£
General fund	3,988,217	3,152,350	(3,474,834)	-	3,665,733
Designated fund	6,089,798	-	-	161,042	6,250,840
Pensions reserve	(312,000)	-	(2,000)	(604,000)	(918,000)
	<u>9,766,015</u>	<u>3,152,350</u>	<u>(3,476,834)</u>	<u>(442,958)</u>	<u>8,998,573</u>

The designated fund was established in 2017 from the proceeds of a land sale and invested with JM Finn to generate long term investment income for the School.

Notes To The Financial Statements – Year Ended 31 August 2020

13. General and special funds (continued)

13.3 Restricted Funds	Balance at 1 September 2019	Income	Expenditure	Losses	Balance at 31 August 2020	Purpose of fund
	£	£	£	£	£	
Henman Memorial Bursary	509,848	16,114	-	(49,383)	476,579	For student bursaries
Student Grant Bursary	884,083	25,570	-	(85,630)	824,023	For student bursaries
Graham Scholarship	145,690	4,601	-	(14,111)	136,180	For student bursaries
Mary Fisher Memorial	35,595	1,123	-	(3,448)	33,270	For student bursaries
Laing Scholarship	-	12,000	(12,000)	-	-	For research student scholarship
Jerusalem Trust	-	1,500	(1,500)	-	-	For online education
Student Wives Bursary	53,644	1,693	(6,988)	(5,196)	43,153	For study support for Students' spouses
Music and Worship Bursary	10,785	1,254	(11,835)	-	204	For bursaries to music and worship students
Students in Need Fund	23,981	42,912	(38,190)	-	28,703	For students in need
Reading Prize Fund	184	-	-	-	184	For annual prizes
Sir Eric Richardson Prize	394	17	-	(38)	373	For annual prizes
Griffiths Prize	2,646	83	-	(256)	2,473	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton Bursary	450	500	(399)	-	551	For the purchase of books
Maranatha Trust Scholarship	40,000	-	(18,000)	-	22,000	For overseas students to study for 1 year on site
Student Information System grant	6,912	-	(6,912)	-	-	To help cover the cost of implementing new SIS
Beacon Trust	6,000	4,000	(4,898)	-	5,102	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	7,968	-	(1,280)	-	6,688	For funding an evangelist in residence
Vaux sur Seine	5,224	-	(3,000)	-	2,224	For the translation of open learning resources into French
Building Development Fund	-	1,310	(1,310)	-	-	For School development projects
Alumni Fund	22,645	344	(813)	-	22,176	For LST alumni events
Alumni Bursary Fund	25,581	-	(21,163)	-	4,418	For student bursaries
Hebrew Prize	520	-	-	-	520	For high attainment in Hebrew language studies
Other restricted funds	24,427	29,627	(30,377)	-	23,677	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	16,181	3,514	-	-	19,695	For student bursaries
Jomac Hennell Bursary	7,159	1,130	-	-	8,289	For student bursaries
Sir John Laing Memorial	17,522	3,527	-	-	21,049	For student bursaries
Sir John Laing Lecture	(2,791)	497	-	-	(2,294)	For the annual memorial lecture
Total	1,851,378	151,316	(158,665)	(158,062)	1,685,967	

Notes To The Financial Statements – Year Ended 31 August 2020

13. General and special funds (continued)

13.3 Restricted Funds	Balance at 1 September 2018	Income	Expenditure	Gains	Balance at 31 August 2019	Purpose of fund
	£	£	£	£	£	£
Henman Memorial Bursary	562,954	15,526	(73,425)	4,793	509,848	For student bursaries
Student Grant Bursary	823,341	24,554	29,178	7,010	884,083	For student bursaries
Graham Scholarship	175,254	4,433	(35,489)	1,492	145,690	For student bursaries
Mary Fisher Memorial	45,557	1,082	(11,432)	388	35,595	For student bursaries
Laing Scholarship	7,075	12,000	(19,075)	-	-	For research student scholarship
Jerusalem Trust	-	21,500	(21,500)	-	-	For online education
Student Wives Bursary	66,781	1,631	(15,337)	569	53,644	For study support for Students' spouses
Music and Worship Bursary	19,365	1,570	(10,150)	-	10,785	For bursaries to music and worship students
Students in Need Fund	40,926	8,990	(25,935)	-	23,981	For students in need
Reading Prize Fund	184	-	-	-	184	For annual prizes
Sir Eric Richardson Prize	121	17	255	1	394	For annual prizes
Griffiths Prize	3,554	80	(1,018)	30	2,646	For annual prizes
Faculty Hardship Fund	958	-	-	-	958	For faculty members
Children Workers Course	1,759	-	-	-	1,759	For the development of Children's ministry
David Wheaton Bursary	-	500	(50)	-	450	For the purchase of books
Maranatha Trust Scholarship	-	40,000	-	-	40,000	For overseas students to study for 1 year on site
Student Information System grant	-	30,000	(23,088)	-	6,912	To help cover the cost of implementing new SIS
Beacon Trust	-	6,000	-	-	6,000	To help support a student from Latin America
Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
Tom Rees Evangelist in residence	9,248	-	(1,280)	-	7,968	For funding an evangelist in residence
Vaux sur Seine	5,224	-	-	-	5,224	For the translation of open learning resources into French
Building Development Fund	-	1,392	(1,392)	-	-	For School development projects
Alumni Fund	22,609	36	-	-	22,645	For LST alumni events
Alumni Bursary Fund	32,798	-	(7,217)	-	25,581	For student bursaries
Hebrew Prize	620	-	(100)	-	520	For high attainment in Hebrew language studies
Other restricted funds	25,163	28,951	(29,687)	-	24,427	For various restricted purposes
Endowment Income Accounts						
Montague Goodman Bursary	12,795	3,386	-	-	16,181	For student bursaries
Jomac Hennell Bursary	6,071	1,088	-	-	7,159	For student bursaries
Sir John Laing Memorial	14,123	3,399	-	-	17,522	For student bursaries
Sir John Laing Lecture	(2,576)	604	(819)	-	(2,791)	For the annual memorial lecture
Total	1,877,917	206,739	(247,561)	14,283	1,851,378	

14. Analysis of Net Assets Between Funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2020				
Represented by:				
Tangible fixed assets	2,071,084	-	-	2,071,084
Investments	6,952,526	1,395,104	246,297	8,593,927
Current assets	1,722,358	290,863	-	2,013,221
Current liabilities	(641,883)	-	-	(641,883)
	<u>10,104,085</u>	<u>1,685,967</u>	<u>246,297</u>	<u>12,036,349</u>
Creditors due after more than 1 year	(3,979)	-	-	(3,979)
Pension Scheme liabilities	(1,012,000)	-	-	(1,012,000)
	<u>9,088,106</u>	<u>1,685,967</u>	<u>246,297</u>	<u>11,020,370</u>

15. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities.

16. Pension Commitments

The School operates two pension schemes for its employees; the London School of Theology Pension and Assurance Scheme (“the Defined Benefit Scheme”), which is a defined benefit occupational pension scheme and a Group Personal Pension (GPP) which is a defined contribution arrangement.

The Defined Benefit Scheme is closed to new members. Employees who joined the School after 1 April 2000 are offered membership of the Group Personal Pension (GPP). The assets of the Defined Benefit Scheme are held separately from the assets of the School and are administered by Trustees and managed professionally. The assets of the Group Personal Pension are held separately from the assets of the School and are managed professionally.

Under the Group Personal Pension (GPP) the School pays contributions to personal pension policies for pensionable employees who joined the School after 1 April 2000. The pension cost charge represents contributions payable by the School to the personal pension policies and amounted to £103,224 (2019: £89,220). At 31st August there were £14,176 of outstanding contributions (2019: £12,061) payable to the personal pension policies.

The remainder of this note relates to the pension costs for the Defined Benefit Scheme determined in accordance with the accounting standard FRS 102 as amended by Accounting Standards Board December 2006, amendment. The contributions to the GPP are accounted for on a cash accruals basis in addition to the costs shown below.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least every three years to determine whether the Statutory Funding Objective is met. As part of the process the school must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

Notes To The Financial Statements – Year Ended 31 August 2020

16. Pension Commitments (continued)

The Defined Benefit Scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Before the scheme closed to future accruals in the year, contribution rates for employees were 6% of pensionable salary. Employer contributions were 14.1% of pensionable salary. Barnett Waddingham LLP have provided actuarial advice to the Governors.

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £36,000 (2019: £38,000) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

The Scheme's net liability of £976,000 plus the non-scheme provision of £36,000 results in a reserve deficit of £1,012,000.

The amounts in the balance sheet, excluding the discretionary pension benefit amounts, are as follows:

	2020	2019
	£000's	£000's
Scheme assets at year end	5,411	5,447
Present value of funded obligations obligation	(6,387)	(6,327)
	<u>(976)</u>	<u>(880)</u>
Actuarial gains/losses comprise:		
(Gain)/Loss on scheme assets in excess of interest	(89)	(341)
Loss/(gain) from change in assumptions	169	945
Experience losses/(gains) on liabilities	-	-
	<u>80</u>	<u>604</u>
Analysis of amounts charged to activity costs categories:		
	2020	2019
	£000's	£000's
Bank and other interest/ (other finance charges)		
Interest on scheme assets	(85)	(142)
Interest cost	<u>100</u>	<u>150</u>
	<u>15</u>	<u>8</u>

Notes To The Financial Statements – Year Ended 31 August 2020

16. Pension Commitments (continued)

Change in scheme liabilities	2020 £000s	2019 £000s
Beginning balance	(6,327)	(5,459)
Interest cost	(112)	(150)
(Losses)/gains from changes in actuarial assumptions	(169)	(945)
Experience losses/(gains) on liabilities	-	-
Benefits paid	221	227
Closing balance	<u>(6,387)</u>	<u>(6,327)</u>
Change in scheme assets		
Beginning balance	5,447	5,191
Interest on scheme assets	96	142
Return on assets in less interest	89	341
Contributions by employer	-	-
Benefits paid	(221)	(227)
Closing balance	<u>5,411</u>	<u>5,447</u>

The major categories of the scheme assets are as follows:

	31 August 2020		31 August 2019	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	44%	2,357	43%	2,344
Bonds and cash	56%	<u>3,054</u>	57%	<u>3,103</u>
Total assets at end of year		<u>5,411</u>		<u>5,447</u>
			2020 £000s	2019 £000s
Actual return on scheme assets			<u>185</u>	<u>483</u>

The value of the Scheme's liabilities has been determined by a qualified actuary based on the results of the actuarial valuation as at 5 April 2018, updated to the review date allowing for cashflows in and out of the scheme and using the following assumptions:

Notes To The Financial Statements – Year Ended 31 August 2020

16. Pension Commitments (continued)

Actual assumptions used:	2020	2019
	%	%
Discount rate	1.6%	1.8%
Rate of increase in pensions in payment	3.35%	3.35%
Rate of RPI price inflation	3.4%	3.4%
Rate of CPI price inflation	2.4%	2.4%
Post – retirement mortality	110% S2PA/ 105% S2PFA CMI 2017 [1%]	110% S2PA/ 105% S2PFA CMI 2017 [1%]

Commutation: Members are assumed to take 20% of their pension as tax free cash.

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£87k increase
Increase of 0.1% in inflation assumption	£31k increase
Increase in long-term mortality projection of 1.5%	£133k increase

17. Leasing Commitments

At 31 August 2020, the School was committed to making the minimum lease payments in respect of hire of machinery:

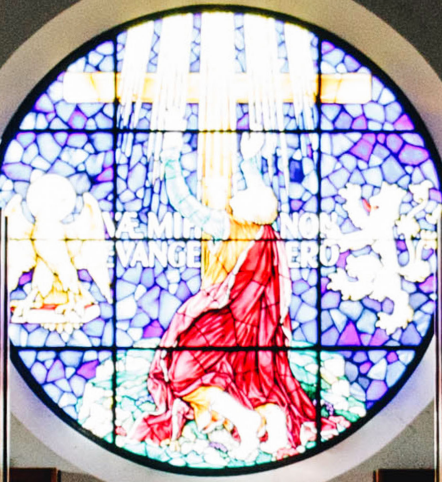
Operating leases which expire:	2020	2019
	£	£
Within 1 year	9,452	15,968
Within 2 to 5 years	25,396	1,638
	<u>34,848</u>	<u>17,606</u>

18. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Endowment £	Total 2019 £
Income From				
Donations and legacies	227,347	150,939	-	378,286
Charitable activities				
Education	2,539,674	-	-	2,539,674
Conferences	13,102	-	-	13,102
Investments	248,486	55,800	-	304,286
Trading income	49,447	-	-	49,447
Other income	74,294	-	-	74,294
Total Income	<u>3,152,350</u>	<u>206,739</u>	<u>-</u>	<u>3,359,089</u>
Expenditure On				
Raising Funds				
Investment manager fee	39,589	-	-	39,589
Trading expenses	49,151	-	-	49,151
Fundraising costs	57,822	-	-	57,822
Charitable activities				
Education	3,291,707	247,561	-	3,539,268
Conferences	38,565	-	-	38,565
Total Expenditure	<u>3,476,834</u>	<u>247,561</u>	<u>-</u>	<u>3,724,395</u>
Net expenditure before transfers	(324,484)	(40,822)	-	(365,306)
Investment gains	161,042	14,283	2,522	177,847
Net (expenditure)/ income	<u>(163,442)</u>	<u>(26,539)</u>	<u>2,522</u>	<u>(187,459)</u>
Defined benefit pension scheme (losses)	<u>(604,000)</u>	<u>-</u>	<u>-</u>	<u>(604,000)</u>
Net movement in funds	<u>(767,442)</u>	<u>(26,539)</u>	<u>2,522</u>	<u>(791,459)</u>
Balance brought forward at 1 September 2018	<u>9,766,015</u>	<u>1,877,917</u>	<u>271,680</u>	<u>11,915,612</u>
Balance carried forward at 31 August 2019	<u>8,998,573</u>	<u>1,851,378</u>	<u>274,202</u>	<u>11,124,153</u>



INRI



EMERGENCY EXIT

✓ Push bar to open

Silence



London School of
Theology is one of the
**largest Evangelical
theological** colleges
in Europe. Our
programmes are
designed to give
you a **biblical and
theological foundation**
on which to build your
life and ministry.



Report and Financial Accounts

2020

Year ended
31 August 2020



Company
Registered No:
381332

Registered
Charity No:
312778