

LONDON SCHOOL OF THEOLOGY

Reports & Financial Statements for the year ended 31 August 2013

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COMPANY INFORMATION

Company Name London School of Theology

 A company limited by guarantee

Company Number 381332

Registered Charity Number 312778

Address of School and Registered Office London School of Theology
Green Lane
Northwood
Middlesex
HA6 2UW

Bankers National Westminster Bank Plc
PO Box 105
37 Green Lane
Northwood
Middlesex
HA6 3AF

Auditors haysmacintyre
26 Red Lion Square
London,
WC1R 4AG

Solicitors Potheary Witham Weld
70 St George's Square
London
SW1V 3RD

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 2013

Statement of Governors' responsibilities in preparing the accounts

Company law requires the Governors to prepare financial statements for each financial year which 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 judgments 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 (revised 2005) and the Companies Act 2006. The accounting policies are listed in Note 2 to the accounts.

Trustees

Names and Periods of service

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:

Mr Grant Masom	*	Chairman
Mr Keith Wilson	*	Hon Treasurer - Resigned 16 th Sept 2013
Ven Gavin Collins		
Revd Dr Andrew Goldsmith		Vice-Chairman
Revd Malcolm Hazell	*	Hon Treasurer - Co-opted onto the Board 20 th Jan 2014
Ms Elizabeth Hodgkinson	*	
Mr Steve Hughes	*	Co-opted onto the Board 2 nd July 2013
Canon Dr Ann Holt		
Mr Mark McAllister		
Professor Hugh Williamson		

* Denotes membership of the Finance & General Purposes Committee

Faculty Representatives

The following represented the Faculty at meetings of the Board of Governors:

Dr Graham McFarlane, Vice-Principal Academic
Dr Steve Motyer
Dr Mark Beaumont

GOVERNORS' REPORT

Administrative Staff Representative

The following represented the administrative staff at meetings of the Board of Governors

Ms Ruwani Gunawardene

Chief Operating Officer

Miss Laura Nairn

Company Secretary

Mr Peter Mills

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 financial, interpersonal, cultural, business skills and religious commitments.

Methods of Appointing Trustees

Once potential trustees (Governors) 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 and subsequently at the AGM they formally stand for election as a Member of the Company (if required) and to serve as a Governor for up to three terms of three years.

Training and induction provided for trustees

Our trustees will already be familiar with the ethos and working practices of the Charity but as part of the training process, a new trustee will be invited to attend the next Staff Induction Day. To ensure that trustees are aware of the legal responsibilities of 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.

Senior Employees

Serving as the School's Senior Leadership Team during the year 2012/13

Miss Laura Nairn	Chief Operating Officer
Mr Peter Mills	Financial Controller
Ms Jenny Aston	HR Manager
Revd Adrian Smith	Academic Secretary
Revd Dr William Atkinson	Vice-Principal Community (Resigned 30 th June 2013)
Mr Matthew Adcock	Director of Communications
Dr Graham McFarlane	Vice-Principal Academic

The Governance of the Charity

Governing Document

The School's governing document is its Articles of Association. These were revised in the year 2010/11.

How the Charity is managed

The Board of Governors meets four times a year to consider all matters pertaining to the governance of the School. The main operating sub-committee is the Finance & General Purposes Committee (F&GP), which is chaired by Mr Steve Hughes and manages the Charity's fiscal and business affairs under its devolved responsibility from the Board. In addition, there is a Bursaries Committee and Pensions Committee, the former being chaired by the Chief Operating Officer, and the latter by a Pensions Trustee.

The Senior Leadership Team (SLT) is the day to day decision-making body of the school, covering the full life and operations of the College. The SLT meets bi-weekly, is chaired by the Chief Operating Officer, and is accountable to the Board of Governors. The Minutes of the SLT meetings are copied to both the Chairman of the Board and to the Treasurer, and non-confidential items are communicated to Staff and Faculty via bi-weekly feedback sessions to all staff, the contents of which are also e-mailed to all staff.

On academic issues arising from the Charity's work in providing higher education courses, the Charity has an Academic Board that is chaired by the Vice-Principal Academic and to which various academic sub-committees report.

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 subsidized access to the theological library facilities for academics, students and members of the local Christian community.
- Access to means-tested bursaries.
- Access to Christian Counselling through the Watford Christian Counselling Service.
- Access to the grounds by the wider community (e.g. schools and other organisations) consistent with the ethos of the School.

GOVERNORS' REPORT

Aims Objectives and Activities

Aims

LST is an evangelical academic learning community called to equip and encourage one another to be disciples of Jesus Christ. Our Vision is "Transforming Theological Education"

We aim to equip Christians from diverse church backgrounds and global contexts to express the message and love of Jesus wherever he calls them and in whatever task

We do this:

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 high quality theological educational 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 School. 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

Key Objectives and Activities for 2012/2013

- To continue to provide a range of courses that meet the needs of the students
- To offer bursaries on the basis of need to enable students to complete courses
- To plan and implement the proposals from the Educational Review Group
- To continue to review our course delivery methods and move towards more blended learning to meet more contemporary learning preferences

- To review and develop facilities to satisfy the contemporary demands of the School in terms of residential and teaching space
- To continue to develop sustainable income streams from a range of sources, including fundraising, conferences and hospitality
- To continue with financial measures in order to produce a balanced budget

Measures of Success and Outcomes in 2012/13

The academic achievements of the School were celebrated once again at the annual Thanksgiving and Commissioning Service at the end of the academic year, which was held at the LST campus in Northwood. The Speaker this year was Dr Anna Robbins, Academic Dean of Acadia Divinity College, Nova Scotia.

Academic results continued to be good in the academic year 2012-2013. At our Graduation in June 2013 sixty students received an undergraduate award (Certificate HE, Diploma HE or Degree), and of these, eight students received First Class Honours degrees, thirty-one Upper Second Class Honours, and nineteen Lower Second Class Honours.

At Master's level twenty-two students received a postgraduate qualification (PG Certificate, PG Diploma or Master's Degree). This included the first cohort of students on the new MA in Theological Education programme. We were also delighted to award two Master of Theology, one Master of Philosophy, and eleven Doctor of Philosophy degrees.

This year, the Charity awarded 78 grants and bursaries totalling £156,354 thus enabling students to complete courses of study, which otherwise they may have been prevented from doing for financial reasons.

Members of Faculty were invited to speak at national and international conferences. A number of books and articles were also published by Faculty during the course of the year, such as

Atkinson, W, *Trinity After Pentecost*, Eugene: Wipf & Stock, 2013

Bier, M, T. Bulkeley (eds), *Spiritual Complaint: The Theology & Practice of Lament*, Eugene: Pickwick, 2013

Gempfl, C, *How to Like Paul Again*, Milton Keynes: Authentic, 2013

Lane, A N S, 'Augustine and Calvin' in Pecknold, C C, T. Toom (eds), *The T&T Clark Companion to Augustine and Modern Theology*, London: Bloomsbury T&T Clark, 2013, pp 175-195

Lane, A N S, *Bernard of Clairvaux: Theologian of the Cross*, Cistercian Studies 248, Collegeville: Liturgical Press, 2013

Lane, A N S, 'Calvin', 'Patristic Anthologies', 'Pighius' in Pollmann, K, et al (eds), *The Oxford Guide to the Historical Reception of Augustine*, Oxford: Oxford University Press, 2013

Oxenham, M, *Higher Education in Liquid Modernity*, London: Routledge, 2013

The school also successfully passed its annual visit for the Quality Assurance Agency (QAA) review of Educational Oversight.

The Educational Implementation Group began the implementation of proposals for future educational delivery, designed to meet more contemporary educational and learning preferences, including blended learning and a new flagship postgraduate programme. The MA in Integrative Theology will be launched in 2014, offering a range of exit points, leading to an MAiTh with a potential specialist focus in one of the following: Systematic Theology, Old Testament, New Testament, Christian Worship Studies, Theology, Music & Arts, Social Justice, Public Leadership, Charismatic & Pentecostal Studies, Pastoral Care & Counselling, Mission & Interfaith Studies, Global Theology, Apologetics & Ethics, and Ecclesiology.

GOVERNORS' REPORT

Future Objectives and Activities 2013/14

- To continue to review and provide a range of curricula that meet the needs of students and stimulate their theological development
- To plan and validate the MA Integrative Theology in both residential and online formats,
- To plan and validate a new Theology and Counselling course, with a new counselling model for teaching
- To offer bursaries on the basis of need to enable students to complete courses
- To continue to review our course delivery methods, developing further blended learning options to meet more contemporary learning preferences
- To review and develop residential and teaching facilities to satisfy the contemporary demands of the School
- To continue to develop sustainable income streams from a range of sources, including fundraising, conferences and hospitality
- To continue with robust financial measures in order to produce an ongoing balanced budget

Relationships and Affiliations

The partnership with Middlesex University as the School's validating authority continues and remains a positive relationship. The University is an active partner and is keen to support the School in its plans for new theology programmes.

A small number of research students who commenced their study programmes prior to the commencement of the School's partnership with Middlesex University continue to be registered with Brunel University.

The School has an agreement with CWR to provide teaching staff and expertise to the course in Theology & Counselling and the MA in Integrative Psychotherapy. This partnership will come to an end on the 31st August 2014. The School has also applied to the University for the validation of a new Theology & Counselling undergraduate programme to commence in October 2014.

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 School's risk management strategy continues to be reviewed regularly, identifying the potential effects of major risks affecting the Charity.

The Board of Governors' 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. It seeks to mitigate or transfer identified risks on an on-going basis. The Key Warning Indicators and Risk Management Policy are reviewed during the year, and updated to provide a robust reporting system in a range of risk areas. The Emergency Procedure document is reviewed within the year and adapted as required. Firm contacts have been made with similar institutions in the locality, who have agreed in principle to provide emergency support/space/facilities on a reciprocal basis in the event of a major disaster.

The Charity purchases appropriate insurance products to protect its assets and operations.

During 2012/13, the School has actively monitored its investment risk taking advice from its actuaries and investment fund managers. The F&GP Committee reviews the investments on a quarterly basis.

General access to key policy documents is provided on the School's intranet 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. We will be looking to develop this area of support further in the coming year.

Fees

Taking into consideration the School's facilities and the high standard of education provided, fees for the educational courses are set at a level that is not dissimilar to other independent theological schools and colleges. Through advice and assistance, students facing financial pressures are encouraged to seek support from potential external sources. The School also has limited bursary funds available to assist those students in particular financial difficulties to complete their studies. To enable postgraduate students to access the courses, the School operates a discount fee rate for UK, EU & EEA countries, as well as for international students from low-income countries.

The School is designated for Student Loan funding from the UK Government, and is also an Approved Institution for the US Federal Student Aid Direct Loan Programme.

Facilitating Access to Christian Theological Education

The School operates twelve separate restricted bursary funds. The School'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 School's Bursary Committee.

Reserves Policy

The total Unrestricted Funds amount to £1,265,083 (2012: 1,250,059) before accounting for the pensions reserve deficit of £814,000.

Included within these funds are functional fixed assets valued at £1,134,185 and thus free reserves stand at £130,898.

The School has agreed a new reserves policy which sets a target for free reserves of 20% of annual Unrestricted Funds expenditure. At the year end the free reserves figure of £130,898 represented 4.2% of the year's Unrestricted Funds expenditure of £3,094,976.

Whilst these accounts mark the return to positive free reserves they are still short of the stated target. However, the Governors believe that the School is able to operate with this level of free reserves and wish to continue expanding the activities of the School through increasing surpluses. In the short term, in assessing the viability of the School's financial plans and strategies the Governors consider more appropriate indicators such as cash flow and working capital requirements, and the impact on operating surpluses.

In order to achieve the reserve levels target the School has developed and is implementing a strategy to achieve regular surpluses based on the introduction of new programmes, improved operational efficiency, and increased income. This includes a programme of cost cutting and efficiency measures, as well as increased income from fundraising and hospitality, designed to ensure the ongoing profitability of the School.

The School owned a leasehold property and a share in a residential property which were situated off campus. Both of these properties were sold during the year. In addition the School previously identified two parcels of land for potential sale for private residential development. Site A received planning approval in January 2013 and the sale was completed June 2013. The sale of Site B is in process and is subject to planning approval. Both parcels of land are at extremities of the site, such that their sale has no direct impact on the School's activities whilst raising significant sums and improving significantly the school's liquidity.

GOVERNORS' REPORT

Investments Policy & Performance

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. The investments have been held in Charinco and Charishare Tobacco-Restricted units, which excludes investment in tobacco companies. The investments are reviewed quarterly by the F&GP Committee, who also meet with BlackRock as required. Within the year there have been no material policy changes in the way that the Charity conducts itself in order to achieve its objectives.

The School's investments are held in managed funds designed specifically for charities. The Charity chooses not to invest in industries that are in conflict with the Charity's ethos. The School continues to monitor the issue of ethical investment.

Performance of Investments

Over the year the value of the School's fixed asset investments increased by £108,688 to £1,358,054.

Financial Results

The SOFA shows net incoming resources for the year of £49,427 as compared to net outgoing resources of £124,167 in 2012. However, the profit on the sale of land and property sold during the year which is included in the net incoming resources amounted to £312,156 (£32,800 of costs were incurred in achieving the sales thus resulting in a net profit of £279,356).

Incoming resources increased by £589,619 from £2,718,325 to £3,307,944. Outgoing resources increased by £416,025 from £2,842,492 to £3,258,517.

There were unrealised gains on investments of £108,688 in the year and a decrease in the pension scheme deficit through Actuarial gains of £19,000 thus resulting in a total net movement in funds surplus of £177,115 (2012 deficit £609,782).

With regard to Unrestricted Funds there was a surplus of £54,024 prior to the FRS 17 Actuarial gains. This compares with a deficit of £124,922 in 2012.

The SOFA shows a deficit on activities for generating funds of £1,633 (2012 £4,858). Incoming resources were £97,900 and outgoing resources were £99,533. This relates to the activities of the Conference Department in using spare capacity to generate funds. Since the introduction of SORP 2005 the School has been required to apportion overheads to these cost centres. Should the conference activities not be undertaken the cost to the school would be greater.

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

Legacy income

During the year the Charity received legacy income of £22,326.

Pensions Liability

The Governors note the deficit on the LST Pension and Assurance Scheme, which is a defined benefit scheme and is further analysed in note 13 to the accounts.

The valuation figures as at 31st August 2013 show a decrease in the deficit from £872,000 to £814,000. This includes the potential liability of £75,000 (2012 £79,000) for discretionary benefits, which are paid from the School's General Fund.

The Governors are aware that the deficit on the scheme will fluctuate with changing market conditions and that their responsibility is to meet the required contribution rates which will be built into the School's ongoing annual budgetary processes. They do not consider the pensions liability to represent an immediate demand on the School's funds and do not therefore consider that there are any resultant limitations on resources available for general application, or restricted funds. The restricted income funds have limitations that mean that they cannot be used to contribute towards any additional resource requirements of the School's unrestricted funds arising from the Pension Scheme deficit.

Fundraising

Principal Sources of Funding

In addition to the income raised from the School's core activities such as student fee income, other sources of income include conference income, staff rents, investment income, legacies and donations

Fundraising Activities

The School's main fundraising activities are twofold. Firstly, they consist of appeals to the School's alumni and supporters, such as the '£70 for 70 years' initiative, which raised £18,876. Secondly, they consist of appeals to trusts and foundations, which in 2012/13 resulted in income of £140,554.

Fundraising is a high priority for the organisation, with the Chief Operating Officer, Director of Communications and Trust Fundraising Manager working together to continually develop and implement a robust fundraising strategy.

Assets held as a custodian trustee

There were no assets held as a custodian trustee.

Freehold and leasehold land and buildings

The trustees are of the opinion that the open market value of the School's freehold and leasehold land and buildings is substantially in excess of their present book value of £999,457 as shown in the financial statements. The buildings on the Green Lane campus are insured for £21.2 million, being the current estimate of their rebuilding costs.

Independent Auditors

A resolution was made at the AGM in 2013 to reappoint Haysmacintyre as Auditors to the Charity. This appointment and the auditors' remuneration will be reviewed again at the AGM in 2014.

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.

On behalf of the Board



Grant Masom
Chairman
31st March 2014

INDEPENDENT AUDITORS' REPORT

Independent Auditors Report to the Members of London School of Theology

We have audited the financial statements of the London School of Theology for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Governors' Responsibilities Statement on page 3, the Governors (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of its incoming resources and application of resources, including its 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.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT

Matters on which we are required to report by exception

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

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



Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditors
31st March 2014

**26 Red Lion Square
London
WC1R 4AG**

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Summary Income and Expenditure Account)

For the Year Ended 31 August 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		167,104	110,331	-	277,435
Activities for generating funds		97,900	-	-	97,900
Investment income		(653)	48,613	-	47,960
Incoming resources from charitable activities					
Education income		2,461,792	-	-	2,461,792
Conferences		18,491	-	-	18,491
Other incoming resources		92,210	-	-	92,210
Gains on disposal of tangible fixed assets		312,156	-	-	312,156
Total incoming resources		3,149,000	158,944	-	3,307,944
Resources expended					
	3				
Costs of generating funds					
Cost of generating voluntary income		59,010	-	-	59,010
Fund-raising trading costs		99,533	-	-	99,533
Investment management costs		1,000	-	-	1,000
Charitable Activities					
Education Expenditure		2,793,851	163,541	-	2,957,392
Conferences		23,109	-	-	23,109
Governance costs		118,473	-	-	118,473
Total resources expended		3,094,976	163,541	-	3,258,517
Net incoming/(outgoing) resources for the year		54,024	(4,597)	-	49,427
Transfers between funds		-	-	-	-
Gains on investment assets					
Unrealised gain		-	92,349	16,339	108,688
FRS 17 Actuarial gains		19,000	-	-	19,000
Net movement in funds		73,024	87,752	16,339	177,115
Total funds brought forward at 1 September 2012		378,059	1,335,568	187,440	1,901,067
Total funds carried forward at 31 August 2013	10	451,083	1,423,320	203,779	2,078,182

The notes on pages 18 - 29 also form part of these financial statements. All of the School's operations are classed as continuing. The School had no recognised gains or losses other than the result for the period. There were no movements on reserves other than those on the Statement of Financial Activities above.

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Summary Income and Expenditure Account)

For the Year Ended 31 August 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2012 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		227,149	70,783	-	297,932
Activities for generating funds		109,033	-	-	109,033
Investment income		6	47,729	-	47,735
Incoming resources from charitable activities					
Education income		2,179,328	-	-	2,179,328
Conferences		17,003	-	-	17,003
Other incoming resources		67,294	-	-	67,294
Total incoming resources		2,599,813	118,512	-	2,718,325
Resources expended					
	3				
Costs of generating funds					
Cost of generating voluntary income		36,644	-	-	36,644
Fund-raising trading costs		113,891	-	-	113,891
Investment management costs		1,000	-	-	1,000
Charitable Activities					
Education Expenditure		2,476,992	117,757	-	2,594,749
Conferences		21,452	-	-	21,452
Governance costs		74,756	-	-	74,756
Total resources expended		2,724,735	117,757	-	2,842,492
Net incoming/(outgoing) resources for the year		(124,922)	755	-	(124,167)
Transfer between Funds		-	-	-	-
Gains/(losses) on investment assets					
Unrealised Gains		-	52,179	9,206	61,385
FRS 17 Actuarial Gains /(losses)		(547,000)	-	-	(547,000)
Net movement in funds		(671,922)	52,934	9,206	(609,782)
Total funds brought forward at 1 September 2011	10	1,049,981	1,282,634	178,234	2,510,849
Total funds carried forward at 31 August 2012	10	378,059	1,335,568	187,440	1,901,067

BALANCE SHEET

Balance Sheet at 31 August 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible Assets	5	1,134,185	2,156,146
Investments	6	1,358,054	1,249,366
		2,492,239	3,405,512
Current assets			
Stock	7	18,948	16,440
Debtors	8	170,206	195,100
Cash at bank and in hand		1,013,021	-
		1,202,175	211,540
Creditors			
Amounts falling due within one year	9	(802,232)	(843,985)
Net current assets		399,943	(632,445)
Net assets excluding pension scheme liabilities		2,892,182	2,773,067
Pension scheme liability		(814,000)	(872,000)
Net Assets after pension scheme liabilities		2,078,182	1,901,067

Funds

Endowment Funds	10	203,779	187,440
Restricted Funds	10	1,423,320	1,335,568
Total committed funds		1,627,099	1,523,008
Unrestricted Funds - general	10	1,265,083	516,957
Revaluation Reserve		-	733,102
	11	2,892,182	2,773,067
Unrestricted pension reserve (deficit)		(814,000)	(872,000)
Total Funds		2,078,182	1,901,067

The Governors are of the opinion that the market value of the freehold and leasehold land and buildings is substantially in excess of their present book value of £999,457 which is included in the tangible fixed assets shown above. The buildings on the Green Lane campus are insured for £21.2 million, being the current estimate of their rebuilding costs.

The notes on pages 18 - 29 also form part of these financial statements.

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF GOVERNORS ON 31st MARCH 2014 AND SIGNED ON THEIR BEHALF BY


MR GRANT MASOM (Chairman)


MR MALCOLM HAZELL (Treasurer)

CASH FLOW STATEMENT

For the Year Ended 31 August 2013

	2013	2012
	£	£
Reconciliation of changes in resources to net cash inflow from operating activities		
Net incoming / (outgoing) resources for the year	49,427	(124,167)
Depreciation charged	94,815	91,377
(Increase)/Decrease in stocks	(2,507)	72
Decrease/(Increase) in debtors	24,894	(22,632)
Increase/(Decrease) in creditors	101,158	(96,503)
(Decrease) in pension scheme deficit		
net of actuarial gains and losses	(39,000)	(44,000)
Less investment income	(47,960)	(47,735)
	131,400	(119,421)
Net cash flow from operating activities	180,827	(243,588)
Cash flow statement		
Net cash flow from operating activities	180,827	(243,588)
Returns on investment and servicing of finance	47,960	47,735
Capital expenditure		
Purchase of tangible fixed assets	(101,214)	(95,626)
Disposal of fixed assets	1,028,360	
Sale of Investments	-	-
	927,146	(95,626)
Increase/(Decrease) in cash	1,155,933	(291,479)

Reconciliation of net cash flow to movement of net debt

	At 1 September 2012 £	Cash Flows £	At 31 August 2013 £
Cash at bank and in hand	-	1,013,021	1,013,021
Bank Overdraft	(446,675)	142,912	(303,763)
Total	(446,675)	1,155,933	709,258

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 August 2013

1 Company status

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 £1, in the event of the company being wound up.

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, the Companies Act 2006 and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' issued in 2005 ('SORP 2005').

(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 three principles of entitlement, certainty 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) Resources expended

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's activities cover the issue of information to prospective students as well as publicising the charity for fund-raising purposes. 20% of the Communication Department's costs are charged to fund-raising 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:

Costs of generating funds

Fund-raising trading costs	8%
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Charitable Activities

Education	90%
Conferences	2%

NOTES TO THE FINANCIAL STATEMENTS

Other Administration & 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	3%

Charitable Activities

Education	90%
Conferences	1%

<u>Governance</u>	4%
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These costs are attributed to activities in proportion to the calculated costs of those activities once both the direct costs and the other costs above have been attributed

(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 13. 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.

Unrealised gains or losses are shown as unrealised gains or losses in the statement of financial activities.

Investment income is accounted for in the period in which the charity is entitled to receipt.

(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. As property is shown at cost, detailed impairment reviews as defined by Financial Reporting Standard 15 are not carried out as permitted under the charity Statement of Recommended Practice.

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 & fittings	10% p a
Equipment	20-25% p a
Computers	33% p a

A depreciation rate on the building element of the properties has been introduced which 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 their present book value.

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

NOTES TO THE FINANCIAL STATEMENTS

(k) Stock

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

(l) 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 17

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

3 Resources expended

	Cost of generating funds	Charitable activities	Governance costs	Total funds 2013	Total Funds 2012
	£	£	£	£	£
Direct Costs	45,296	447,030	-	492,326	252,507
Staff Costs	82,320	1,756,430	23,921	1,862,671	1,827,174
Depreciation	4,741	86,281	3,793	94,815	91,376
Bursaries & Prizes	-	157,025	-	157,025	117,757
Administration, IT & other	13,890	234,598	81,781	330,269	280,379
Property & Services	11,222	204,245	8,978	224,445	182,563
Catering and Housekeeping	2,074	94,892	-	96,966	90,736
	159,543	2,980,501	118,473	3,258,517	2,842,492

Included in resources expended are the following

The auditors remuneration during the year which amounted to £8,800 for audit services (2012 £8,500) and nil for other services (2012 £0)

Hire of plant (operating leases) which amounted to £1,440 (2012 £1,440)

4. Staff costs

	2013	2012
	£	£
Wages & salaries	1,498,734	1,516,612
Social security costs	125,568	125,798
Pension contributions	152,048	135,188
Pension administration	86,321	49,575
	<u>1,862,671</u>	<u>1,827,173</u>

No employee was paid more than £60,000

The average number of employees analysed by function was

	2013	2012
Education	55	56.5
Fund-raising and publicity	2	2
Ancillary to main function of education	1	2
	<u>58</u>	<u>60.5</u>

The members of the London School of Theology, who are trustees and who are directors for the purposes of the Companies Act, received no remuneration nor reimbursement of expenses during the year ended 31 August 2013, with the exception of the following -

Mr Mark McAllister £98 This amount is for payments and expenses relating to speaking at a School event

NOTES TO THE FINANCIAL STATEMENTS

5. Tangible fixed assets

	Freehold & Leasehold Property £	Surplus Property £	Motor Vehicles £	Fixtures, Fittings & Equipment £	Total £
Cost					
At 1 September 2012	1,588,768	755,000	3,676	1,696,369	4,043,813
Additions	-	-	-	101,214	101,214
Disposals	(301,000)	(755,000)	-	-	(1,056,000)
At 31 August 2013	1,287,768	-	3,676	1,797,583	3,089,027

Accumulated depreciation

At 1 September 2012	295,232	-	3,676	1,588,759	1,887,667
Charge for the year	20,719	-	-	74,096	94,815
Disposals	(27,640)	-	-	-	(27,640)
At 31 August 2013	288,311	-	3,676	1,662,855	1,954,842

Net book value

At 31 August 2013	999,457	-	-	134,728	1,134,185
At 31 August 2012	1,293,536	755,000	-	107,610	2,156,146

6. Fixed asset investments

	2013 £	2012 £
Market value at 1 September 2012	1,249,366	1,187,981
Disposals	-	-
Revaluation in the year	108,688	61,385
Market value at 31 August 2013	1,358,054	1,249,366
Cost of investments	586,421	586,421

These investments comprise of units in Charinco and Charishare Tobacco Restricted All investments are listed These investments are primarily held to provide an investment return

NOTES TO THE FINANCIAL STATEMENTS

7. Stocks

	2013	2012
	£	£
Catering and other sundry stocks	18,948	16,440
	<u>18,948</u>	<u>16,440</u>

8. Debtors - Amount falling due within one year

	2013	2012
	£	£
Fee debtors	124,072	134,432
Other debtors	27,557	39,025
Prepayments	16,755	19,821
Accrued income	1,822	1,822
	<u>170,206</u>	<u>195,100</u>

9. Creditors - Amounts falling due within one year

	2013	2012
	£	£
Bank Overdraft	303,763	446,675
Deferred income - Payments received on account	274,523	139,298
Other taxation	15,422	16,705
Social security costs	17,413	18,107
Pension scheme contributions	-	1,129
Other creditors	161,954	161,915
Accruals	29,157	60,157
	<u>802,232</u>	<u>843,986</u>

Open Learning Fees in Advance are included under Payments received on account

NOTES TO THE FINANCIAL STATEMENTS

10. General and Special Funds

10.1 Endowment funds

	Balance at 1 September 2012	Movements in Funds Incoming Resources	Gains	Balance at 31 August 2013
	£	£	£	£
Montague Goodman Bursary	75,992	-	6,624	82,616
Jomac Hennell Bursary	24,420	-	2,126	26,546
Sir John Laing Memorial	76,279	-	6,646	82,925
Sir John Laing Lecture	10,749	-	943	11,692
Total	187,440	-	16,339	203,779

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 an annual memorial lecture. The capital of these funds are to be kept in perpetuity.

10.2 Restricted funds

	Balance at 1 September 2012	Capital Revaluation	Incoming Resources Income from Investments	Other Income	Outgoing Resources	Balance at 31 August 2013
	£	£	£	£	£	£
Henman Memorial Bursary	359,401	30,326	13,155	-	(14,004)	388,878
Student Grant Bursary	652,554	47,925	21,283	-	(32,351)	689,411
Graham Scholarship	125,703	8,657	3,816	-	(17,462)	120,714
Mary Fisher Memorial	30,439	2,117	952	-	(471)	33,037
Laing Scholarship Fund	10	-	-	13,200	(13,200)	10
Student Wives Bursary	43,124	3,196	1,423	-	(504)	47,239
Music & Worship Bursary	8,216	-	40	500	(2,816)	5,940
Students in Need Fund	21,621	-	180	74,561	(68,693)	27,669
Reading Prize Fund	367	-	-	-	-	367
Sir Eric Richardson Prize	420	(30)	21	-	-	411
Griffiths Prize	2,652	158	78	-	(150)	2,738
Faculty Hardship Fund	948	-	10	-	-	958
Gifts for Romania	4,251	-	30	-	-	4,281
Children's Workers Course	1,749	-	10	-	-	1,759
Henman Internet Fund	3,983	-	30	-	-	4,013
Tom Rees Evangelist in Residence	10,378	-	70	-	-	10,448
Vaux sur Seine	5,194	-	30	-	-	5,224
Building Development Fund	5,560	-	60	3,070	-	8,690
Alumni Fund	20,580	-	140	-	-	20,720
Alumni Bursary Fund	32,088	-	210	-	-	32,298
Greg Parsons Prize Fund	232	-	-	-	(50)	182
Hebrew Prize	960	-	10	-	(50)	920
Other Restricted Funds	-	-	-	19,000	(6,516)	12,484
Endowment funds income accounts						
Montague Goodman Bursary	1,263	-	2,862	-	(2,500)	1,625
Jomac Hennell Bursary	431	-	927	-	-	1,358
Sir John Laing Memorial	2,878	-	2,873	-	(4,353)	1,398
Sir John Laing Lecture	566	-	403	-	(421)	548
Total	1,335,568	92,349	48,613	110,331	(163,541)	1,423,320

NOTES TO THE FINANCIAL STATEMENTS

Bursary Funds are invested to achieve maximum capital and income growth and it is anticipated that unrealised losses on investments will be made up over the longer term

The Henman, Student Grant, Graham and Mary Fisher funds were established for the provision of bursaries to students at the School. The Laing Scholarship Fund supports research students through the provision of scholarships. The Student Wives Bursary provides help for the spouses of students to study. The Music & Worship Bursary Fund provides bursaries to students in the Music & Worship department and the Students in Need Fund supports students in need.

The Reading, Eric Richardson and Griffiths funds are for the provision of annual prizes. The Greg Parsons Prize Fund was established for the provision of an annual prize following a gift in 2008 in his memory.

The Faculty Hardship Fund exists to assist faculty members. The Romania Fund supports students from, and projects in, Romania.

The Children's Course Fund supports the development of ministry specifically to children. The Henman Internet fund supports the development of E-mail resources by research students at the School and other IT projects.

The Tom Rees Evangelist in Residence Fund was set up in 2001 with funds donated by the Hildenborough Evangelistic Trust to assist the School in establishing the appointment of an Evangelist in Residence.

The Vaux sur Seine Fund supports the translation of open learning courses into French.

The Building Development Fund was set up in 2003 and consists of donations for this project.

The Alumni Fund was set up in 2006 following the closure of the Alumni as a separate organisation and consists of the residual balance of the Alumni Benevolent Fund together with the funds received under the legacy of Mrs B Johnson for the Alumni.

The Alumni Bursary Fund was set up in 2006 and consists of funds formerly held by the School's Alumni for Bursary funds.

The Hebrew Prize was set up to encourage the study of the Hebrew language and to reward those who achieved high marks in this subject.

Other Restricted Funds holds miscellaneous other restricted fund donations.

10.3 Unrestricted funds

	Balance at 1 September 2012	Surplus /(Deficit)	Transfers In/(Out)	Balance at 31 August 2013
	£	£	£	£
General fund	1,250,059	15,024	-	1,265,083
Pensions reserve (deficit)	(872,000)	58,000	-	(814,000)
Total	378,059	73,024	-	451,083

NOTES TO THE FINANCIAL STATEMENTS

11. Analysis of net assets between funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fund balances at 31 August 2013				
represented by :				
Tangible fixed assets	1,134,185	-	-	1,134,185
Investments		1,154,275	203,779	1,358,054
Current assets	933,130	269,045	-	1,202,175
Current liabilities	(802,232)	-	-	(802,232)
	1,265,083	1,423,320	203,779	2,892,182
Pension Scheme liabilities	(814,000)	-	-	(814,000)
Total net assets	451,083	1,423,320	203,779	2,078,182

12. Corporation Tax

The company is exempt from Corporation Tax on its charitable activities

13. 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 £87,254 (2012: £74,230). At 31st August 2013 there were no outstanding contributions (2012: £0) 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 17 as amended by Accounting Standards Board December 2006 amendment. The contributions to the GPP are accounted for on a cash accrual basis in addition to the costs shown below.

The Defined Benefit scheme is administered by Barnett Waddingham LLP in accordance with the rules and valuations of that fund. Current contribution rates for employees are 6% of pensionable salary. Current employer contributions are 14.1% of pensionable salary plus additional contributions of £50,000 a year from April 2011 and £70,000 a year from April 2013. Barnett Waddingham LLP have provided actuarial advice to the Governors.

NOTES TO THE FINANCIAL STATEMENTS

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £75,000 (2012 £79,000) for discretionary pension benefits if such payments continue 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 £739,000 above plus the non scheme provision of £75,000 results in a pensions reserve deficit of £814,000.

The amounts in the balance Sheet are as follows:

	2013	2012	2011	2010	2009
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Scheme assets at 31 August 2009	4,121	3,762	3,504	3,234	2,928
Defined benefit obligation	(4,860)	(4,555)	(3,790)	(3,831)	(3,830)
Surplus / (deficit) on scheme	(739)	(793)	(286)	(597)	(902)
Experience Gains /(losses) on scheme liabilities	-	(54)	-	-	232
Experience Gains /(losses) on scheme assets	163	129	35	74	(267)

Analysis of amounts charged to activity costs categories:

	2013	2012
	£ 000's	£ 000's
Charitable expenditure operating charge		
Current service cost	60	47
Past service cost	-	-
	<u>60</u>	<u>47</u>

Analysis of amounts charged to activity costs categories (continued):

	2013	2012
	£ 000's	£ 000's
Bank and other interest /(other finance charges)		
Expected return on scheme assets	(174)	(191)
Interest cost	191	209
	<u>17</u>	<u>18</u>

Analysis of actuarial loss debited in the Statement of Financial Activities.

	2013	2012
	£ 000's	£ 000's
Actuarial gains/losses	19	(547)
Cumulative actuarial gains/losses	<u>(289)</u>	<u>(308)</u>

NOTES TO THE FINANCIAL STATEMENTS

Change in scheme liabilities

	2013 £ 000's	2012 £ 000's
Beginning balance	(4,555)	(3,790)
Current service cost	(60)	(47)
Interest cost	(191)	(209)
Contributions	(23)	(23)
Actuarial gains /losses	(144)	(676)
Past service costs	-	-
Benefits paid	113	190
	<u> </u>	<u> </u>
Closing balance	(4,860)	(4,555)
	<u> </u>	<u> </u>

Change in scheme assets

	2013 £ 000's	2012 £ 000's
Beginning balance	3,762	3,504
Expected return on scheme assets	174	191
Actuarial gains /losses	163	129
Contributions by members	23	23
Contributions by employer	112	105
Benefits paid	(113)	(190)
	<u> </u>	<u> </u>
Closing balance	4,121	3,762
	<u> </u>	<u> </u>

The major categories of plan assets are as follows:

	% of Total plan 2013	Share of Fund value at 31 August 2013 £ 000's	% of Total plan 2012	Share of Fund value at 31 August 2012 £ 000's
Equities and other growth assets	41.69%	1,718	42.74%	1,608
Bonds	57.58%	2,373	56.20%	2,114
Other	0.73%	30	1.06%	40
		<u> </u>		<u> </u>
Total assets at end of year		4,121		3,762
		<u> </u>		<u> </u>

	2013 £ 000's	2012 £ 000's
Actual return on scheme assets	<u>337</u>	<u>320</u>

NOTES TO THE FINANCIAL STATEMENTS

The value of the scheme's liabilities has been determined by a qualified actuary based on the results of an actuarial valuation as at 5 April 2012, updated to the Review date using the following assumptions

Actuarial Assumptions used

	2013	2012
Discount rate	4.60%	4.20%
Expected return on scheme assets	5.10%*	4.60%*
Rate of increase in salaries	3.40%	2.60%
Rate of increase in pensions in payment	3.40%	2.60%
Rate of increase in pensions in deferment	2.40%	1.60%
Rate of RPI inflation	3.40%	2.60%
Rate of CPI inflation	2.40%	1.60%
Mortality Table	100% S1PXA	100% S1PXA
Mortality Projection	CMI2011[1%]	CMI2011[1%]

* Weighted average based on allocation of assets at end of year

14 Financial Commitments

Leasing Commitments

At 31 August 2013, the school was committed to making the following payments under operating leases (in respect of hire of machinery)

	Fixtures, fittings and equipment	
	2013	2012
	£	£
Operating leases which expire		
within 1 year	-	-
within 2 to 5 years	1,440	1,440
	<hr/> 1,440 <hr/>	<hr/> 1,440 <hr/>