

LONDON SCHOOL OF THEOLOGY

Reports & Financial Statements

For the year ended

31 August 2014

FRIDAY



A47GYOVS

A10

15/05/2015

#248

COMPANIES HOUSE

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 HA6 2UW
Bankers:	National Westminster Bank Plc. PO Box 105 37 Green Lane Northwood HA6 3AF
Auditors:	haysmacintyre 26 Red Lion Square London WC1R 4AG
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 2014.

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 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.

1) The Governance and Management of the Charity

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:

Name	Honorary Position	Note
Mr Grant Masom*	Chairman of the Board	
Rev Dr Andrew Goldsmith	Vice-Chairman of the Board	
Mr Steve Hughes*	Chairman of the F&GP	Elected 8 th April 2014
Rev Malcolm Hazell*	Honorary Treasurer	Co-opted 20 th Jan 2014, elected 8 th April 2014
Mrs Madeleine Brown		Co-opted 30 th June 2014
Rev Dr Jason Clark		Co-opted 22 nd October 2014
Ven Gavin Collins		Retired 8 th April 2014
Ms Elizabeth Hodgkinson*		
Canon Dr Ann Holt		Resigned 31 st July 2014
Mr Alex Irving		Co-opted 30 th June 2014
Mr Mark McAllister		
Prof Hugh Williamson		

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

Attendees and Representatives

The following attended meetings of the Board of Governors:

Name	Position	Note
Miss Laura Nairn*	Executive Director	
Mr Peter Mills*	Financial Controller	Retired 20 th June 2014
Dr Graham McFarlane	Vice-Principal Academic	
Rev Dr Steve Motyer*	Faculty Representative	Retired May 2014
Rev Robert Willoughby	Faculty Representative	Retired May 2014
Dr Matthew Knell*	Faculty Representative	Began June 2014
Mr Sam Hargreaves	Faculty Representative	Began June 2014
Ms Ruwani Gunawardene	Administrative Staff Representative	
Miss Naomi Carter	Student Body President	Retired April 2014
Mr Tim Withers	Student Body Male Vice-President	Retired April 2014
Mr Matthew Cliff	Student Body President	Appointed April 2014
Miss Ellie Jones	Student Body Female Vice-President	Appointed April 2014
Mr Andreas Hild*	Student Body Treasurer	Appointed April 2014 (only attends F&GP)
Mr Robert Brown*	Secretary	

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

Company Secretary

Mr Peter Mills	Retired 20 th June 2014
Mr David Bradley	Appointed 15 th October 2014

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 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 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 2013/14:

Miss Laura Nairn	Executive Director	
Mr Peter Mills	Financial Controller	Left 20 th June 2014
Dr Henry Broadbent	Finance Director	Began 1 st September 2014
Ms Jenny Aston	HR Manager	
Revd Adrian Smith	Academic Secretary	Left July 2014
Mr Matthew Adcock	Director of Communications	
Dr Graham McFarlane	Vice-Principal Academic	

Governing Document

The School's governing documents 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 a Pensions Committee, the former being chaired by the Executive Director, and the latter by a Pensions Trustee.

The Senior Leadership Team (SLT) is the day-to-day decision-making body of the school, covering its full life and operations. The SLT meets bi-weekly, is chaired by the Executive Director, 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 1st October 2014 Dr Krish Kandiah joined the School as President, and also the Senior Leadership Team.

On academic matters 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.

2) 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 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.

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. The School's vision is "Transforming Theological Education".

LST aims 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 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 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 (www.lst.ac.uk).

Key Objectives and Activities for 2013/14

- To continue to review and provide a range of curriculums that meet the needs of students and stimulate their theological development;
- To plan and validate the Integrative Theology programme in both residential and online formats;
- To plan and validate a new Theology and Counselling programme with a new counselling model for teaching;
- To offer bursaries on the basis of need to enable students to complete programmes;
- 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.

Measures of Success and Outcomes in 2013-14.

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 Conrad Gempf, Lecturer in New Testament and Director of Research at LST.

The following were awarded across the five undergraduate programmes:

- Seventy-five undergraduate qualifications (BA Hons x 51, BA x 2, Dip HE x 9, Cert HE x 13);
 - Of which eleven were First Class BA Hons degrees, twenty-one were Upper Second Class BA Hons degrees, fifteen were Lower Second Class BA Hons degrees, four were Third Class BA Hons degrees and two were Ordinary BA degrees.

The following were awarded across the seven postgraduate programmes:

- Twenty-nine 'taught' postgraduate qualifications (MA x 24, PG Dip. x 2, PG Cert. x 3);
 - Of which two MAs were with Distinction and eleven MAs were with Merit.
- Thirteen 'research' postgraduate qualifications (PhD x 7, MPhil x 1, MTh x 5);

The MA in Integrative Theology and the revised BA in Theology and counseling were both validated. The School was commended for its new counseling model.

This year, the Charity awarded grants and bursaries totaling £220,676 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. Faculty also published a number of works during the course of the year, such as:

Atkinson, William, 'The Holy Spirit in 1 Corinthians' in T. Burke; K. Warrington (eds.), *A Biblical Theology*

of the Spirit, London: SPCK, 2014, pp.146-159.

Atkinson, William, 'The Trinity and Servant-Leadership', *Evangelical Review of Theology*, 38.2 (2014), pp. 138-150.

Beaumont, Mark, 'Ascension without Resurrection? Muslim and Christian Debate on the Ending of Jesus' Life in the Early Islamic Period,' in D. E. Singh (ed), *Jesus and the Resurrection: Reflections of Christians from Islamic Contexts*, Oxford: Regnum, 2014, pp.129-144.

Beaumont, Mark, 'Eternal Life', 'Face of God', in D.C. Allison, Jr. et al (eds), *Encyclopedia of the Bible and its Reception: Volume 8*, Berlin: De Gruyter, pp.67-69, 671-672.

Bier, Miriam J. "'We have Sinned and Rebelled: You have Not Forgiven': The Dialogic Interaction between Authoritative and Internally Persuasive Discourse in Lamentations 3," *Biblical Interpretation* 22 (2014) pp.146-167.

Bier, Miriam J. 'Building an Old Testament Library: Samuel-Job,' *Catalyst*, Feb 12 (2014), online at: <http://www.catalystresources.org/building-an-old-testament-library-samuel-job/>

Dennis, John, 'Bread', 'Death of Jesus', 'Glory' and 'Lamb of God' In J.B. Green; J.K. Brown, N. Perrin (eds.) *The Dictionary of Jesus and the Gospels* (New & Revised edition), Downers Grove: IVP, 2013, pp.91-95, 173-193, 313-315, 482-483.

Lane, Tony, *Exploring Christian Doctrine*, London: SPCK, 2013: p/b + Downers Grove: IVP Academic, 2014: h/b.

Sam Hargreaves has a monthly column in Youthwork magazine.

The school also achieved the outcome of satisfactory progress in its annual monitoring visit from the Quality Assurance Agency (QAA).

Future Objectives and Activities 2014/15

- To continue to review and provide a range of curriculums that meet the needs of students and stimulate their theological development;
- To successfully deliver the first year of the new Integrative Theology programme;
- To successfully improve and work towards the re-validation of the undergraduate Theology programme;
- To offer bursaries on the basis of need to enable students to complete programmes;
- To continue to review programme delivery methods so as to provide the pedagogically best possible experience for students.
- To review and develop campus facilities to support administrative and educational needs;
- To re-launch effective evening classes and increase the number of intensive modules offered to reach a wider audience;
- 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.

3) 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 new Integrative Theology programme and revamped Theology & Counselling programme were both validated during the year.

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's partnership with CWR to provide teaching staff and expertise to the Theology & Counselling and the Integrative Psychotherapy programmes ended on 31st August 2013.

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 through a risk matrix. It seeks to mitigate or transfer identified risks on an on-going basis. The Risk Matrix and Management Warning Indicators, which are part of the School's 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, which 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 2013/14, 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.

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. The School's Bursary Committee makes award decisions.

4) The Finances of the Charity

Fees

Taking into consideration the School's facilities and the high standard of education provided, fees for the educational programmes are set at a level that is commensurate with other independent theological schools and colleges.

Through advice and assistance, students facing financial pressures are assisted and 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 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.

The School is a designated alternative provider of higher education and can therefore receive student loan funding from the UK Government. It is also an approved institution for the US Federal Student Aid Direct Loan programme. The new Integrative Theology programme is also approved by the UK Skills Funding Agency so students can potentially receive professional and career development loans.

Reserves Policy

The total Unrestricted Funds amount to £954,677 (2013: 1,265,083) before accounting for the pensions reserve deficit of £994,000 (2013: 814,000).

Included within these funds are functional fixed assets valued at £1,108,722 and thus free reserves stand in deficit by £154,045.

The School has agreed a new reserves policy which sets a target for free reserves of 20% of annual Unrestricted Funds expenditure.

The School looks to return to positive free reserves in the next year with further net gains from land sales. 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.

Following the sale of Site A in 2012 Site B has been sold in 2014/15. 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.

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 £106,419 to £1,464,473.

Student Debt

The level of student debt has increased by nearly 50% from 2012-13 to 2013-14. The annual increase in student fees and numbers in part explain this increase, but the main explanation is based upon the operation of the School's fee management policy (which allows students to pay fees in installments against an agreed payment plan) and housekeeping exercises such as writing off aged debts and waiving fees in exceptional circumstances.

The School has always taken the management of student debt very seriously and has since appointed an Accounts Administrator with line management responsibility of the Credit Controller and oversight of student debt. The Fee Management Policy will now be robustly implemented with the aim of reducing student debt levels. The basic premise of the policy is as follows: students with debt are only allowed to progress with their studies if a realistic payment plan has been established with the Credit Controller. Otherwise students will have their studies suspended and will be denied graduation with an accredited award.

Financial Results

The SOFA shows net outgoing resources of £266,183 for the year as compared to net incoming resources of £49,426 in 2013. Incoming resources decreased by £135,576 from £3,307,943 to £3,172,367. Incoming resources for 2013 included the exceptional gain (£312,156) on disposal of Site A. Outgoing resources increased by £180,034 from £3,258,517 to £3,438,551.

There were unrealised gains on investments of £106,419 in the year and increase in the pension scheme deficit

through Actuarial losses of £242,000 thus resulting in a total net movement in funds deficit of £401,764 (2013: surplus £177,114).

With regard to Unrestricted Funds there was a deficit of £248,406 prior to the FRS 17 Actuarial losses. This compares with a before-exceptional-gains deficit £258,132 (or an after exceptional gains surplus £54,024) in 2013.

The SOFA shows a surplus on activities for generating funds of £38,321 (2013: deficit £7,323). Incoming resources were £145,239 and outgoing resources were £106,918. 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 £7,100 (2013: £22,326).

Pensions Liability

The Governors note the loss 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 2014 show an increase in the deficit from £814,000 to £994,000.

The Governors are aware that the deficit on the scheme will fluctuate with the 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. Secondly, they consist of appeals to trusts and foundations. One valuable example is the Gatehill Trust, which provided £35,000 of student bursaries during the year. These activities are undertaken by the Supporter Relations Manager, who successfully brings significant income to the School and its various programmes.

Fundraising is a high priority for the organisation, with the Executive Director, 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 £978,739 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

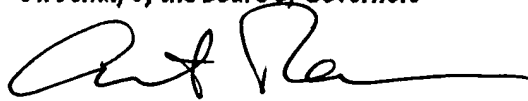
A resolution was made at the AGM in 2014 to reappoint haysmacintyre as auditors to the Charity. This appointment and the auditors' remuneration will be reviewed again at the AGM in 2015.

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 of Governors



Grant Masom
Chairman
28th January 2015

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

We have audited the financial statements of the London School of Theology for the year ended 31 August 2014 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 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.

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement, 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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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.

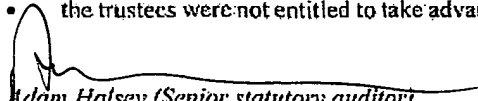
Opinion on other matter prescribed by the Companies Act 2006

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

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:

- the charitable company has not kept adequate and sufficient accounting records, 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; or
- the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.


Adam Halsey (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

28 January 2015

26 Red Lion Square
London
WC1R 4AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

London School of Theology

BALANCE SHEET

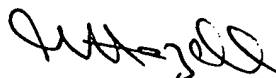
31st August 2014

	Note	2014		2013	
		£	£	£	£
Fixed Assets					
Tangible Assets	5	1,108,722		1,134,186	
Investments	6	1,464,473		1,358,054	
			2,573,195		2,492,239
Current Assets					
Stocks	7	17,163		18,948	
Debtors	8	260,150		170,206	
Cash at bank and in hand		735,627		1,013,021	
		1,012,940		1,202,174	
Current Liabilities					
Creditors (within one year)	9	(915,718)		(802,232)	
Net Current Assets			97,222		399,942
Net Assets (excluding pension scheme liability)			2,670,417		2,892,181
Pension scheme liability			(994,000)		(814,000)
Net Assets after pension scheme liabilities			1,676,417		2,078,181
Funds					
Unrestricted	10	954,677		1,265,083	
Restricted	10	1,495,992		1,423,319	
Endowment	10	219,748		203,779	
Funds (excluding pension scheme reserve)			2,670,417		2,892,181
Unrestricted pension reserve (deficit)			(994,000)		(814,000)
			1,676,417		2,078,181

APPROVED AND AUTHORISED FOR ISSUE BY THE BOARD OF GOVERNORS ON 28th JANUARY 2015
AND SIGNED ON THEIR BEHALF BY :



MR GRANT MASOM (Chairman)



MR MALCOLM HAZELL (Treasurer)

The notes also form part of these financial statements. All of the schools operations are

London School of Theology
STATEMENT OF FINANCIAL ACTIVITIES
31st August 2014

	Notes	Unrestricted £	Funds Restricted £	Endowment £	Total 2014 £	Total 2013 £
Incoming Resources						
Donations and legacies		155,387	162,385	-	317,771	277,435
Charitable Activities						
Education		2,554,679	-	-	2,554,679	2,461,792
Conference		17,087	-	-	17,087	18,490
Other Activities to Generate Funds						
Investment income		4,732	46,913	-	51,645	47,960
Trading income		85,946	-	-	85,946	97,900
Other income		145,239	-	-	145,239	92,210
Gain on disposal of fixed assets		-	-	-	-	312,156
Total Incoming Resources		<u>2,963,070</u>	<u>209,297</u>	<u>-</u>	<u>3,172,367</u>	<u>3,307,943</u>
Resources Expended						
Cost of Generating Funds						
Investment manager fee		1,000	-	-	1,000	1,000
Trading expenses		51,428	-	-	51,428	59,010
Fundraising costs		106,918	-	-	106,918	99,533
Charitable Expenditure						
Education		2,942,585	227,075	-	3,169,660	2,957,393
Conferences		24,982	-	-	24,982	23,109
Governance		84,563	-	-	84,563	118,472
Total Resources Expended	3	<u>3,211,476</u>	<u>227,075</u>	<u>-</u>	<u>3,438,551</u>	<u>3,258,517</u>
Net incoming/(outgoing) resources before transfers		(248,406)	(17,778)	-	(266,183)	49,426
Transfers between funds		-	-	-	-	-
Gains / (losses) on investment assets						
Unrealised Gains		-	90,451	15,968	106,419	108,688
FRS 17 Actuarial Gains / (losses)		(242,000)	-	-	(242,000)	19,000
Net Movement in Funds		<u>(490,406)</u>	<u>72,673</u>	<u>15,968</u>	<u>(401,764)</u>	<u>177,114</u>
Balance brought forward at 1 September 2013		<u>451,083</u>	<u>1,423,319</u>	<u>203,779</u>	<u>2,078,181</u>	<u>1,901,067</u>
Balance carried forward at 31 August 2014		<u>(39,323)</u>	<u>1,495,992</u>	<u>219,748</u>	<u>1,676,417</u>	<u>2,078,181</u>

The notes also form part of these financial statements. All of the schools operations are classed as continuing. 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.

London School of Theology

CASH FLOW STATEMENT

31st August 2014

	2014		2013	
	£	£	£	£
Reconciliation of changes in resources to net cash inflow from operating activities				
Net incoming / (outgoing) resources for the year		(266,183)		49,426
Depreciation charged	87,489		94,815	
Decrease / (Increase) in stocks	1,785		(2,507)	
(Increase) / Decrease in debtors	(89,944)		24,894	
Increase / (Decrease) in creditors	40,250		101,158	
(Decrease) in pension scheme deficit net of actuarial gains and losses	(62,000)		(39,000)	
Less investment income	(51,645)		(47,960)	
		(74,065)		131,400
Net cash flow from operating activities		(340,248)		180,826
Cash flow statement				
Net cash flow from operating activities		(340,248)		180,826
Returns on investments and servicing of finance		51,645		47,960
Capital expenditure				
Purchase of tangible fixed assets	(62,026)		(101,214)	
Disposal of fixed assets	-		1,028,360	
		(62,026)		927,146
(Decrease) / Increase in cash		(350,630)		1,155,932

Reconciliation of net cash flow to movement of net debt

	At 01/09/2013 £	Cash Flows £	At 31/08/2014 £
Cash at bank and in hand	1,013,021	(277,394)	735,627
Bank Overdraft	(303,763)	(73,235)	(376,998)
Total	709,258	(350,629)	358,629

The notes also form part of these financial statements. All of the schools operations are

London School of Theology

Notes to the Financial Statements

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.

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, 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 3 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 Restricted 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 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 :

<i>Costs of generating funds</i>	
Fund-raising trading costs	8%
<i>Charitable Activities</i>	
Education	90%
Conferences	2%

London School of Theology

Notes to the Financial Statements

(Continued)

2 Accounting Policies (Continued)

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

<i>Costs of generating funds</i>	
Costs of generating voluntary income	2%
Fund-raising trading costs	3%
 <i>Charitable Activities</i>	
Education	90%
Conferences	1%
 <i>Governance</i>	
	4%

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. 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%
Equipment	20% - 25%
Computers	33%

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 the present book value.

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

London School of Theology

Notes to the Financial Statements

(Continued)

2 Accounting Policies (Continued)

(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

London School of Theology

Notes to the Financial Statements

(Continued)

3 Resources Expended	Cost of generating funds	Charitable activities	Governance Costs	Total 2014	Total 2013
	£	£	£	£	£
Direct Costs	33,879	458,843	-	492,722	492,326
Staff Costs	86,287	1,780,837	29,681	1,896,806	1,862,671
Depreciation	4,713	85,772	3,770	94,255	94,815
Bursaries & Prizes		227,075	-	227,075	157,025
Administration, IT & other	11,038	312,020	42,281	365,339	330,269
Property & Services	18,144	200,893	8,830	227,868	224,445
Catering and Housekeeping	5,285	129,201	-	134,486	96,966
	<u>159,346</u>	<u>3,194,641</u>	<u>84,563</u>	<u>3,438,551</u>	<u>3,258,517</u>

Included in resources expended are the following :

The auditors remuneration during the year which amounted to £8,950 for audit services (2013 : £8,800) and nil for other services (2013 : £ nil).

Hire of plant (operating leases) which amounted to £1,440 (2013 : £1,440).

4 Staff Costs	2014 £	2013 £
Wages and salaries	1,526,199	1,498,734
Social security costs	127,869	125,568
Pension contributions	154,834	152,048
Other pension costs	87,903	86,321
	<u>1,896,806</u>	<u>1,862,671</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 August 2014.

The average number of employees by function was :	2014 Number	2013 Number
Education	57	55
TIFund-raising and publicity	2	2
Ancillary to main function of education	1	1
	<u>60</u>	<u>58</u>

One employee earned more than £60,000.

London School of Theology
Notes to the Financial Statements
(Continued)

5	Fixed Assets	Freehold and Leasehold Property £	Motor Vehicles £	Fixtures Fittings & Equipment £	Total 2014 £
	Cost				
	At 1 September 2013	1,287,768	3,676	1,797,583	3,089,027
	Additions	-	-	62,026	62,026
	Disposals	-	-	-	-
	At 31 August 2014	<u>1,287,768</u>	<u>3,676</u>	<u>1,859,610</u>	<u>3,151,053</u>
	Depreciation				
	At 1 September 2013	288,310	3,676	1,662,855	1,954,842
	Charge for the year	20,719	-	66,771	87,489
	Disposals	-	-	-	-
	At 31 August 2014	<u>309,029</u>	<u>3,676</u>	<u>1,729,626</u>	<u>2,042,331</u>
	Net Book Value				
	At 31 August 2014	<u>978,739</u>	<u>-</u>	<u>129,983</u>	<u>1,108,722</u>
	At 31 August 2013	<u>999,458</u>	<u>-</u>	<u>134,728</u>	<u>1,134,186</u>
6	Fixed Asset Investments			2014 £	2013 £
	Market value at 1 September 2013			1,358,054	1,249,366
	Disposals				-
	Revaluation in the year			106,419	108,688
	Market value at 31 August 2014			<u>1,464,473</u>	<u>1,358,054</u>
	Cost of investments			586,421	586,422
	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.				

Financial statements. All of the schools operations are

London School of Theology
Notes to the Financial Statements
(Continued)

7	Stocks	2014 £	2013 £
	Catering and other sundry stocks	17,163	18,948
		<u>17,163</u>	<u>18,948</u>
8	Debtors	2014 £	2013 £
	Fee Debtors	185,223	124,072
	Other debtors	53,276	27,556
	Prepayments	21,651	18,577
	Accrued income	-	-
		<u>260,150</u>	<u>170,206</u>
9	Creditors: Amounts falling due within one year	2014 £	2013 £
	Bank Overdraft	376,998	303,763
	Deferred income - Payments received on account	195,155	274,523
	Other taxation	16,836	15,422
	Social security costs	17,569	17,413
	Pension scheme contributions	98	-
	Other creditors	200,173	161,954
	Accruals	108,888	29,158
		<u>915,718</u>	<u>802,232</u>
Open Learning Fees in Advance are included under Payments received on account.			

London School of Theology

Notes to the Financial Statements

(Continued)

10 General and Special Funds

10.1 Endowment Funds		Balance at 1st September 2013	Incoming Resources	Gains	Balance at 31st August 2014
		£	£	£	£
1	Montague Goodman Bursary	82,616	-	6,474	89,090
2	Jomac Hennell Bursary	26,546	-	2,080	28,626
3	Sir John Laing Memorial	82,924	-	6,498	89,422
4	Sir John Laing Lecture	11,693	-	916	12,610
Total		203,779	-	15,968	219,748

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.

10.2 Unrestricted Funds		Balance at 1st September 2013	Surplus / (Deficit)	Transfers In / (Out)	Balance at 31st August 2014
		£	£	£	£
General fund		1,265,083	(310,406)	-	954,677
Pensions reserve		(814,000)	(180,000)	-	(994,000)
Total		451,083	(490,406)	-	(39,323)

London School of Theology
Notes to the Financial Statements
(Continued)

10 Restricted Funds (Continued)

10.3 Restricted Funds		Balance at 1st September 2013	Incoming Resources	Outgoing Resources	Gains	Balance at 31st August 2014	
		£	£	£	£	£	
1	Henman Memorial Bursary	388,878	13,085	(14,135)	29,885	417,513	For student bursaries.
2	Student Grant Bursary	689,412	20,683	(26,590)	46,920	730,425	For student bursaries.
3	Graham Scholarship	120,712	3,736	(1,500)	8,475	131,424	For student bursaries.
4	Mary Fisher Memorial	33,038	912	(1,800)	2,069	34,416	For student bursaries.
5	Laing Scholarship	10	13,200	(13,200)	-	10	For research students scholarships.
6	Student Wives Bursary	47,238	1,374	(1,443)	3,118	50,287	For study support for students' spouses.
7	Music and Worship Bursary	5,941	1,006	(2,592)	-	4,354	For bursaries to Music and Worship students.
8	Students in Need Fund	27,668	145,134	(153,577)	-	19,225	For students in need.
9	Reading Prize Fund	387	-	(50)	-	317	For annual prizes.
10	Sir Eric Richardson Prize	410	18	(100)	30	358	For annual prizes.
11	Griffiths Prize	2,738	68	(50)	154	2,909	For annual prizes.
12	Faculty Hardship Fund	958	-	-	-	958	For faculty members.
13	Gifts for Romania	4,281	-	(4,281)	-	0	For Romanian students and projects.
14	Children's Workers Course	1,759	-	-	-	1,759	For the development of children's ministry.
15	Henman Internet Fund	4,013	-	-	-	4,013	For the development of IT projects by LST research students.
16	Tom Rees Evangelist in Res	10,448	-	-	-	10,448	For funding an Evangelist in residence.
17	Vaux sur Seine	5,224	-	-	-	5,224	For the translation to open learning resources into French.
18	Building Development Fund	8,690	1,795	-	-	10,485	For School development projects.
19	Alumni Fund	20,721	-	-	-	20,721	For LST alumni events.
20	Alumni Bursary Fund	32,298	-	(1,459)	-	30,839	For student bursaries.
21	Greg Parsons Prize Fund	182	-	(50)	-	132	For the provision of an annual prize.
22	Hebrew Prize	920	-	(50)	-	870	For high attainment in Hebrew language studies.
23	Other Restricted Funds	12,484	1,250	-	-	13,734	Miscellaneous other restricted fund donations.
Endowment Income Accounts							
1	Montague Goodman Bursar	1,627	2,853	(3,500)	-	980	For student bursaries.
2	Jones Hennell Bursary	1,358	917	-	-	2,275	For student bursaries.
3	Sir John Laing Memorial	1,399	2,884	(2,000)	-	2,283	For student bursaries.
4	Sir John Laing Lecture	548	403	(899)	-	53	For the annual memorial lecture.
Total		1,423,319	209,297	(227,075)	99,451	1,495,992	
Donations			162,385				
Investment Inc			46,913				

London School of Theology
Notes to the Financial Statements
(Continued)

11 Analysis of net assets between funds

	General Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£
Fund balances at 31 August 2014				
Represented by :				
Tangible fixed assets	1,108,722	-	-	1,108,722
Investments	-	1,244,725	219,748	1,464,473
Current assets	761,672	251,267	-	1,012,940
Current assets	(915,718)	-	-	(915,718)
	<u>954,677</u>	<u>1,495,992</u>	<u>219,748</u>	<u>2,670,417</u>
Pension Scheme liabilities	(994,000)			(994,000)
	<u>(39,323)</u>	<u>1,495,992</u>	<u>219,748</u>	<u>1,676,417</u>

12 Corporation Tax

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

London School of Theology

Notes to the Financial Statements

(Continued)

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 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 £84,834 (2013: £87,254) At 31st August there were no outstanding contributions (2013: £NIL) 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 accruals 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.

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £75,000 (2013: £75,000) 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 £919,000 plus the non-scheme provision of £75,000 results in a reserve deficit of £994,000

The amounts in the balance sheet are as follows :

	2014 £000s	2013 £000s	2012 £000s	2011 £000s	2010 £000s
Scheme assets at year end	4,377	4,121	3,762	3,504	3,234
Defined benefit obligation	(5,296)	(4,860)	(4,555)	(3,790)	(3,831)
	(919)	(739)	(793)	(286)	(597)
Experience gains/(losses) on scheme liabilities	-	-	(54)	-	-
Experience gains/(losses) on scheme assets	141	163	129	35	74

London School of Theology

Notes to the Financial Statements

(Continued)

13 Pension Commitments (Continued)

Analysis of amounts charged to activity costs categories:

	2014 £000s	2013 £000s
Charitable expenditure operating charge		
Current service cost	44	60
Past service cost	-	-
	<u>44</u>	<u>60</u>

Bank and other interest/(other finance charges)

Expected return on scheme assets	(208)	(174)
Interest cost	220	191
	<u>12</u>	<u>17</u>

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

	2014 £000s	2013 £000s
Actuarial gains/(losses)	(242)	19
Cumulative actuarial gains/(losses)	<u>(531)</u>	<u>(289)</u>

Change in scheme liabilities

	2014 £000s	2013 £000s
Beginning balance	(4,860)	(4,555)
Current service cost	(44)	(60)
Interest cost	(220)	(191)
contributions by members	(16)	(23)
Actuarial gains/(losses)	(383)	(144)
Past service costs	-	-
Benefits paid	227	113
	<u>(5,296)</u>	<u>(4,860)</u>
Closing balance		

Change in scheme assets

	2014 £000s	2013 £000s
Beginning balance	4,121	3,762
Expected return on scheme assets	208	174
Actuarial gains/(losses)	141	163
Contributions by members	16	23
Contributions by employer	118	112
Benefits paid	(227)	(113)
	<u>4,377</u>	<u>4,121</u>
Closing balance		

London School of Theology

Notes to the Financial Statements

(Continued)

13 Pension Commitments (Continued)

The major categories of the scheme assets are as follows:

	31 August 2014		31 August 2013	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	43.73%	1,914	41.69%	1,718
Bonds and cash	55.56%	2,432	57.58%	2,373
Other	0.71%	31	0.73%	30
Total Assets at end of year		<u>4,377</u>		<u>4,121</u>
		2014 £000s		2013 £000s
Actual return on scheme assets		349		337

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 2012, updated to the Review Date using the following assumptions :

Actuarial assumptions used:	2014	2013
Discount rate	3.90%	4.60%
Expected return on scheme assets*	4.80%	5.10%
Rate of increase in salaries	3.20%	3.40%
Rate of increase in pensions in payment	3.20%	3.40%
Rate of increase in pensions in deferment	2.20%	2.40%
Rate of RPI price inflation	3.20%	3.40%
Rate of CPI price inflation	2.20%	2.40%
Mortality table	100% S1PXA	100% S1PXA
Mortality projection	CMI 2011 [1%]	CMI 2011 [1%]

* Weighted average based on the allocation of the scheme assets at the end of the year.

14

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	
	2014	2013
Operating leases which expire		
within 1 year	-	-
within 2 to 5 years	6,893	1,440
	<u>6,893</u>	<u>1,440</u>