LONDON SCHOOL OF THEOLOGY

Report and Financial Accounts

2025

Company Registered No: 381332

Registered Charity No: 312778

Year ended 31 August 2025

Welcome

I am very pleased to introduce the Report and Financial Accounts of the London School of Theology for the academic year of 2024-2025. It has been a busy and extremely productive year. Let me identify some headlines.

This year we reviewed the work of the Research department and developed it significantly. We produced a new Research Strategy, which has been formally adopted by the Board of Trustees (see: https://lst.ac.uk/wp-content/uploads/2025/08/LST-Research-Strategy-2025-27-for-web.pdf). This strategy identifies four key research themes, namely, Church and Society, Evangelicalism and Ecumenism, Theology, Spirituality and Formation, and The Gospels and Jesus. While our research and the research of our students is not limited to these themes, we are developing our expertise around them. To lead the department, we appointed a newly promoted Professor of New Testament Studies, Prof Cor Bennema, as the new Head of Research. He is ably supported by a new Assistant Registrar, Rachel Rowe.

LST has hosted an annual research conference over many years. This last year we held a public conference looking at spiritual and pastoral abuse. This topic is especially important, given the recent scandals in the Church, including the Evangelical sector. The conference was very successful and attracted international delegates, which was pleasing. The keynote speakers were our own academic dean, Dr David Hilborn, and Professor Lisa Oakley from the University of Chester. This conference was very timely and will continue to generate resources for the Church, hopefully through the publication of the papers in an edited collection.

The Graduation service at the end of June was a wonderful and joyful occasion. We were delighted that 52 out of the 82 students who had graduated across all programmes (from the BA degrees through to the PhD) were able to attend in person. We draw students from around the world and from very different educational backgrounds. In recent years we have invested significantly in our learning support; and it is a privilege to witness the achievements of our students and to celebrate with them in a ceremony that is also a worship service. We were pleased that our Graduation speaker was our very own Dr Chloe Lynch, a Senior Lecturer in Practical Theology.

In general terms our recruitment of new students has been good this year and certainly an improvement on last year. This year we recruited 151 new students across all our programmes, which was very pleasing to see. The sad demise of Spurgeon's College meant that 25 transfer students are included in this number. However, the composition of the student body is shifting more to part-time and online. This means that the fee income, while good, does not provide the level of income compared to a few years ago. This is something that we shall be addressing in our marketing and recruitment activity over the coming year. Positively, our Postgraduate Taught programmes (MA programmes) all achieved their recruitment targets, and our Postgraduate Research student numbers are also looking healthy. Overall, we have 353 registered students, which is very positive and means that we continue to be one of the largest theological colleges in the UK and Europe.

> *"Without our students we would not exist and it is for them, in the service of the Kingdom of God, that we pursue our educational mission."*

Update on our Strategic Plan and its Implementation:

- One of our key objectives in our strategic plan is to design and validate a new BA Hons degree in Theology and Liberal Arts. I am pleased to report that in this past year the degree was not only validated by Middlesex University, with praise from our independent external assessor, but has attracted its first small cohort of students. Since it was validated late in the recruitment cycle, we did not expect a large intake of students this year. But in the coming academic year we shall be marketing the programme strategically and seeking to break into the North American Christian Liberal Arts market. We are grateful for our Programme Leader, Dr Andy Everhart, who will be spearheading our recruitment work for this programme over the course of the year.
- The financial situation in Higher Education (HE) generally is a cause for concern. We are very much aware of the challenges that we face. We have continued to cut our costs where we can and to review our structures to ensure that they are as efficient as possible. This activity will continue into the coming year. It is inevitable that institutions like ours, as well as cutting costs, also seek to find new income streams. To this end, we have leased out a self-contained building, the Guthrie Centre, to a local nursery school for a fixed term period. We have not done this before, so it is an experimental venture. Nevertheless, it supports an organisation in the local community, as well as providing new funds for us. In addition, a local Evangelical church will be leasing our chapel space on Sundays from January. Again, this is a new development and uses a space that would not otherwise be used because our students attend local churches on placement most Sundays. Other possible arrangements with different groups are now being considered, so that our facilities might be utilised more as a financial asset.
- Like most colleges, our conference trade was affected by the Covid-19 pandemic, and it has been very slow to recover to previous levels of activity. This year, we have managed to raise our level of conference income very substantially, thanks to the leadership of Jonathan Mead and Ruth Brockett. Bookings are looking very good for the coming year, so we are hopeful that we have turned a corner and will be back to pre-pandemic conference levels consistently in the years to come. On a personal note, I am very excited that an international academic society, the International Society for Empirical Research in Theology (ISERT), has chosen to come to LST for its biannual conference in 2026. This conference will attract scholars from around the world.
- One of our anticipated strategic goals, reaching beyond the timeline of our current strategic plan, was to consider an application to the Office of Students (OfS) for our own Taught Degree Awarding Powers (TDAPs). This is something that we had considered back in 2022 and then put to one side. During 2024-25, it became clear to us that this was something we needed to do sooner. We are a mature institution (founded in 1943), with an excellent track record of theological education at all HE levels. Therefore, for our long-term sustainable future, it was decided to move forward positively. I am pleased to report that we raised £100,000 from two charitable trusts to support our plan and an application has been made to the OfS. In the autumn of 2025, the OfS reported that they had completed their eligibility checks and we have been invited to submit our paperwork at the beginning of February 2026. The whole process should take around 12 months, so we will have an idea of the outcome in February/March 2027. In the meantime, we continue to work closely with Middlesex University; we are extremely grateful for their ongoing support of the work that we do.

As always, I am extremely grateful to all our colleagues for their work and their professional relationships with our wonderful students. Without our students we would not exist and it is for them, in the service of the Kingdom of God, that we pursue our educational mission. I am also aware that we have a dedicated group of trustees, who support the executive team as 'critical friends', holding us to account. In September, our Chair of the Board of Trustees, Malcolm Peckham, decided to step down. We are most grateful for all that he has done over the last two years. Subsequently, one of our current trustees, Professor Peter Oakes, the Rylands Professor of Biblical Criticism and Exegesis, at the University of Manchester, has agreed to take on this role. I am personally very grateful to Peter and I look forward to working with him in 2026.

As I noted last year, I tend to write this report just before the Christmas holiday and this year it is no different. This year, I write amid news of war and the mass shooting of Jewish worshippers in Sydney, Australia. Our hearts go out to all those impacted by this event and indeed all those affected by violence in 2025. We are reminded at this time of year that Jesus Christ is the 'prince of peace'. As prophesied by Isaiah, 'for unto us a child is born, unto us a son is given… and he will be called wonderful counsellor, mighty God, everlasting Father, prince of peace' (*Isaiah 9.6*). And again, 'the virgin will be with child and will give birth to a son, and they will call him "Immanuel", which means "God with us"' (*Matthew 1.23*).

May Christ be both the 'prince of peace' and 'Immanuel' in the year ahead.

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

At a glance

Income & Expenditure 2024-25

Year ended 31 August

	2025 £'000	2024 £'000
Income	2,828	3,183
Expenditure	(4,099)	(3,924)
Net (loss)	(1,271)	(741)
Investment gains / (losses)	60	562
Pension scheme gains	(116)	285
Net movement in funds	**(1,327)**	**106**

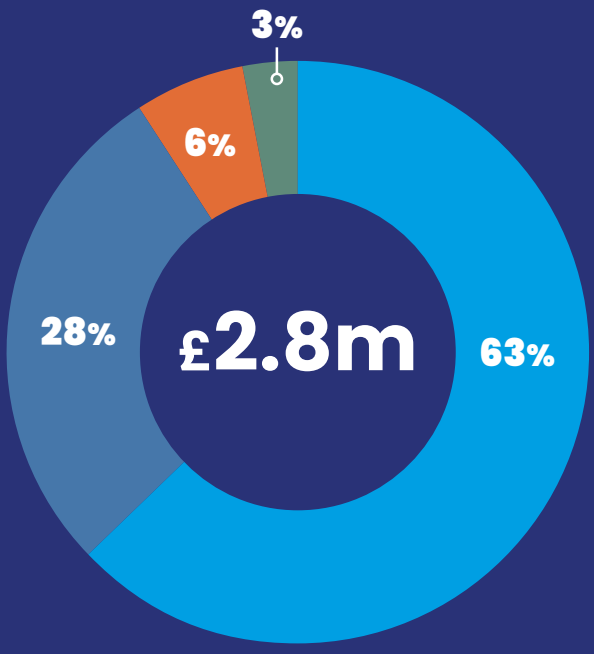
Balance Sheet 2024-25

Balance at 31 August

	2025 £'000	2024 £'000
Tangible assets	1,276	1,455
Investments	6,513	7,195
Net current assets	439	806
	8,228	9,456
Creditors greater than one year	(18)	(35)
Pension scheme asset	1,152	1,268
Net assets	**9,362**	**10,689**

Our Income

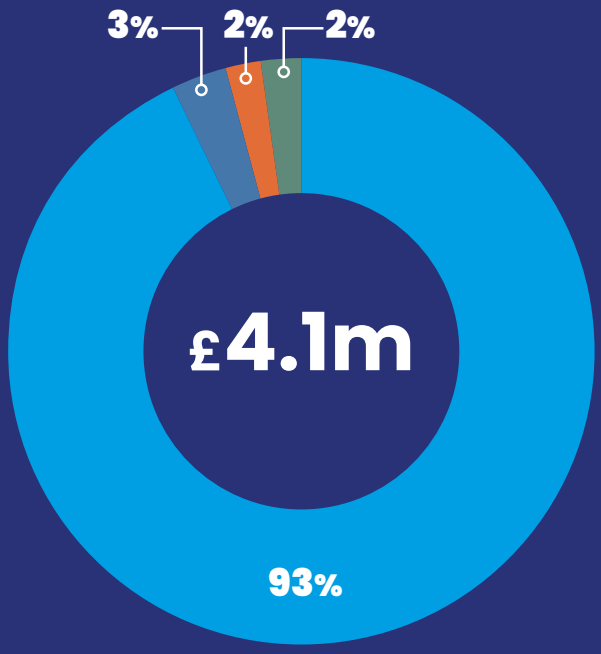
2024-25



- Education
- Investments / Trading
- Fundraising (excl. legacies)
- Conferences

Our Expenditure

2024-25



- Education
- Bursaries
- Fundraising (excl. legacies)
- Trading / Conferences

What *we achieved*

London School of Theology graduated 57 undergraduate level qualifications

London School of Theology graduated a total of 57 undergraduate students (Certificate, Diploma and BA Degree programmes) in Theology, Theological Studies, Theology & Counselling, Theology & Worship, Theology & Music, Theology & Worship Studies, Theology, Music & Worship and Theology and Creative Musicianship during the year. 37 students participated in the graduation ceremony.

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

London School of Theology graduated 10 research qualifications

London School of Theology graduated 10 postgraduate research students across the Master of Theology, Master of Philosophy and Doctor of Philosophy programmes during the year. 8 of these students participated in the graduation ceremony.

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

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

London School of Theology graduated 15 postgraduate qualifications

London School of Theology graduated a total of 15 postgraduate students across the MA in Biblical Studies, MA in Theological Studies, MA in Practical Theology & Ministry, MA in Aspects & Implications of Biblical Interpretation and MA in Integrative Theology during the year. 7 students participated in the graduation ceremony.

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

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

Maryam Razavi, BA Theology

"What attracted me to study Theology was to understand the historical and cultural context of Bible books and to help me read the Bible with greater depth and clarity, seeing how beliefs developed over time and how faith relates to broader human history and thought."

Plans for 2025-2026

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

This year a special focus was on welcoming the 25 ex-Spurgeon's students who joined us at very short notice having needed to find another theological College at which to complete their studies following the sudden closure of Spurgeon's College. We will again continue to strengthen our student support processes to ensure we identify at the earliest opportunity any students who are struggling or falling behind with their studies and determine how they can best be supported. Following the successful running of a short foundations course for the last few years, we offered it again this year with a record 29 of our new students attending. This is largely designed for those returning to studies after a significant gap, and who need a confidence boost around what they can expect and the resources that will be available to them.

As reported by our Principal in his introduction, the decision was taken last year to actively move forward with an application to the Office for Students for our own Taught Degree Awarding Powers (TDAPs). This is now seen as a necessity to provide us with the additional flexibility and choices required to face the well documented challenges impacting the Higher Education sector at this time. Considerable time and attention will be taken to move forward with this project in the year ahead.

As we move into the fourth year of our current five year strategy focused on Forming Disciples, Resourcing Churches and Impacting Society we have identified the following priorities for the year ahead:

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

Student *life*

We are committed to offering the highest standard of education

We are at the forefront of theological education designed to equip our students for life in the real world. More than ever, there is a need to train our students who are in most cases Christians, to have a deeper understanding of Scripture and its relevance to the world. To help support this, we have a range of bursaries and scholarships available to help students with their fees and other costs. These funds have been established and supported by generous donors who have a heart to help students in need of financial assistance. The demand for financial help is higher than ever, so if you are able, please do consider making a donation to help top up these fast depleting bursary funds.

We are a resource for churches

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

We have an Alumni Association across the world

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

What our *students say*

Joyce Chee, MA Theological Studies Graduate

"Studying in person at LST is beyond just academic — there's a human touch. It's comforting to know that others are also wrestling with Scripture, and we're on this journey together. I came for theology, but what I found at LST was pastoral support, academic rigour, and a deeper journey with God."

Oscar Guobadia, MA Practical Theology and Ministry

"My decision to study at the London School of Theology was born out of a deep desire to integrate academic theology with the practical demands of Pentecostal leadership.

As a church leader and practitioner within the charismatic-Pentecostal tradition, I recognised the need for a robust theological framework that could ground and sustain my ministry in today's complex ecclesial and cultural landscape."

Alison Shakespeare, BA Theology and Counselling

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

Meagan Lord, MA Theological Studies Graduate

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

Nicholas Chikore, BA Theology and Counselling

"Theology grounds you and rewires you in the fundamental things that will help you better navigate the world we live in. Counselling will help you gain a deeper understanding of how you can help serve the community and connect at a place where you truly value others as those who represent the image of God."

Mack Caldwell, BA Theology and Worship Studies

"Combining my love of the Bible with my love of writing music was a great attraction. What I enjoy about studying at LST, is being in the community and spending time praying and talking with each other."

Year ended 31 August 2025

Report and Financial Statements

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

Governors' Report

Introduction

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

Statement of Governors' responsibilities in preparing the accounts

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

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

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

Preparation of accounts

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

Governance and management of the charity

Trustees

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

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

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

Attendees and Representatives

The following attended meetings of the Board of Governors:

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

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

Governance and management of the charity (continued)

Company Secretary

Mr Jonathan Mead

Methods of Recruitment of Trustees

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

Methods of Appointment

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

Training and induction provided for trustees

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

Trustee Independence

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

Senior Employees

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

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

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

Statement of Corporate Governance

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

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

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

How the Charity is managed

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

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

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

Internal Control

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

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

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

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

- Clear definitions of the responsibilities of, and the authority delegated to, the executive team, programme leaders and administrative heads of department;
- A comprehensive annual budgeting and forecasting process
- Regular monthly reviews of key performance indicators and actual financial results involving variance analysis reporting against the budget and updates to forecasts;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed approval according to levels set by the Board as contained within the expenditure policy;

Governance and management of the charity (continued)

- The maintenance of a risk register which highlights the key risks facing the School in achieving its objectives;
- The Finance & General Purposes Committee oversees the risk management process and considers changes in the major risks assessed for the School; and
- The Board receives regular reports from the Finance & General Purposes Committee on the effective operation of the system of internal control.

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

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

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

Fundraising approach and performance

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

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

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

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

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

During the year we received no complaints about our fundraising activities

The purpose of the charity

Summary of the Objects of the Charity

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

a. The conduct of the School and establishment and conduct of Colleges (in all cases) for the study and teaching of the Bible, Christian doctrine and related subjects;

b. The training of ministers of religion, Christian teachers, missionaries and other Christian workers;

c. The support of the School, its students and its former students.

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

Public Benefit of the Charity

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

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

Strategic Report

Aims, objectives and activities

Aims

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

We achieve these aims by providing:

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

We see our key values as being:

- Actively becoming Christ-like developing godly character and virtues
- Being shaped by the canon of Scripture as the supreme authority for faith and life (the norming norm)
- Celebrating Christian community exhibiting the gifts and fruit of the Holy Spirit in praise, prayer, sacrament, fellowship and service and embodying collegiality for the flourishing of LST
- Demonstrating a commitment to excellence in all that we do, whether academic or professional
- Enhancing church life and witness, through strong networks of evangelical and ecumenical partnerships

Strategic Report (continued)

- Forging relationships within our own wider community and greater London for the sake of the common good
- Gathering students from diverse cultures and ecclesial traditions
- Helping to care for creation, including our own physical and environmental resources, moving towards a carbon neutral footprint

And some of our unique selling points would be having:

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

Activities

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

Key Objectives and Activities for 2024/25 were:

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

Measures of Success and Outcomes in 2024/25:

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

Future Objectives and Activities for 2025/26:

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

The operation of the Charity relationships and affiliations

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

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

Risk Management Statement

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

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

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

Actions to address these risks include for our:

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

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

Dependence on Volunteers

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

Facilitating Access to Christian Theological Education

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

The Finances of the Charity

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

Reserves

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

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

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

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

Investments

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

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

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

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

Financial Results

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

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

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

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

Future plans

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

Independent Auditors

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

Statement of disclosure to Auditors

As far as the Trustees are aware:

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

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

Professor Peter Oakes, Chairman
28th January 2026

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

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

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

In our opinion, in all material respects:

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

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

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

Responsibilities of trustees for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

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

10 Queen Street Place
London EC4R 1AG

30th January 2026

Statement of Financial Actitivies

Year ended 31 August 2025

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

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

Balance Sheet

As at 31 August 2025

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

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

Prof Peter Oakes
(Chairman)

Revd Prof Mark Cartledge
(Principal)

Cash Flow Statement

Year ended 31 August 2025

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

Notes to the Financial Statements

1. Company Status

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

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

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

2. Accounting Policies

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

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

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

(a) Basis of accounting

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

(b) Fees and similar income

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

(c) Legacies

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

(d) Donations and Fund accounting

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

(e) Expenditure

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

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

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

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

Raising Funds
Fund-raising trading costs - 2%

Charitable activities
Education - 94%
Conferences - 4%

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

Costs of generating funds
Costs of generating voluntary income - 2%
Fund-raising trading costs - 0%

Charitable activities
Education - 96%
Conferences - 2%

(f) Recognition of liabilities

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

(g) Grants and bursaries

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

(h) Investments and investment income

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

(i) Interest receivable

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

2. Accounting Policies (continued)

(j) Tangible fixed assets

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

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

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

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

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

(k) Stock

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

(i) Exchange gains and losses

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

(m) Operating leases

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

(n) Pension costs

Defined Benefit Scheme

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

Defined Contribution Scheme

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

(o) Critical sources of estimation uncertainty and accounting judgements

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

3. Grant and Fee Income

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

4. Expenditure

	Raising Funds £	Charitable Activities £	Total £
Year Ended 31st August 2025			
Direct costs	36,969	594,881	631,850
Staff costs	95,608	2,411,049	2,506,657
Depreciation	8,505	201,987	210,492
Bursaries and prizes	-	115,039	115,039
Support and governance costs	17,369	617,213	634,582
	158,451	3,940,169	4,098,620

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

Included in expenditure are the following:

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

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

5. Staff Costs

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

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

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

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

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

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

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

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

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

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

6. Access and Participation

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

The School's Access and Participation Plan can be found at:
https://accessandparticipationplans.officeforstudents.org.uk/accessplansdownloads/2226/LondonSchoolofTheology_APP_2022-23_V1_10004075.pdf

7. Fixed Assets

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

8. Fixed Assets Investments

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

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

9. Stocks

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

10. Debtors

	2025 £	2024 £
Fee debtors	59,064	81,741
Other debtors	2,418	798
Prepayments	469,490	482,548
	530,972	565,087

11. Creditors

11.1 Amounts falling due within one year

	2025 £	2024 £
Trade creditors	221,591	161,116
Deferred income – payments received on account	228,558	192,431
Social security costs	50,288	41,660
Pension scheme contributions	16,597	20,767
Other creditors	77,781	36,961
Accruals	94,857	71,042
	689,672	523,977

Deferred income comprises:

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

11.2 Amounts falling after one year

	2025 £	2024 £
Capital payments on loan for solar panels	17,618	35,234

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

12. General and Special Funds

12.1 Endowment Funds

	Balance at 1 September 2024	Income	Gains/(Losses)	Balance at 31 August 2025
	£	£	£	£
Montague Goodman Bursary	101,361	(596)	1,278	102,043
Jomac Hennell Bursary	32,567	(191)	411	32,787
Sir John Laing Memorial	101,738	(597)	1,283	102,424
Sir John Laing Lecture	14,347	(84)	181	14,444
	250,013	(1,468)	3,153	251,698

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

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

12.2 Unrestricted Funds

	Balance at 1 September 2024	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2025
	£	£	£	£	£
General fund	1,667,046	2,700,001	(3,277,828)	-	1,089,219
Designated fund	5,626,674	-	(700,000)	38,736	4,965,410
Pensions reserve	1,268,000	-	-	(116,000)	1,152,000
	8,561,720	2,700,001	(3,977,828)	(77,264)	7,206,629

	Balance at 1 September 2023	Income	Expenditure/ Fund transfers	Gains/ (Losses)	Balance at 31 August 2024
	£	£	£	£	£
General fund	1,703,976	3,057,606	(3,094,536)	-	1,667,046
Designated fund	5,875,518	-	(700,000)	451,156	5,626,674
Pensions reserve	983,000	-	-	285,000	1,268,000
	8,562,494	3,057,606	(3,794,536)	736,156	8,561,720

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

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

12. General and Special Funds (continued)

12.3 Restricted Funds

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

12.3 Restricted Funds

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

13. Analysis of Net Assets Between Funds

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

14. Corporation Tax

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

15. Pension Commitments

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

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

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

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

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

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

Non Scheme Pension Provision

In addition to the Scheme liabilities there is a potential liability of £nil (2024: nil) for discretionary pension benefits, if such payments continued to be made over the lives of the beneficiaries at the present

rate. These beneficiaries may include retired members of staff who are not members of the Scheme. These benefits are paid from the School's general fund and not from the Scheme itself.

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

	2025 £000's	2024 £000's
Scheme assets at year end	5,141	5,241
Present value of funded obligations obligation	(3,689)	(3,673)
	1,452	1,568
Provision for costs of potential buyout of scheme	(300)	(300)
	1,152	1,268
Actuarial (gains) / losses comprise:		
Loss / (gain) on scheme assets in excess of interest	124	(430)
(Gains) / losses from change in assumptions	(288)	141
Gains from changes to demographic assumptions	-	(34)
Experience loss on liabilities	356	-
	192	(323)

Analysis of amounts charged to activity costs categories:

	2025 £000's	2024 £000's
Bank and other Interest / (other finance charges)		
Interest on scheme assets	(249)	(249)
Interest on liabilities	173	187
	(76)	(62)
Change in scheme liabilities		
Beginning balance	(3,673)	(3,657)
Interest cost	(173)	(187)
Gains / (losses) from changes in actuarial assumptions	288	(141)
Changes to demographic assumptions	-	34
Experience loss on liabilities	(356)	-
Benefits paid	225	278
Closing balance	(3,689)	(3,673)
Change in scheme assets		
Beginning balance	5,241	4,840
Interest on scheme assets	249	249
Return on assets less interest	(124)	430
Contributions by employer	-	-
Benefits paid	(225)	(278)
Closing balance	5,141	5,241

15. Pension Commitments (continued)

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

	31 August 2025		31 August 2024	
	% of assets	Fund value £000s	% of assets	Fund value £000s
Equities and other growth assets	40%	2,059	42%	2,210
Bonds and cash	60%	3,082	58%	3,031
Total assets at end of year		5,141		5,241

	2025 £000s	2024 £000s
Actual return on scheme assets	125	679

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

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

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

Sensitivity analysis

Impact on the value of liabilities of:

Reduction of 0.1% in the Discount Rate	£30k increase
Increase of 0.1% in inflation assumption	£19k increase
Increase in long-term mortality projection of 1.5%	£33k increase

16. Related Party Disclosure

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

17. Leasing Commitments

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

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

18. Comparative Statement of Financial Actitivies

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

LONDON SCHOOL OF THEOLOGY

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