London Business School

Financial Statements

2022–2023

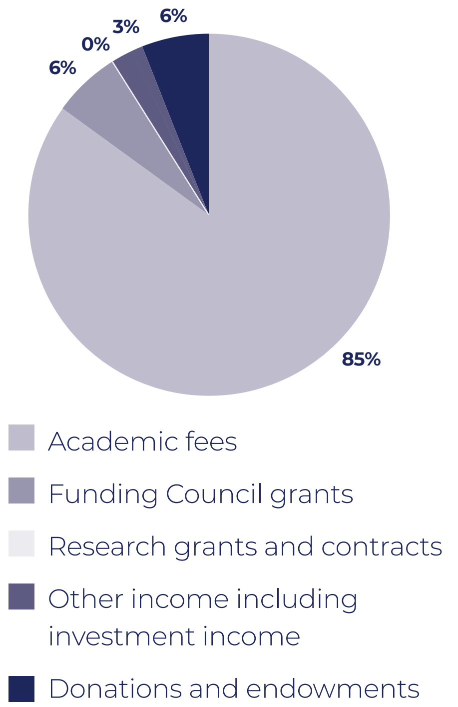
Contents

Summary of Financial Highlights

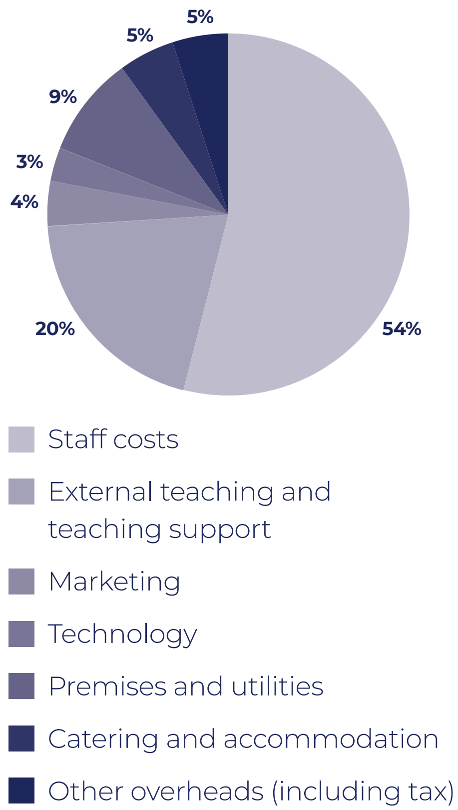
CONSOLIDATED

	2023 £'000	2022 £'000
INCOME		
Academic fees	166,351	153,240
Funding Council grants	11,885	10,199
Research grants and contracts	1,005	1,634
Other income	3,268	3,805
Investment income	1,627	241
Donations and endowments	11,318	22,426
Total income	**195,454**	**191,545**
EXPENDITURE		
Staff costs	97,259	89,323
External teaching and teaching support	35,973	29,803
Marketing	6,366	3,484
Technology	5,281	4,691
Premises and utilities	15,590	14,046
Catering and accommodation	9,737	5,619
Other overheads (including tax)	8,128	9,687
Total operating expenditure	**178,334**	**156,653**
Operating surplus	**17,120**	**34,892**
Depreciation	(10,572)	(11,793)
Interest and other finance costs	(4,034)	(2,775)
Share in associate / joint venture	41	132
Gain / (loss) on investments	1,707	(2,491)
Gain on sale of tangible assets	-	345
Revaluation of land and buildings	-	(9,261)
Actuarial gain / (loss) in respect of pension schemes	14,188	(13,646)
Total comprehensive income / (expense) for the year	**18,450**	**(4,597)**
BALANCE SHEET		
Non-current assets (excluding investments)	311,674	306,498
Non-current investments	59,890	58,123
Other current assets	75,407	74,538
Current liabilities	(82,462)	(80,763)
Long-term liabilities	(86,082)	(85,974)
Provisions	(40,002)	(52,447)
Net assets	**238,425**	**219,975**
Represented by:		
Endowment reserve	62,383	60,257
Restricted reserve	19,314	15,464
Unrestricted reserve – including non-controlling interests	29,447	16,973
Revaluation reserve	127,281	127,281
	238,425	**219,975**

INCOME 2023



EXPENDITURE 2023



Statement from the Chair and the Dean

Statement from the Chair

It is with great pride and a sense of responsibility that I took over as Chairman of Governing Body in May 2023 as the first alumnus as Chair in our 59 year history. London is one of most multi-cultural, vibrant cities in the world, commands one of the leading financial centres serving global business, is a capital of creative industries and a magnet for start-up enterprises. Anchored on its location, London Business School offers its students and participants of its executive programmes a unique experience and insights into doing business globally.

As demonstrated by the financial performance laid out in this Annual Report, we have been able to navigate successfully through the pandemic, when our ability to deliver our education in person was severely hampered. We pivoted to proving hybrid learning and since continue to apply the best of the lessons learned. With the ensuing financial pressures that resulted from the lockdowns regulated by Governments around the world, we examined our capital structure. We were both wise and fortunate to put in place long term fixed debt with multi-decade maturities at historically low interest rates.

Strong operating performance permits us to invest into faculty research and the provision of scholarships to attract the best and brightest students from around the world. During the year, we grew strongly in Executive Education and strengthened our position in the Middle East, leveraging our campus in Dubai. With our LBS brand and programme offerings, we remain well positioned to benefit from both of these expanding markets.

After the end of our fiscal year, we announced in September 2023 that Dean François Ortalo-Magné will be stepping down as Dean at the end of the coming academic year in the summer of 2024. I thank him for his efforts and contributions to transforming the operations of the School, as well as embarking on an ambitious fundraising campaign, Forever Forward to raise £200 million. With a new Five-Year Plan in place, I look forward to assisting Dean François, the faculty and the senior management team execute this Plan until the end of his Deanship. We expect to announce a new Dean early in 2024.

In 2023, we were disappointed that the Financial Times Global MBA ranking report placed London Business School at No. 16. Some of the performance is due to relative salaries earned by our graduates who elect to continue their careers in the UK rather than the United States or other such higher paying locations, but other factors are very much in our ability to perform better and these are being addressed within the School's Five-Year Plan. Early actions have already had positive impact on the rankings of other programmes published since, placing LBS firmly in the top 10 globally.

In my new role, I am supported by a capable Governing Body whose careers span many continents. I am grateful to my fellow Governors for their contributions and advice in helping to establish robust strategies and plans to affirm London Business School as one of the very best global business schools. I also wish to recognise the faculty and staff for their skills and hard work in bringing the School through the pandemic to emerge as a stronger institution. We are all working together in support of the School's ambition.

Dr David Pyott CBE
Chair of Governing Body
London Business School
20 December 2023

Statement from the Dean

London Business School exists to have a profound impact on the way the world does business and the way business impacts the world. Academic research, learning experiences for postgraduate students and professionals, as well as the engagement of alumni and leaders of partner organisations are the primary ways by which the School offers rigorous life-long learning to its global community from its London hub. Our Dubai campus anchors our activities in service of students, alumni and executive education partners in the Middle East.

Statement from the Chair and the Dean
continued

A new Five-Year Plan

In 2022, building on all that was learned and achieved during the pandemic, the School embarked on a new Five-Year Plan with the objective of amplifying its profound impact, affirming its global pre-eminence and striving towards its vision of an engaged community walking the learning journey together.

Focus

Measurable outcomes that bring focus to our efforts include the prestige of our offerings, the engagement of our community, and the sustainability of our activities.

- Prestige starts with recognition of our world-class business education and research, as measured by rankings, especially the attributes under the School's control and aligned with its strategy.
- Community engagement starts by walking the learning journey with the School's alumni and corporate partners, and the successful completion of the £200m Forever Forward fundraising campaign.
- Sustainability starts with robust financial performance to support investments in the School's ambition.

These outcomes provide the overarching framework for our School-level key performance indicators.

The Five-Year plan calls for progress against six imperatives:

1. Invest in the talent of our employees and contributors;
2. Transform digitally and simplify how we work to make it easier to connect with LBS;
3. Push for environmental and financial sustainability.

This will enable us to:

4. Drive high-quality learning experiences;
5. Position LBS as a transformational partner;
6. Offer coherent, deeper and stronger connection.

The School faces a challenging context of intense competition especially from top-ranked and generously-funded US business schools, macro-economic weakness within its primary markets including the UK, and geo-political tensions and conflicts. These constitute the School's primary strategic risks with specific concerns around the following issues:

- From a competitive perspective, the US business schools' aggressive deployment of vast philanthropic resources to attract students and faculty from our traditional markets, as well as labour market pressures in London and Dubai.
- From a macroeconomic perspective, salary levels in London for our graduates, as they weigh heavily on significant rankings and the context of the organisations that partner with us for their learning needs.
- From a geopolitical perspective, the invasion of Ukraine by Russia, tensions in China and its region and conflicts in the Middle East affect students, alumni and employees and are relevant to School's executive education activities.

Within the framework defined by the Plan, the School is taking the following mitigating actions:

- We are fast-forwarding innovations in our degree programmes and executive education offerings, making the most of lessons learned during the pandemic and mindful of the evolving demands of our prospective students and corporate clients.
- To mitigate the impact of London's low salaries on rankings, especially the FT Global MBA rankings, we are optimising our efforts on all other ranking attributes that are under our control and aligned with strategy e.g. the diversity of our students, faculty and board and the ESG content of our curriculum. We continue to support our students' choice of London as a great city to pursue their careers.
- The global footprint of our executive education activities and our agile operating model allowing us to adjust to geographic variations in demand for our services.
- We continue to offer support to all members of our community affected by conflict, striving to be a force for unity.

One year into the Five-Year Plan
In the first year of the Five-Year Plan, the School achieved significant progress against each of the six imperatives including

1. Reducing the teaching load of research faculty members and launching new processes in support of the growth of professional staff with significant impact on the number of internal promotions and the breadth and depth of data analysis talent across the School
2. Migrating our IT systems into the cloud and implementing the National Institute of Standards and Technology (NIST) Cyber Security Framework in support of significant progress to the School's cyber security maturity
3. Adopting and starting to implement the Sustainability Tracking, Assessment & Rating System (STARS) self-reporting framework established by the Association for the Advancement of Sustainability in Higher Education

Allowing us to

4. Implement new learning experiences for our students and executive education, including new content relevant to sustainability issues
5. Bring in new talent to amplify our faculty's research and thought leadership, and enhance its relevance to our community
6. Provide new services and tools in support of our alumni careers and, in November 2022, launch our £200m fundraising campaign, Forever Forward.

Looking forward to Year Two
The School emerges from Year One of its Five-Year Plan confident in its ability to innovate and transform in service of its students, participants, corporate clients and alumni community. We are ready to deliver on Year Two priorities and initiatives including

1. Investing in our research infrastructure via a new pre-doctoral programme, new support for junior faculty and reduced administrative demands on senior faculty; decreasing professional staff turnover with expanded career development opportunities and employee activities
2. Re-platforming our website, implementing a new finance eco-system including new software and financial management
3. Defining our scope 1, 2, 3 emissions starting point and ambition towards a comprehensive sustainability manifesto and strategy

Allowing us to drive

4. Innovation and renewal of our offerings in the MBA and Executive MBA markets as well as through new open and online options for executives and alumni
5. Improved and increased services to our alumni with learning opportunities and career services and events
6. Ever-expanding partnerships with corporate clients, growing our executive education in general and serving the increased demands we are experiencing in the Middle East

2022/23 Performance

Overall, the School achieved financial performance ahead of budget, generating extra investment capacity to accelerate progress along the Plan while maintaining the world-class outcomes expected by our students, executive education participants and corporate clients, and inspiring donors.

Degree Education
The School welcomed 1,568 new students across its 2022/23 intakes. Of these, 391 were awarded scholarships, a testament to the generosity of the School's alumni and friends, and their commitment to enhance the quality and diversity of our community. Our 2023 Masters in Analytics and Management (MAM) achieved an LBS record intake of 54% women, with the Masters in Management (MiM) close behind at 53%. The academic year concluded with the graduation of 1,667 students from all degree programmes.

Our Global Experience courses were all delivered in person, to extremely high student ratings. London consulting courses included a high proportion of sustainability-focused strategic projects with over 100 partner organisations. We continue to innovate in our electives, increasing our offering in sustainability, creativity and technology management.

Statement from the Chair and the Dean
continued

From the 2022 graduating class, a record 993 students were seeking employment from our full-time programmes, and 94% of those received an offer of employment within three months of graduation. Once again, the Graduate Masters programmes were particularly successful with 97% of our MAM students receiving an offer.

Despite a drop in the Financial Times ranking of our MBA programme, the School retained its number 2 spot in its ranking of European Business Schools. Our MBA graduates continued to rate their experience very highly for aims achieved with a score of 92%, the second highest of all 100 FT ranked schools. More recently, the FT reported a similar world-leading score for our Masters in Management Programme. MBA alumni also rated the school at 9.25 out of 10 for overall satisfaction.

Executive Education
The Executive Education team worked with the School's faculty and global ecosystem of learning partners to deliver the School's highest-ever annual revenues of £53.7m, welcoming over 10,000 participants in person and online throughout the year. Our clients appreciate how we listen to them and design bespoke learning journeys to support their transformation. New relationships were initiated in the UK, Europe, Middle East and Asia.

Executive Education ranked 5th globally in the Financial Times rankings and won a Brandon Hall Human Capital Management Leadership Development Award for the outcomes achieved through the programmes designed and delivered with Randstad.

Throughout the year, the School maintained its high standard of delivery, achieving an average Net Promoter Score (NPS) for open programmes of +73, with an average overall programme satisfaction score of 4.5 out of 5. Custom programmes achieved an average NPS of +75 and the same strong satisfaction score.

Forever Forward campaign
The launch of the £200m Forever Forward fundraising campaign allows us to champion the School's never-resting spirit and focuses our fundraising efforts around four pillars: providing sought-after scholarships (£60m), leading the way in research (£50m) with a world-class learning environment (£50m) and remaining an innovating force (£40m).

By the end of the 2022/23 academic year, the campaign had achieved more than half its fundraising targets in support of scholarships and innovation with immediate impact on the recruitment of students for the autumn 2023 intake, including the highest ever proportion of female students.

The Fundamentals

Our commercial success supports the research of our faculty, progress in matters of diversity, inclusion and belonging, and the engagement of our alumni community, the 50,000+ individuals who amplify the School's impact, define its brand and to whom we are committed for their lifetime.

Research
We strive to anchor all our activities on academic research and the contributions of our faculty. This is true for the learning experiences and engagements we offer but also our own operations. In January 2023, the Financial Times highlighted their contribution to sustainability research, ranking LBS faculty as number two in the world for Sustainable Development Goals related content in FT50 journals over the 2018-21 period.

From our PhD programme, 10 students graduated and took up placements at The Wharton School, University of Southern California, Bocconi University, City University of Hong Kong, ESSEC Business School, University College London, University of California – Santa Barbara and Boston College. The School welcomed 16 new students into the PhD Programme.

Our faculty earned £1.1m in total grant income from the European Research Council. We established a centrally-funded pre-doctoral programme and welcomed four candidates in October 2023 to Accounting, Finance, Organisational Behaviour, and Strategy & Entrepreneurship.

The Research Institutes remain a cornerstone of the School's support for interdisciplinary research and a prime vehicle for faculty, students, and alumni to connect with the business and policy-making community to address current economic and social global challenges.

Diversity Inclusion and Belonging
The School prides itself on being an enriching diverse and inclusive community. In 2022/23, we advanced initiatives focused around benchmarking, policy and process, data reviews and safe reporting.

Our students launched the FLII Club – First-Generation, Low and Intermediate Income – and brought to focus socioeconomic diversity. Their mission is to help FLII students reach their maximum potential from the first day at LBS. Major student events and conferences continue to demonstrate our rich student diversity and talent.

Our staff launched three new networks: Parents and Carers Network, BEN@LBS our Black Employee Network and PROUD@LBS, our LGBTQ+ network, creating safe and supportive spaces within our community.

Ongoing research by our faculty on the future of work, and learnings taken from the pandemic continue to shape our Smart Working policy. The success of Smart Working is one of the many positive highlights of the annual Staff Engagement survey, a survey that showed a significant increase in engagement on the previous year.

Recognition of our substantial progress in matters of diversity, inclusion and belonging was achieved through the award of UK National Equality Standard accreditation with the School's work on mental health and wellbeing, work on scholarships for underrepresented communities and increase in communication around diversity, inclusion and belonging being highlighted. We are the first Higher Education Institution in the UK to be recognised through this scheme, a scheme we chose because of the breadth of its scope.

Engaging our alumni community
Our alumni network continues to flourish, crossing the threshold of 50,000 alumni in 2023. Together, they are present in 165+ countries. Our ongoing engagement with this vast and diverse community reflects the School's commitment to fostering lifelong connections.

In November 2022, our annual Worldwide Alumni Celebrations (WACs) were celebrated with our alumni in 67 cities around the world with flagship events in London, New York, Dubai and Hong Kong. Such memorable events for our community, they provided the perfect opportunity to launch our Forever Forward campaign and involve our alumni in our vision for the future.

In February 2023, our Gulf Association held its inaugural Middle East Conference in Dubai, Leading Forward. Bringing together academics, entrepreneurs and industry experts they discussed key issues affecting business in the region and around the world. The sell-out event marked a significant step towards strengthening the School's visibility in the Middle East.

In March, alumni who graduated within the past four years came back to campus for their Reunion for New Alumni. In June, our annual Reunion of Degree Education joined forces with Executive Education in our inaugural 'Festival of Minds', showcasing the intellectual vitality and innovation of the LBS community and breaking attendance records.

Thanks to the early successes of the Forever Forward Campaign, we accelerated innovations in support of our alumni to walk the learning journey with them, including our Alumni Careers[2] online offer, expanded coaching services, online tools and experiences with more in development.

And finally, …

These are the seventh and final Financial Statements I will sign as Dean of London Business School. It has been a real privilege to serve a community so committed to this School and its purpose, constantly punching above its weight to compete among the very best. I am most grateful to all my colleagues and the School's Governors, alumni and friends for their support over the years and for a wonderful ride.

As my predecessor Sir Andrew Likierman did for me in the most excellent manner, I look forward to welcoming and supporting my successor at the helm of London Business School and its global community.

Onwards,

François Ortalo-Magné
Dean
London Business School
20 December 2023

Architecture of the Five-Year Plan

We are ambitious. We want to improve what we offer our customers and our alumni and become even more competitive in the market for business education. We want to invest in our people, our technology, and our learning environment. We want our business to be more sustainable, financially and environmentally.

To achieve these goals requires a lot of work, initiatives and projects to bring about the positive change we desire. The Five-Year Plan is based on a framework – an 'architecture' – that enables us to guide our choices and our investments and to assess our performance.

This architecture builds upon the following foundations:

- **Purpose**: We exist to have a profound impact on the way the world does business and the way business impacts the world.
- **Goal**: To be a leading global business school distinguished by outstanding research, learning and diversity.
- **Vision**: We see LBS as an engaged community walking the learning journey together.
- **Strategy**: We provide rigorous lifelong learning for our global community through our London hub.

To accelerate our progress, amplify our impact and further develop our learning offer, we have organised our £200m Forever Forward Campaign around **four campaign pillars**:

- Scholarships: Attract the best talent and enrich our diversity - £60 million.
- Research: Fund research to find solutions to the world's biggest problems - £50 million.
- Learning Environment: Invest in buildings and make our campuses more fulfilling and energising - £50 million.
- Innovation: Foster more innovation and develop entrepreneurial skills - £40 million.

Progress along the following **six imperatives** will enable us to deliver on our vision for all our community and achieve our ambition:

1. Invest in the talent of our employees and contributors,
2. Transform digitally and simplify how we work to make it easier to connect with LBS,
3. Push for environmental and financial sustainability,
4. Drive high-quality learning experiences,
5. Position LBS as a transformational partner,
6. Offer coherent, deeper and stronger connection.

Within our community, we promote **four behaviours**:

Living our Purpose; Delivering Excellence; Learning Continuously and Collaborating Effectively.

We also talk about '**our spirit**', the distinctive qualities that we use to promote LBS:

Rigorous, Open, Curious and Inspiring.

We are a community united by the quest for profound impact.

Corporate Governance statement

The School is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the School's Governing Body has adopted the voluntary Higher Education Code of Governance published by the Committee of University Chairs in September 2020. The School's practices are consistent with the provisions of the code.

The School's Advancement team continues to focus on building relationships with its wider stakeholder community and driving its fundraising activity. No fundraising is outsourced to, or delivered by, third party agencies. The School takes seriously the rights and privacy of its alumni community, friends and organisational donors. It conducts a number of appeals throughout the year, all of which have a clear mechanism for opting out. It does not undertake any form of fundraising with the general public. The School is registered with The Fundraising Regulator in the UK. During the 2022/23 financial year there were no failures to comply with the standards set out by The Fundraising Regulator and no serious complaints were received.

The School's Governing Body is ultimately responsible for the School's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The School's Governing Body comprises lay and academic persons and a student association representative, appointed under the statutes of the School, the majority of whom are non-executive. Vacancies for non-executive members of the Governing Body are advertised publicly and the recruitment procedure takes full account of the School's equality and diversity policies. The role of Chair of Governing Body is separated from the role of the School's chief executive, the Dean. The role of Treasurer is undertaken by the Chief Financial Officer. The matters specifically referred to the Governing Body for decision are set out in the statutes of the School. As is the custom, and under the Terms and Conditions of Funding for Higher Education Institutions issued by the Office for Students, the Governing Body holds itself responsible for the ongoing strategic direction of the School. It approves major developments and receives regular reports from executive officers on the day-to-day operations of the School's business and its associated companies.

The Governing Body met five times during the 2022/23 financial year. It has four committees: an Audit and Risk Committee, a Finance Committee, a Governance and Nominations Committee and a Remuneration Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members, one of whom is Chair.

The Audit and Risk Committee's role in corporate governance is to provide a high-level review of the internal control arrangements of the School and report on this to the Governing Body. It meets at least three times annually with internal auditors and at least once a year with external auditors to discuss audit findings and recommendations for the improvement of the School's system of internal control, together with management's responses and implementation plans. It also receives and considers reports from the Office for Students as they affect the School's business, and monitors adherence to the regulatory requirements, (which includes ensuring funds have been properly applied in accordance with relevant regulation or legislation). Senior executives attend meetings of the Audit and Risk Committee, but are not members of the Committee. The Committee has the option of meeting the external and internal auditors without senior executives being present for independent discussions

The Finance Committee recommends the School's annual budget to the Governing Body, monitors performance in relation to the approved budgets, oversees the School's debt and investment portfolio and strategy and advises the Governing Body on the effect of strategic decisions on the financial health of the School. The Committee seeks assurance that the financial resources of the School meet its present and future needs.

Corporate Governance statement
continued

The Governance and Nominations Committee is responsible for making recommendations on the membership of the Governing Body and its committees and for advising the Governing Body on the operation and effectiveness of its corporate governance arrangements.

The Remuneration Committee determines the annual remuneration of senior staff, including the Dean.

The Governing Body is satisfied that there is an ongoing process for identifying, evaluating and managing the School's significant risks, that it has been in place for the year ended 31 July 2023 and up to the date of approval of the financial statements, that it is regularly reviewed by the Governing Body and that accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education.

Senior management receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms embedded within the operational units. Managers are required to identify and assess risks in their operational units as part of the corporate planning process.

The Dean and the Audit and Risk Committee also receive regular reports from the internal audit services including recommendations for improvement. The Internal Auditors have not reported any significant findings from the audit work which they carried out during the year.

The Audit and Risk Committee's role in the area of risk management consists of a high-level review of the arrangements for internal control and the consideration of reports from senior management on risk and control. The Governing Body's agenda also includes a regular item for consideration of risk and control and receives reports thereon from senior management and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

At its July 2023 meeting an assessment for the year ended 31 July 2023 was carried out by the Governing Body upon receipt of documentation from senior management and the Audit and Risk Committee. At the meeting held in November 2023, further assurance on risk and control was given to the Governing Body by senior management and the Audit and Risk Committee to enable the annual assessment for the year ended 31 July 2023 to take place. This assessment took into account events since 31 July 2023.

The Governing Body has approved management's assessment of the risks to which the School is exposed. This assessment has identified the types of risk, prioritising them in terms of potential impact and likelihood of occurrence. As part of the School's risk management process the Governing Body, through its Audit and Risk Committee, has ensured that internal controls are in place, and has satisfied itself that these controls are currently adequate to manage and reduce the risks identified.

Reviewing risk is an ongoing part of the governance of the School. Assessing the risks, managing the risks and ensuring that adequate internal controls are in place will continue to be an ongoing priority of the School's management team and the Governing Body.

The Corporate Governance statement applies throughout the 2022/23 financial year and up to the date of approval of the financial statements.

Statement of Internal Control

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the responsibilities assigned to it in the School's Charter and Statutes and the Office for Students (OfS) Terms and Conditions of Funding for Higher Education Institutions and the Terms and Conditions of the Research England Grant.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal business, operational, compliance and financial risks; to evaluate the nature and extent of those risks; and to manage them efficiently and effectively. This process was in place for the year ended 31 July 2023 and up to the date of the approval of the financial statements, and accords with OfS guidance and there were no significant control weaknesses that should be disclosed.

The Governing Body has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body considers the plans and strategic direction of the School on an annual basis.
- The Audit and Risk Committee independently reviews the effectiveness of internal control systems and the risk-management process.
- The Governing Body receives periodic reports from the Audit and Risk Committee concerning issues of risk, internal controls and their effectiveness.
- The Audit and Risk Committee reports to Governing Body its findings in respect of the effectiveness of the risk-management process.
- The Audit and Risk Committee receives regular reports from the Internal Auditors, which include the internal auditors' independent opinion on the adequacy and effectiveness of internal control and risk management with recommendations for improvement.
- The Management Board is responsible for approval and in-year review of the School's corporate risk register.
- The Senior Management Team is responsible for monitoring the effectiveness of the mitigating actions set out in the register.
- The School has developed a suite of key performance indicators (KPIs), allowing the Governing Body to monitor progress towards the achievement of strategic objectives.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the internal auditors.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the senior management and the risk owners within the School, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Internal Control statement applies throughout the 2022/23 financial year and up to the date of approval of the financial statements.

Statement of the Governing Body's responsibilities

The Governing Body is responsible for preparing the financial statements in accordance with the Terms and Conditions of Funding for Higher Education Institutions issued by the Office for Students and applicable law and regulations.

The Governing Body is required to prepare group and parent School financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions for Funding of Higher Education Institutions further requires the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education. The Governing Body is required to prepare financial statements that give a true and fair view of the state of affairs of the group and parent School and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent School financial statements, the Governing Body or the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent School or to cease operations, or have no realistic alternative but to do so.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the parent School's transactions and disclose with reasonable accuracy at any time the financial position of the parent School and enable them to ensure that its financial statements comply with relevant legislation and other relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the School's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE GOVERNING BODY

Richard Frost
Secretary
20 December 2023

Public Benefit statement

London Business School was incorporated by Royal Charter on 8 July 1986. It was granted exempt charity status by the Exempt Charity Order 1996 in force from 1 August 1996. The School's Governing Body has had due regard to the Charity Commission's guidance on public benefit and has taken reasonable steps to ensure that this guidance has been considered in the activities undertaken by the School to deliver its charitable purposes.

The objects of London Business School as set out in its Royal Charter are "to advance education and learning in business and management studies and such other fields as may from time to time be decided upon by the School and to carry out research in said fields of knowledge and learning and publish the useful results of such research".

London Business School's aim is to ensure that its student body is balanced and diverse in terms of background and experience, with all the educational and cultural benefits that this brings. Applications are encouraged from all those with the motivation and academic ability to thrive at the School, whatever their background.

As set out in its Corporate Plan for the five year period to 2026/27 the School is committed to generating endowment and expendable income through fundraising activity to create student scholarships, with the ultimate goal of ensuring that no potential student is prevented from applying for a place on its programmes for financial reasons.

A range of scholarships and bursaries are currently available to degree programme students including specific financial needs bursaries.

The School invests in a Financial Aid function to assist prospective students identify the most suitable form of loan financing.

The School invests in a PhD programme in order to provide a continuing supply of Faculty and to continue to develop management education.

The research produced by the School's Faculty is published in publicly available academic journals and is made available through LBS Research Online, the School's Open Access repository. Working papers by Faculty are also freely available on the School's website. The results of the research carried out by Faculty are disseminated through a series of conferences, seminars, publications and other outreach activities, funded by the School's own resources and its allocation from Research England's Higher Education Innovation Fund.

Treasurer's report

Financial sustainability and going concern

The School has delivered another strong set of results of 2022/23, a strong liquidity position and significant headroom on its funder covenants while continuing to invest in the development of the School. Improvements have also been delivered in the School's investments and pension provisions have been positively impacted by the move in interest rates. The School also benefitted from the interest rate inversion, with the School cash balances being invested at higher rates (on average over 4%) as compared to interest payable on the School's private placement which was secured at low fixed rates (weighted average below 2.5%) and positive impacts on the School's pension provisions. This has resulted in an 8% increase in reserves, increasing from £220m to £238m.

The School continued to benefit from the £40m revolving credit facility provided by its bankers which expires on 31 July 2024, and overdraft facility of £5m to assist with potential short term liquidity requirements. The School has not needed to use these. Reflecting our strong financial results the School has been able to secure improved covenants on its revolving credit facility to 31 July 2024. The School is satisfied it has sufficient liquidity and adequate headroom for it to continue to operate for the foreseeable future.

The School considers it is appropriate to adopt the going concern basis in preparing the financial statements. In making this evaluation the School has

- Prepared detailed financial forecasts and estimates of income, expenditure and cash flows for the period to 31 July 2025, sensitised to reflect uncertainties as a result of the financial impact of the global geopolitical and economic factors.
- Prepared a high-level forecast of income, expenditure and cash flows for the period to 31 July 2028.
- Calculated and reviewed debt covenants based on the forecasts for the five year period from the balance sheet date, to ensure that these will not be breached under the current 5 year forecast. Under the worse case scenario there is a forecast debt covenant breach, however, in the event of this scenario being probable, the School would exercise mitigating actions.
- Considered the liquidity position of the School, ensuring sufficient headroom is available under the facilities currently in place, and taking account of the long-term funding secured in February 2021.

Governing Body has determined that the actions the School's management has taken are sufficient to mitigate the potential uncertainty. Governing Body has a reasonable expectation the School has adequate resources to continue to operate for the foreseeable future and will have sufficient funds to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

Scope of the financial statements

The consolidated financial statements are prepared in accordance with applicable accounting standards and comprise the results of London Business School and its subsidiaries.

London Business School is the parent of London Business School Trading Company Limited and London Business School Trust Company Limited (a dormant company). London Business School Trust Company Limited is the parent of London Business School Anniversary Trust ("the Trust"), which in turn is the parent of Centre for Management Development Company Limited ("CMD"). The consolidated financial statements are referred to as the School's financial statements throughout.

CMD undertakes activities that are more appropriately channeled through a limited company and donates profits to the Trust under gift aid. The Trust in turn donates money to the School to support investment in faculty, research, technology, estates and fundraising. The financial statements of the Trust have been prepared under the relevant Statement of Recommended Practice "Charities SORP (FRS 102)" issued in 2019 and the Charities Act 2011.

Results for the year

A summary of the School's results for the year to 31 July 2023 is as follows:

	2023 £'000	2022 £'000
Income	195,454	191,545
Operating expenditure	(178,334)	(156,653)
Operating surplus	**17,120**	**34,892**
Depreciation and amortisation	(10,572)	(11,793)
Interest and other finance costs	(4,034)	(2,775)
Share of gain in associate	41	132
Gain / (loss) on investments	1,707	(2,491)
Gain on sale of tangible fixed assets	-	345
Revaluation of land and buildings	-	(9,261)
Pension fund actuarial gain / (loss)	14,188	(13,646)
Total comprehensive income / (expense) for the year	**18,450**	**(4,597)**

Income in the year increased from £192m to £195m. Fees from Degree programmes grew from £107m to £110m; Executive Education Open programme revenues increased from £16m to £25m; and Executive Education Custom programme revenues increased from £28m to £29m. Income from other sources including Funding body grants, research grants, investments and catering increased from £18m to £20m. Cash from donations reduced from £22m to £11m, reflecting the timing and impact of a single high value donation in 2021/22.

Operating expenditure in the year increased by £22m in line with the revenue growth, inflationary and salary cost increases reflecting the School's desire to invest in our Faculty and staff, and the return to more normal operating models post COVID. Expenditure also reflects increased investment in the School supporting our strategic Five Year Plan.

The School has amended its approach to revaluing its freehold and long leasehold buildings to align with other Higher Education institutions and remaining in line with the FRS 102 revaluation standards. A professional valuation performed by an external firm of chartered surveyors will be conducted on a five yearly basis, rather than annual. The professional valuation of the property portfolio as at 31 July 2022, performed by Savills, was £255m. The School has considered the value of the properties as at 31 July 2023 the performance of its landlord the Crown Estate and their evaluation of their property portfolio and market, and reports from industry experts with relevant market information. The conclusion is that no change is required to the carrying value of the properties as at 31 July 2023.

Cash and borrowings

The School has long-term funding of £85m under a private placement agreement with MetLife and Legal & General. Interest payable on the private placements is at a fixed rate secured when interest rates were more favourable.

Overall, the School also has access to £45m of bank facilities through the £40m revolving credit facility and £5m bank overdraft, which were both undrawn at 31 July 2023.

As at 31 July 2023, the School held an actual cash balance of £60m compared with an opening cash balance of £55m, which is an indication of the School's strong liquidity.

Investments

The School's investment portfolio is managed by an external fund manager, BlackRock Asset Management. The School also invests in a student loan funding scheme, Prodigy Finance.

The market value of the investment portfolio at the year-end was £59m compared with £58m at the last year-end reflecting investment of endowment donations, capital distribution and net gain on revaluation in the year.

Pensions

The School participates in two open pension schemes, USS and a defined contribution scheme provided through Scottish Widows.

Treasurer's report *continued*

The USS pension provision as at 31 July 2023 is calculated in line with the 2020 triennial actuarial valuation plan. The USS pension provision as at 31 July 2023 reflects a decrease of £6m due to the current market conditions, improving the School net asset position by a similar amount.

Reserves

Reserves have increased from £220m to £238m. The unrestricted reserve increased by £12m due to the large decrease in the pension provisions and positive operating results. The endowment and restricted reserves increased by £6m due to new donations and a market gain on investments.

Joyce Bill
Chief Financial Officer and Treasurer
20 December 2023

Independent auditors' report to the Governing Body of London Business School (the "School")

Report on the audit of the financial statements

Opinion

In our opinion, London Business School's group financial statements and School's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the School's affairs as at 31 July 2023 and of the group's and of the School's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise the Consolidated and School Balance Sheet as at 31 July 2023; the Consolidated and School Statement of Comprehensive Income and Expenditure, the Consolidated and School Statement of Changes in Reserves, and the Consolidated Cash Flow for the year then ended; the Accounting Policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and School's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group and School's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Governing Body is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the

Independent auditors' report to the Governing Body of London Business School (the "School")

continued

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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Governing Body for the financial statements

As explained more fully in the Statement of the Governing Body's responsibilities, the Governing Body is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Governing Body is also responsible for such internal control as they 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 Governing Body is responsible for assessing the group and School'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 Governing Body either intends to liquidate the group and School or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 School/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students initial and general ongoing conditions of registration, 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 financial statements such as the Office for Students' Accounts Direction (OfS 2019.41). 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 posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the members of the Governing Body, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the Governing Body and subcommittees, including the Audit and Risk Committee;
- understanding and evaluating the Group's control environment;
- testing of journal entries where we identified particular risk criteria;
- assessing the reasonableness of key accounting judgements and estimates including USS and SPS pension accounting and the valuation of land and buildings;
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations;
- reviewing terms and conditions of significant contracts; and

- reviewing correspondence with the regulators including the Office for Students and UK Research and Innovation (including Research England).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Governing Body as a body in accordance with the Charters and Statutes of the School and section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the Office for Students' Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the School for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions.

Under the Office for Students' Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matter:

- The School's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated

We have no matters to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2023

Consolidated and School Statement of Comprehensive Income and Expenditure

Year ended 31 July 2023

	Note	Consolidated 2023 £'000	Consolidated 2022 £'000	London Business School 2023 £'000	London Business School 2022 £'000
Income					
Tuition fees and education contracts	1	166,351	153,240	137,259	125,512
Funding body grants	2	11,885	10,199	11,885	10,199
Research grants and contracts	4	1,005	1,634	1,005	1,634
Other income	5	3,268	3,805	11,498	11,654
Investment income	6	1,627	241	1,088	5
Total income before endowments and donations		**184,136**	**169,119**	**162,735**	**149,004**
Donations and endowments	7	11,318	22,426	13,000	25,651
Total income		**195,454**	**191,545**	**175,735**	**174,655**
Expenditure					
Staff costs	8	97,259	89,323	88,248	81,513
USS provision movement	8,23,31	(7,239)	30,383	(7,239)	30,383
Other operating expenses	10	81,075	67,330	75,508	62,318
Depreciation and amortisation	12,13	10,572	11,793	10,572	11,793
Interest and other finance costs	9	4,034	2,775	4,034	2,775
Total expenditure		**185,701**	**201,604**	**171,123**	**188,782**
Surplus / (loss) before other gains, (losses) and share of gain of associate/joint venture		**9,753**	**(10,059)**	**4,612**	**(14,127)**
Revaluation of property	13	-	(4,678)	-	(4,678)
Gain on sale of tangible fixed assets	13	-	345	-	345
Gain / (loss) on investments	16	1,707	(2,491)	-	-
Share of gain in associate/joint venture	17	41	132	-	-
Surplus / (deficit) before tax		**11,501**	**(16,751)**	**4,612**	**(18,460)**
Taxation	11	-	-	-	-
Surplus / (deficit) for the year		**11,501**	**(16,751)**	**4,612**	**(18,460)**
Unrealised loss on revaluation of land and buildings	13	-	(4,583)	-	(4,583)
Actuarial gain in respect of pension schemes	31	6,949	16,737	6,949	16,737
Total comprehensive income / (expense) for the year		**18,450**	**(4,597)**	**11,561**	**(6,306)**
Represented by:					
Endowment comprehensive incomefor the year		2,126	2,324	-	-
Restricted comprehensive income for the year		3,850	9,991	-	-
Unrestricted comprehensive income / (expense) for the year		12,433	(12,461)	11,561	(1,723)
Revaluation reserve comprehensive income for the year		-	(4,583)	-	(4,583)
Attributable to the School		18,409	(4,729)	11,561	(6,306)
Attributable to the non-controlling interest		41	132	-	-
		18,450	**(4,597)**	**11,561**	**(6,306)**
Surplus / (deficit) for the year attributable to:					
Non controlling interest		41	132	-	-
School		11,460	(16,883)	4,612	(18,460)

All items of income and expenditure relate to continuing activities
The notes on pages 34-63 form part of these financial statements.

Consolidated and School Statement of Changes in Reserves

Year ended 31 July 2023

CONSOLIDATED

	Income and expenditure account Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total excluding non-controlling interest £'000	Non-controlling interest £'000	Total £'000
Balance at 1 August 2021	**57,933**	**5,473**	**27,867**	**132,980**	**224,253**	**319**	**224,572**
Surplus / (deficit) from the income and expenditure statement	2,324	9,991	(29,198)	-	(16,883)	132	(16,751)
Transfers between revaluation and income and expenditure reserve	-	-	1,116	(1,116)	-	-	-
Other comprehensive income / (expense)	-	-	16,737	(4,583)	12,154	-	12,154
	2,324	9,991	(11,345)	(5,699)	(4,729)	132	(4,597)
Total comprehensive income for the year 31 July 2022 and balance at 1 August 2022	**60,257**	**15,464**	**16,522**	**127,281**	**219,524**	**451**	**219,975**
Surplus from the income and expenditure statement	2,126	3,850	5,484	-	11,460	41	11,501
Transfers between revaluation and income and expenditure reserve	-	-	-	-	-	-	-
Other comprehensive income	-	-	6,949	-	6,949	-	6,949
Total comprehensive income for the year	2,126	3,850	12,433	-	18,409	41	18,450
Balance at 31 July 2023	**62,383**	**19,314**	**28,955**	**127,281**	**237,933**	**492**	**238,425**

SCHOOL

	Income and expenditure account Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total excluding non-controlling interest £'000	Non-controlling interest £'000	Total £'000
1 August 2021	**-**	**-**	**16,098**	**132,980**	**149,078**	**-**	**149,078**
Deficit from the income and expenditure statement	-	-	(18,460)	-	(18,460)	-	(18,460)
Transfers between revaluation and income and expenditure reserve	-	-	1,116	(1,116)	-	-	-
Other comprehensive income	-	-	16,737	4,583	12,154	-	12,154
	-	-	(607)	(5,699)	(6,306)	-	(6,306)
Total comprehensive income for the year 31 July 2022 and balance at 1 August 2022	**-**	**-**	**15,491**	**127,281**	**142,772**	**-**	**142,772**
Surplus from the income and expenditure statement	-	-	4,612	-	4,612	-	4,612
Transfers between revaluation and income and expenditure reserve	-	-	-	-	-	-	-
Other comprehensive income	-	-	6,949	-	6,949	-	6,949
Total comprehensive income for the year	-	-	11,561	-	11,561	-	11,561
Balance at 31 July 2023	**-**	**-**	**27,052**	**127,281**	**154,333**	**-**	**154,333**

Consolidated and School Balance Sheet

31 July 2023

	Notes	Consolidated 2023 £'000	Consolidated 2022 £'000	London Business School 2023 £'000	London Business School 2022 £'000
Non-current assets					
Intangible assets	12	6,308	686	6,308	686
Tangible assets	13	305,327	305,773	305,327	305,773
Heritage assets	14	39	39	-	-
Non-current investments	16	59,398	57,672	10	10
Investments in associate and joint venture	17	492	451	-	-
		371,564	364,621	311,645	306,469
Current assets					
Stock	18	162	109	162	109
Trade and other receivables	19	15,199	19,770	6,242	10,931
Cash and cash equivalents	27	60,046	54,659	59,812	41,292
		75,407	74,538	66,216	52,332
Current liabilities					
Creditors: amounts falling due within one year	20	(82,462)	(80,763)	(97,444)	(77,608)
Net current liabilities		(7,055)	(6,225)	(31,228)	(25,276)
Total assets less current liabilities		364,509	358,396	280,417	281,193
Creditors: amounts falling due after more than one year	21	(86,082)	(85,974)	(86,082)	(85,974)
Provisions					
Provisions	23	(40,002)	(52,447)	(40,002)	(52,447)
Total net assets		238,425	219,975	154,333	142,772
Restricted Reserves					
Income and expenditure reserve – endowment reserve	25	62,383	60,257	-	-
Income and expenditure reserve – restricted reserve	26	19,314	15,464	-	-
		81,697	75,721	-	-
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		28,955	16,522	27,052	15,491
Revaluation reserve		127,281	127,281	127,281	127,281
		156,236	143,803	154,333	142,772
Non-controlling interest		492	451	-	-
Total reserves		238,425	219,975	154,333	142,772

The financial statements were approved by the Governing Body on 29 November 2023 and were signed on its behalf on 20 December 2023 by:

Dr David Pyott CBE
Chair of Governing Body

François Ortalo-Magné
Dean

The notes on pages 34-63 form part of these financial statements.

Consolidated Cash Flow

Year ended 31 July 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus / (deficit) for the year		11,501	(16,751)
Adjustment for non-cash items			
Depreciation and amortisation	12,13	10,572	11,793
Deferred capital grants released	2	(159)	(188)
(Gain) / loss on investments	16	(1,707)	2,491
(Gain) on sale of tangible fixed assets	13	-	(345)
Surplus on impairment and previously revalued property	13	-	4,678
(Increase) in stock	18	(53)	(54)
Decrease / (increase) in debtors	19	4,571	(7,552)
Increase in creditors	20,21	1,699	10,035
(Decrease) / increase in USS pension provision	23,31	(7,239)	30,383
Share of operating surplus in associate	17	(41)	(132)
Adjustment for investing or financing activities			
Investment income receivable	6	(1,627)	(241)
Interest payable	9	4,034	2,775
Endowment income	7	(568)	(5,999)
Net cash inflow from operating activities		20,983	30,893
Cash flows from investing activities			
Payments made to acquire fixed assets	13	(15,748)	(6,392)
Receipt from proceeds of sale of tangible fixed assets		-	5,600
Payments of non-current asset investments	16	(1,505)	(62,404)
Sales proceeds of non-current asset investments	16	-	54,892
Prodigy capital distribution	16	1,486	2,625
Capital grant receipts		267	155
Investment income	6	1,627	241
		(13,873)	(5,283)
Cash flows from financing activities			
Interest paid	9	(2,291)	(2,251)
Endowment cash received	7	568	5,999
		(1,723)	3,748
Increase in cash and cash equivalents in the year		5,387	29,358
Cash and cash equivalents at beginning of the year	27	54,659	25,301
Cash and cash equivalents at end of the year	27	60,046	54,659

Accounting policies

(a) Basis of preparation

The Consolidated and School financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the current Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of Funding for Higher Education Institutions issued by the Office for Students and the Terms and Conditions of Research England Grant.

The preparation of financial statements under FRS 102 requires judgements, estimates and assumptions to be made that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are discussed below.

Estimates

- **Recoverability of debtors** – the provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. Refer to note 19.

- **Pension scheme liabilities** – the School has relied upon the estimates from a third party Actuary or used assessment tools provided by the pension provider.

  USS - the provision assessment for the Universities Superannuation Scheme ("USS") provision recognises that it is a multi-employer scheme for entities not under common control and represents an industry-wide scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The provision is based on agreed rates and management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount.

  SPS - The provision assessment for the closed London Business School Pension & Assurance Scheme ("SPS") provision recognises that it is a single employer scheme. The School commissioned the Scheme's actuarial firm to provide an assessment of the discounted fair value of the Scheme. The provision is based on the actuarial valuation and the latest assumptions of mortality, inflation, future increases in pension and discount rate.

  Refer to note 31 for further details.

- **Useful lives of non-current intangible and tangible assets** – property, plant and equipment represent a significant proportion of the School's total assets. As a result, the estimated useful lives can have a significant impact on the depreciation charged and the School's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 13.

Judgements

- **Pension liabilities** – USS - the governors are satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.
- **Land and buildings valuation** – the School has adopted the revaluation model under FRS 102 for the value of the properties used by the School in the course of its business. The School has performed an internal assessment to determine that there has been no material change to the fair value of the properties as at 31 July 2023. As part of the internal assessment, consideration has been taken of the current market trends and data, and the 31 July 2022 property value assessment from a third party Chartered Surveyor (based on estimates of usable floor space, yield and discount rates), which has led to a range of possible property values being determined. The School is satisfied that, after considering the supporting evidence and noting the net book value as at 31 July 2023 is within the range of determined values, there is no material change to the fair value of the properties. This conclusion constitutes a critical judgement. A full professional valuation is expected to be conducted every five years with an internal fair value review performed in the interim years.
- **Income recognition** – revenues are subject to judgement over when and by how much revenues should be recognised in the financial statements. This includes determining when performance criteria have been met, recognising research and other funding revenues in line with expenditure once a right to the funding is deemed to have arisen, and determining the revenues associated with partially delivered courses where the activities have not been fully completed at the reporting date.

(b) Basis of consolidation

The consolidated financial statements include London Business School ("The School") and all its subsidiaries for the financial year to 31 July. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements also include the School's investment in the Global Entrepreneurship Research Association ("GERA") and Newton Venture Education Limited ("Newton"). The investments are based upon the voting rights of the members – GERA (25%) and Newton (50%). The year-end date for these two entities is 31 December. This differs from that of the School because their main business operations revolve around the 12 month period January to December, which, in the opinion of the Governing Body, provides a true and fair view of the financial statements. The consolidated statements include the School's share of the operating result of the unaudited interim financial statements of GERA and Newton for the period from 1 January to 31 July.

The consolidated financial statements do not include the income and expenditure of the London Business School Student Association, as the School does not exert control or dominant influence over policy decisions.

(c) Going concern

The School continues to adopt the going concern basis in preparing these financial statements. In coming to this conclusion, the School has undertaken the following actions:

- Prepared detailed financial forecasts and estimates of income, expenditure and cash flows for the period to 31 July 2025 sensitised to reflect uncertainties as a result of the financial impact of the global geopolicital and economic factors
- Prepared a high-level forecast of income, expenditure and cash flows for the period to 31 July 2028.
- Calculated and reviewed debt covenants based on the forecasts for the five year period from the balance sheet date, to

Accounting policies *continued*

ensure that these will not be breached under the current 5 year forecast. Under the worse case scenario there is a forecast debt covenant breach, however, in the event of this scenario being probable, the School would exercise mitigating actions

- Considered the liquidity position of the School, ensuring sufficient headroom is available under the facilities currently in place, and taking account of the long-term funding secured in February 2021.

Based on their review of all of the above, the Governing Body believes that the School is well placed to manage its business risks effectively, despite the continued uncertain economic situation. The Governing Body has a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future, and will have sufficient funds to meet its liabilities as they fall due over a period of at least 12 months from the date of approval of these financial statements.

Governing Body is not aware of any material uncertainties which would prevent the School from continuing as a going concern

(d) Income recognition

Tuition fees and education contracts

Tuition fee and education contracts income is stated gross of any expenditure which is not a discount and credited to the Consolidated and School Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Scholarships are accounted for gross as expenditure and not deducted from income. Where payments have been received in respect of courses that have not started by the year-end, these are included as deferred income within creditors on the balance sheet.

Grant funding

Grant funding including funding body grants and research grants are recognised as income when the School is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Donations and endowments with donor imposed restrictions are recognised in income when the School is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to unrestricted reserves through a reserve transfer.

Donations and endowments with no restrictions are recognised in income when the School receives the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

There are four main types of donations and endowments identified within restricted reserves:

i. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the School.

ii. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the School has the power to use the capital.

iii. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

iv. Restricted reserve – the donor has specified a particular objective and the School has the power to use the funds.

Increases or decreases in the value arising on the revaluation or disposal of assets are shown as gains/losses on investments on the Consolidated Statement of Comprehensive Income and Expenditure. Increases or decreases relating to the Endowment Reserve are credited/debited to the relevant Endowment Reserve as part of the overall allocation.

(e) Accounting for retirement benefits

The School contributes to two defined benefit schemes and one defined contribution scheme:

- The London Business School Pension & Assurance Scheme ("SPS") is a defined benefit scheme which is contracted out of the State Second Pension ("S2P"). The SPS closed to new members from 1 August 2004 and to current members from 1 August 2010.

  The difference between the fair value of the assets held in this pension scheme and the liabilities of the pension scheme, measured on an actuarial basis using the projected unit method, is recognised in the School's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the School is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. Changes in the pension scheme's asset or liability arising from factors other than cash contribution by the School are charged to the income and expenditure account.

- The School participates in the Universities Superannuation Scheme ("USS"). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The School is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the School therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure statement represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

  FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Governing Body is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

- The School contributes to a defined contribution scheme, provided through Scottish Widows. Defined contribution scheme costs are charged to the income and expenditure account as they are incurred.

(f) Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the lease term.

Accounting policies *continued*

(g) Foreign currency

Transactions in foreign currencies are converted at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains and losses on translation are reflected in the income and expenditure account.

(h) Intangible and tangible assets

Intangible and tangible assets costing more than £3,000 are capitalised. All assets are stated at cost or in the case of freehold/leasehold at valuation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Intangible assets

Intangible assets, including development of software, website and digital assets for programmes, are capitalised when the recognition criteria set out in FRS 102 section 18 are met.

They are measured at cost less any accumulated amortisation and accumulated impairment losses.

Tangible assets

Tangible assets consist of a number of categories which are detailed further below.

Land and Buildings

Freehold and long leasehold land and buildings are re-valued on the basis of existing use. This is detailed in note 13. Depreciation and impairment losses are subsequently charged on the revalued amount.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits.

Building improvements

Capital refurbishment, other than separately identifiable items of plant and equipment, is classified as building improvements.

Plant and Equipment

Single items of plant and equipment costing £3,000 or more, or multiple items of plant and equipment whose functionality is intrinsically linked and which together cost £3,000 or more, are capitalised as plant and equipment assets.

Costs capitalised include those that are required to bring the assets to the location and condition necessary for them to operate in the manner intended.

Service concession arrangements

Fixed assets held under service concession arrangements are recognised at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

These assets are depreciated over the life of the initial agreement.

Heritage assets

The School does not ordinarily capitalise its heritage assets due to the difficulty associated with valuing them. A small number of pictures which are able to be valued has been capitalised and the value is disclosed within fixed assets. Heritage assets are not depreciated as their long economic life mean that any depreciation would not be material.

The artworks located on site currently are from a variety of sources. Some are owned by the School whilst others are on loan. All artwork is insured and the cover annually reviewed.

Assets in the course of construction

Assets in the course of construction and assets held for future use are accounted for at cost and are capitalised as incurred but are depreciated only when the individual asset is operational.

Depreciation rates

All assets are depreciated in line with their expected useful lives using the straight line method at the following rates:

	Annual rates of depreciation
Land	No depreciation
Freehold buildings	2 %
Leasehold buildings	Period of lease
Building improvements	10%
Specialised fit out (included within building improvements)	Period of lease
Plant and equipment	10-33%
Service concession assets	Period of lease
Intangible assets	20-50%

A full month's depreciation is charged in the month of purchase and no depreciation is charged in the year of disposal. Any gains and losses on disposals of fixed assets are reflected in the income and expenditure account in the year in which they occur. Assets in the course of construction are accounted for at cost and are capitalised as incurred but are depreciated only when the individual asset is operational.

(i) Investments – non-current and associates/ joint ventures

Listed investments are included in the balance sheet at bid market value, where they are publicly quoted. Other investments are held at cost. Investments in associate companies and joint ventures are shown in the consolidated balance sheet with the attributable share of net assets. The share of profit and loss for associate companies and joint ventures are included in the Consolidated Statement of Comprehensive Income & Expenditure.

(j) Stock

Stock is stated at the lower of cost and net realisable value.

(k) Trade and other receivables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

(l) Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

(m) Creditors

Creditors are recognised initially at transaction price plus attributable transaction costs. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the School has a present legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

A contingent liability arises from a past event that gives the School a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the School. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the School a possible

Accounting policies *continued*

asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the School.

Contingent assets and liabilities are not recognised in the Balance Sheet but if material are disclosed in the notes.

(o) Capital Grants

Government capital grants are recognised over the periods in which the School recognises the related costs for which the grant is intended to compensate. Where part of the grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

(p) Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the School. Any unused benefits are accrued and measured as the additional amount the School expects to pay as a result of the unused entitlement.

(q) Taxation

The School is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The School is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

(r) Reserves

Reserves are classified as restricted or unrestricted.

Restricted endowment reserves are balances which, through endowment to the School, are held as a permanently restricted fund which the School must hold in perpetuity. Restricted reserves include balances where the donor has designated a specific purpose and therefore the School is restricted in the use of these funds.

Unrestricted reserves are to be used for any purpose that the School can decide upon.

Included within reserves are balances relating to entities in which the School does not have a controlling interest.

(s) FRS 102 exemptions

The School has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Related parties

As a result, there is no cashflow statement for the School as a standalone entity and transactions between 100% owned entities are not disclosed.

(t) Financial instruments

The School has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the School becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Notes to the financial statements

for the year ended 31 July 2023

1 Tuition fees and education contracts

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
MBA	48,710	47,298	48,710	47,298
Masters in Management	11,534	10,450	11,534	10,450
Sloan Fellowship	4,267	4,108	4,267	4,108
Masters in Analytics and Management	3,136	2,447	3,136	2,447
Executive MBA	20,019	20,713	20,019	20,713
EMBA-Global / Global Asia	3,746	4,221	3,746	4,221
Masters in Finance	10,062	9,953	10,062	9,953
Masters in Financial Analysis	8,528	7,675	8,528	7,675
PhD Programme	1,746	1,826	1,746	1,826
Executive Education Open Programmes	24,589	15,932	24,589	15,932
Executive Education Custom Programmes	29,092	27,728	-	-
Other Programme Income	922	889	922	889
	166,351	153,240	137,259	125,512

2 Funding body grants

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students	1,679	3	1,679	3
Research England	2,740	5,067	2,740	5,067
Capital grant releases	159	188	159	188
Specific grants				
Higher Education Innovation Fund	7,307	4,941	7,307	4,941
	11,885	10,199	11,885	10,199

Capital grant releases relate to grants received from Funding Councils which have been applied to specific assets. The releases are made over the life of those assets.

3 Grant and fee income

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Grant income from the OfS	1,679	3	1,679	3
Grant income from other bodies	10,206	10,196	10,206	10,196
Fee income for taught awards	110,002	106,865	110,002	106,865
Fee income for research awards	1,746	1,826	1,746	1,826
Fee income from non-qualifying courses	53,681	43,660	24,589	15,932
	177,314	162,550	148,222	134,822

4 Research grants and contracts

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Research councils	660	1,116	660	1,116
UK charities	132	8	132	8
Government (UK and overseas)	26	283	26	283
Other	187	227	187	227
	1,005	1,634	1,005	1,634

5 Other income

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Residences, catering and conferences	924	614	1,668	1,057
Management services	-	-	7,970	7,453
Other general income	2,344	3,191	1,860	3,144
	3,268	3,805	11,498	11,654

6 Investment income

	Note	Consolidated		London Business School	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investment income on endowments	25	273	263	-	-
Other investment income		1,354	5	1,088	5
		1,627	241	1,088	5

7 Donations and endowments

	Note	Consolidated		London Business School	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
New endowments	25	1,289	5,999	-	-
Donations with restrictions	26	7,355	13,200	-	-
Unrestricted donations		2,674	3,227	13,000	25,651
		11,318	22,426	13,000	25,651

Most third party donations and endowments are made to the London Business School Anniversary Trust. Grants made from the Anniversary Trust to the School are unrestricted as any underlying restrictions associated with the donation have been met prior to the Anniversary Trust making a grant to the School.

Notes to the financial statements *continued*

for the year ended 31 July 2023

8 Staff costs

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries	75,549	70,101	67,487	63,138
Social security costs	8,439	7,567	8,059	7,232
Other pension costs	13,271	11,655	12,702	11,143
	97,259	89,323	88,248	81,513
Movement on USS provision	(7,239)	30,383	(7,239)	30,383
Total	90,020	119,706	81,009	111, 896

Average staff numbers (full time equivalent) by major category:	2023 No.	2022 No.
Academic including research	96	98
Support and administrative staff	679	658
	775	756

Key management personnel

Key management personnel are members of the Senior Management Team who have the authority and responsibility for planning, directing and controlling the activities of the School. Staff costs includes compensation paid to key management personnel.

At the start of the 2022/23 financial year, there was a re-structure of the Senior Management Team to optimise responsibilities, reporting, decision making and alignment with the corporate plan.

	2023 £'000	2022 £'000
Key management personnel compensation	2,747	3,318

	2023 No.	2022 No.
Key management personnel numbers (full time equivalent)	9.0	16.5

8 Staff costs *continued*

Senior staff pay

Senior staff pay includes the full-time equivalent basic salary of all staff earning in excess of £100,000. It does not include compensation for teaching additional loads, payments by a subsidiary (Centre for Management Development Company Limited), pensions or staff who were employed for part of the year but would have received salary in these bands in a full year.

Senior staff pay in the individual bands were as follows:

	2023	2022		2023	2022		2023	2022
£100,000 - £104,999	7	4	£215,000 - £219,999	1	3	£330,000 - £334,999	3	6
£105,000 - £109,999	4	5	£220,000 - £224,999	3	2	£335,000 - £339,999	-	-
£110,000 - £114,999	6	3	£225,000 - £229,999	1	2	£340,000 - £344,999	2	-
£115,000 - £119,999	1	4	£230,000 - £234,999	2	12	£345,000 - £349,999	1	1
£120,000 - £124,999	4	4	£235,000 - £239,999	3	-	£350,000 - £354,999	4	-
£125,000 - £129,999	4	1	£240,000 - £244,999	3	1	£355,000 - £359,999	-	-
£130,000 - £134,999	2	3	£245,000 - £249,999	3	2	£360,000 - £364,999	2	2
£135,000 - £139,999	1	-	£250,000 - £254,999	6	-	£365,000 - £369,999	1	-
£140,000 - £144,999	5	3	£255,000 - £259,999	1	2	£370,000 - £374,999	2	1
£145,000 - £149,999	1	-	£260,000 - £264,999	2	2	£375,000 - £379,999	-	-
£150,000 - £154,999	-	3	£265,000 - £269,999	1	1	£380,000 - £384,999	-	1
£155,000 - £159,999	1	-	£270,000 - £274,999	-	4	£385,000 - £389,999	-	1
£160,000 - £164,999	2	-	£275,000 - £279,999	3	3	£390,000 - £394,999	1	-
£165,000 - £169,999	-	1	£280,000 - £284,999	2	6	£395,000 - £399,999	-	1
£170,000 - £174,999	1	1	£285,000 - £289,999	3	5	£400,000 - £404,999	1	-
£175,000 - £179,999	1	1	£290,000 - £294,999	2	2	£405,000 - £409,999	1	1
£180,000 - £184,999	3	6	£295,000 - £299,999	6	2	£410,000 - £414,999	1	-
£185,000 - £189,999	4	5	£300,000 - £304,999	3	-	£415,000 - £419,999	1	-
£190,000 - £194,999	1	11	£305,000 - £309,999	4	3	£425,000 - £429,999	-	2
£195,000 - £199,999	5	3	£310,000 - £314,999	2	3	£435,000 - £439,999	1	1
£200,000 - £204,999	8	1	£315,000 - £319,999	1	4	£450,000 - £459,999	2	-
£205,000 - £209,999	6	1	£320,000 - £324,999	1	1	£465,000 - £469,999	1	-
£210,000 - £214,999	3	1	£325,000 - £329,999	3	2	£470,000 - £474,999	1	-

Compensation for loss of office:

Aggregate payment for compensation for loss of office paid to 11 members of staff (2022: 10)

	2023 £'000	2022 £'000
Compensation payable recorded within staff costs	294	423

Emoluments of the Dean, François Ortalo-Magné	2023 £'000	2022 £'000
Basic salary	498	481
Benefits	16	13
Pension contributions	42	39
	556	533

Notes to the financial statements *continued*

for the year ended 31 July 2023

8 Staff costs *continued*

Emoluments of the Dean, François Ortalo-Magné

The Dean participated in a salary sacrifice arrangement for pension contributions (2022/23: £17,000, 2021/22: £17,000). The Dean has also opted for a voluntary salary cap on his pension contributions and in line with other employees, he received a salary top-up in lieu of the pension contribution.

In line with the previous Deans of the School, the current Dean is required to live in accommodation within one of the School's buildings to enable better and more effectual performance of duties. From 6 April 2021, the accommodation is treated as a taxable benefit. Due to the restrictive covenants of the building's lease and the requirement for the accommodation to be used for School business, it is not possible to rent out the accommodation and therefore there is no cost of lost opportunity to the School. Using the annual value and cost of acquiring the lease of the campus and taking the usage for School business into account, the annual taxable value is £6,500 for the Dean's accommodation. Operating costs associated with the residence (i.e. utilities and cleaning services) total £10,000 and this taxable benefit is included within the emoluments section.

The annual remuneration award to the Dean takes into consideration the context in which London Business School operates and the performance of the institution and the Dean during the year. The Dean's remuneration is set by the Remuneration Committee.

The context for the institution and in particular for the Dean is a global one. The School's faculty and professional staff are both strongly international. Its degree programme portfolio attracts students from over 100 nationalities every year, while the executive education business attracts over 10,000 participants each year and works with corporate clients from around the world. The School is in direct competition with the other top global business schools based in the United States and Europe and these institutions form the benchmark for consideration of the Dean's remuneration.

A formal evaluation of the Dean's performance is carried out each year by the Chair of the Governing Body and reviewed by the Governance and Nominations Committee. The 2022/23 evaluation measured the Dean's performance against a series of organisational KPIs related to the development of the School and personal KPIs linked to his leadership of the institution. The Dean was evaluated as having performed effectively in meeting his 2022/23 organisational and personal KPIs. The Remuneration Committee agreed that the Dean should receive the standard pay increase of 7% awarded to all staff in 2022/23.

The Dean's basic salary is 9.9 times (2021/22: 9.9 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Dean's total remuneration, including the taxable and non taxable benefits noted above is 11.2 times (2021/22: 8.3 times) the median total pay of staff. This has been calculated including the midpoint of the non-taxable benefits noted above and the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid to its staff.

Pay ratio information includes agency staff.

Governing Body Members

The School's Governing Body members are the trustees for charitable law purposes. Due to the nature of the School's operations and the composition of the Governing Body, some members being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving organisations in which members of the Governing Body or Senior Management have an interest are detailed in note 32.

9 Interest and other finance costs

		Consolidated		London Business School	
		2023	2022	2023	2022
	Note	£'000	£'000	£'000	£'000
Loan interest		2,291	2,291	2,291	2,291
Net charge on USS pension scheme		1,510	132	1,510	132
Net charge on SPS pension scheme	31	233	352	233	352
		4,034	2,775	4,034	2,775

10 Analysis of total expenditure by activity

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Teaching related costs (including Scholarships)	24,549	19,655	22,170	17,857
Teaching support costs	4,239	3,284	3,830	3,098
Bought in teaching	7,185	6,864	4,638	4,365
Marketing	6,366	3,484	6,079	3,430
Technology	5,281	4,691	5,226	4,608
Premises and utilities	15,590	14,046	15,587	14,010
Catering and accommodation	9,737	5,619	9,518	5,501
Other overheads	8,128	9,687	8,460	9,449
	81,075	67,330	75,508	62,318
Other operating expenses include:				
External auditors remuneration in respect of audit services	227	154	192	128
External auditors remuneration in respect of non-audit services	28	14	28	14
Operating lease rentals				
Land and buildings	3,135	3,210	3,135	3,210
Other	50	31	50	31

Notes to the financial statements *continued*

for the year ended 31 July 2023

11 Taxation

Recognised in the statement of comprehensive income	Consolidated 2023 £'000	Consolidated 2022 £'000	London Business School 2023 £'000	London Business School 2022 £'000
Current tax				
Current tax expense	-	-	-	-
Adjustment in respect of previous years	-	-	-	-
Current tax expense	-	-	-	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	-	-	-	-

12 Intangible assets

	Software	Assets in the course of construction	Consolidated 2023 Total	Consolidated 2022 Total	London Business School 2023 Total	London Business School 2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2022	1,861	-	1,861	1,586	1,861	1,586
Additions	804	4,490	5,294	275	5,294	275
Disposals	(156)		(156)		(156)	-
Transfer from tangible assets	148	746	894	-	894	-
At 31 July 2023	2,657	5,236	7,893	1,861	7,893	1,861
Amortisation						
At 1 August 2022	1,175	-	1,175	669	1,175	669
Charge for the year	566	-	566	506	566	506
Disposals	(156)	-	(156)	-	(156)	-
At 31 July 2023	1,585	-	1,585	1,175	1,585	1,175
Net book value						
At 31 July 2023	1,072	5,236	6,308	686	6,308	686

13 Tangible assets

CONSOLIDATED and SCHOOL	Land and buildings £'000	Building improvements £'000	Service concession arrangements £'000	Plant and equipment £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation						
At 1 August 2022	255,299	47,912	750	25,704	1,088	330,753
Additions	254	4,567	-	2,226	3,407	10,454
Transfers	-	67	-	51	(118)	-
Transfers to intangible assets	-	-	-	-	(894)	(894)
Revaluation of property*	-	-	-	-	-	-
At 31 July 2023	255,553	52,546	750	27,981	3,483	340,313
Consisting of valuation as at:						
31 July 2022	255,553	-	-	-	-	255,553
Cost	-	52,546	750	27,981	3,483	84,760
	255,553	52,546	750	27,981	3,483	340,313
Depreciation						
At 1 August 2022	-	8,140	750	16,090	-	24,980
Charge for the year	372	4,826	-	4,808	-	10,006
Disposals	-	-	-	-	-	-
Revaluation of property*	-	-	-	-	-	-
At 31 July 2023	372	12,966	750	20,898	-	34,986
Net book value						
At 31 July 2023	255,181	39,580	-	7,083	3,483	305,327
At 31 July 2022	255,299	39,772	-	9,614	1,088	305,773
Leased assets included above:						
Carrying amount						
At 31 July 2023	228,710	-	-	-	-	228,710
At 31 July 2022	230,500	-	-	-	-	230,500

Notes to the financial statements *continued*

for the year ended 31 July 2023

13 Tangible assets *continued*

On 31 July 2022, the freehold and leasehold land and buildings were re-valued at £255,000,000 on the basis of existing use by Savills, Chartered Surveyors. The valuation was prepared in accordance with the RICS Valuation - Global Standards, which incorporated the International Valuation Standards ("IVS") and the RICS UK national supplement (the "RICS Red Book") edition current at 31 July 2022. The valuation is based on a comparable approach or an investment approach (capitalisation of future income streams using a market yield, or capitalisation rate) assuming vacant possession as the properties are owner-occupied.

At 31 July 2022, the surveyors reviewed the freehold land and buildings apportionment and concluded that an acceptable proportion would result in a freehold land value of £6,200,000 which is not depreciated.

The School has performed an internal assessment to determine that there has been no material change to the fair value of the properties as at 31 July 2023. The School is satisfied that, after considering the supporting evidence and noting the net book value as at 31 July 2023 is within the range of determined values, there is no material change to the fair value of the properties. A full professional valuation is expected to be conducted every five years with an internal fair value review performed in the interim years.

14 Heritage assets

	Consolidated £'000	London Business School £'000
Cost and Net book value		
At 1 August 2022	39	-
Additions	-	-
At 31 July 2023	**39**	**-**

The School does not ordinarily capitalise its heritage assets. Within the Anniversary Trust one heritage asset has been capitalised, at the value on the date the piece was acquired. In addition, the School has been gifted a number of other items of artwork considered to be heritage assets but has not capitalised these as in aggregate they are not deemed to be of sufficient material value to affect the presentation of the financial statements. The total insurance value of these items and items on loan is £1,753,780.

15 Service concession arrangements

The School has Balance Sheet arrangements including service concession arrangements, which are fully depreciated. These include equipment used by the outsourced printing and catering companies.

Movement in Service concession arrangement assets
The asset value of the service concession included in the Balance Sheet as at 31 July 2023 is £nil (2022: £nil).

Movement in Service concession arrangement liabilities
The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2023 were £nil (2022: £nil).

Future commitments
The School has no future commitments in respect of the current assets being used in these service concession arrangements.

16 Non current investments

CONSOLIDATED	Investments 2023 £'000	2022 £'000
At 1 August	57,672	55,277
Additions	1,505	62,404
Disposals	-	(54,893)
Revaluation	1,707	(2,491)
Capital distribution	(1,486)	(2,625)
At 31 July	59,398	57,672

The investments have been valued at cost or where appropriate, market value.

Investments consist of:	Consolidated 2023 £'000	2022 £'000
BlackRock GiltTrack Fund Distributing Share Class	-	-
FTSE Actuaries UK Gilts>5Yr In	16,338	15,937
MSCI Emerging Markets IndexNet	4,445	4,069
MSCI World Net TR Index	35,521	33,085
Cash held by BlackRock Asset Management	8	8
Prodigy Loan Investment	3,086	4,573
	59,398	57,672

Prodigy loan investment are investments made by the School in bonds that provide loan finance to students. Capital repayments and coupon payments are made on the bond as the loan is repaid by students.

	Consolidated 2023 £'000	2022 £'000
Endowment Investments	59,398	57,672
	59,398	57,672

SCHOOL	Subsidiary companies 2023 £'000	2022 £'000
At 1 August	10	10
At 31 July	10	10

Notes to the financial statements *continued*

for the year ended 31 July 2023

16 Non current investments *continued*

The School's holding in London Business School Trust Company Limited, shown at cost, represents 4 ordinary shares of £1 each, being the total issued share capital of the company. The company continues to be dormant. Dr David Pyott, Chair of the Governing Body, holds two shares as nominee for the School. The remaining two shares are held by François Ortalo-Magné as nominee for the School. None of the other governors had any interest in the share capital of this company.

The School's holding in London Business School Trading Company Limited, shown at cost, represents 10,000 (2022: 10,000) ordinary shares of £1 each, being the total issued share capital of the company.

London Business School Trust Company Limited is the sole trustee of London Business School Anniversary Trust ("the Trust"), an exempt charity trust with no share capital. The Trust is the 100% parent of Centre for Management Development Company Limited ("CMD") a company with 250,000 ordinary shares of £1 each.

The financial statements of all subsidiaries are available from the Secretary, London Business School, Regent's Park, London NW1 4SA.

17 Investment in associate and joint venture

The School has an investment interest in Global Entrepreneurship Research Association ("GERA"). GERA was incorporated on 3 February 2005 and is a company limited by guarantee. GERA advances education and learning in the field of entrepreneurship practice and policy development including (but not limited to) the provision and conduct of an international programme of research and the dissemination of the results of such research. GERA is a charitable company. Its financial statements are prepared under the 2019 Charities Statement of Recommended Practice (FRS 102). GERA is not funded by restricted grants and has been accounted for under the gross equity method. The School's share of GERA's operating surplus has been recognised in the statement of comprehensive income and expenditure account and the share of the assets has been included in the Balance Sheet. The School's 25% share of GERA's net assets total £269,000 (2022: £247,000; 25%).

On 22 January 2021, the School entered into a joint venture agreement with Senderwood Group Ltd to create Newton Venture Education Limited ("Newton"). Newton is a company limited by guarantee. Newton's objective is to create and develop an educational programme to enable investors in the innovation economy to become more effective investors. The School's share of Newton's operating surplus has been recognised in the statement of comprehensive income and expenditure account and the share of the assets has been included in the Balance Sheet. The School's 50% share of Newton's net assets total £223,000 (2022: £204,000).

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 August 2022	451	319	-	-
Share of appreciation of NEWTON	22	90	-	-
Share of appreciation of GERA	19	42	-	-
At 31 July 2023	492	451	-	-

18 Stock

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Finished goods	162	109	162	109
	162	109	162	109

19 Trade and other receivables

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Amounts due from subsidiary companies	-	-	1,470	3,511
Other trade receivables	9,228	10,909	788	3,394
Other receivables	1,151	1,194	1,151	1,193
Prepayments and accrued income	4,820	7,667	2,733	2,833
Amounts due from gift aid	-	-	100	-
	15,199	19,770	6,242	10,931

20 Creditors: amounts falling due within one year

	Consolidated		London Business School	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts due to subsidiary companies	-	-	18,945	-
Trade payables	7,267	6,331	6,426	5,561
Social security and other taxation payable	3,445	3,168	3,483	3,168
Accruals	24,575	24,940	22,861	23,637
Deferred income	45,088	44,947	43,642	43,865
Other creditors	2,087	1,377	2,087	1,377
	82,462	80,763	97,444	77,608

Notes to the financial statements *continued*

for the year ended 31 July 2023

20 Creditors: amounts falling due within one year *continued*

Deferred income

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Tuition fees	39,615	37,670	38,169	36,588
Research grants received on account	5,318	7,122	5,318	7,122
Grant income	155	155	155	155
	45,088	44,947	43,642	43,865

21 Creditors: amounts falling due after more than one year

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accruals and deferred income	1,082	974	1,082	974
Unsecured Loans	85,000	85,000	85,000	85,000
	86,082	85,974	86,082	85,974

On 31 July 2014, the School entered into a revolving credit facility agreement with HSBC. The loan agreement is for the ten year period to 31 July 2024. As at 31 July 2023, this facility of £40,000,000 was unused but remained available.

On 17 February 2017 the School entered into a £35,000,000 unsecured loan with MetLife Insurance K.K. with a maturity date of 19 February 2052 with a fixed interest rate of 2.75% per annum.

On 24 February 2021 the School entered into unsecured loan agreements totalling £50,000,000 under a private placement with MetLife Insurance K.K., Metropolitan Tower Life Insurance Company (£25,000,000) and Legal & General Assurance Society Limited (£25,000,000). This long-term funding matures in 2041 (£25,000,000), 2049 (£5,000,000), 2056 (£10,000,000) and 2061 (£10,000,000). The annual fixed interest rate under each of these loans are 2.05%, 2.17%, 2.26% and 2.32% respectively. The funds under these loan agreements were drawn down in full on 4 March 2021.

22 Loans

	Consolidated		London Business School	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Due within one year or on demand	-	-	-	-
Due in five years or more	85,000	85,000	85,000	85,000
Due after more than one year	85,000	85,000	85,000	85,000
Total unsecured loans	85,000	85,000	85,000	85,000

23 Provisions

CONSOLIDATED and SCHOOL

	Defined benefit obligation on USS Pension £'000	Defined benefit obligation on SPS Pension £'000	**Total pensions provisions £'000**
At 1 August 2022	45,337	7,110	52,447
Utilised during the year	(2,355)	-	(2,355)
Revaluations in 2023	(3,374)	(6,716)	(10,090)
At 31 July 2023	39,608	394	40,002

USS Pension is a multi-employer scheme for entities not under common control. The School has entered into an agreement with the scheme that determines how the School will fund the deficit. This results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102.

Further details are disclosed in note 31.

24 Financial instruments

	Consolidated		**London Business School**	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Financial Assets				
Measured at Fair Value through comprehensive statement of income and expenditure				
Investments in common investment funds	56,312	53,099	-	-
Measured at undiscounted amounts receivable				
Trade and other receivables	10,379	12,103	1,939	4,587
Equity Instruments measured at cost less impairment				
Non-current asset investments in unlisted equity investments	3,086	4,573	-	-
Cash measured at amortised cost				
Cash and cash equivalents	60,046	54,659	59,812	41,292
	129,823	124,434	61,751	45,879
Financial Liabilities				
Measured at amortised cost				
Loans payable	85,000	85,000	85,000	85,000
Measured at undiscounted amounts payable				
Trade and other creditors	12,799	10,876	11,996	10,106
	97,799	95,876	96,996	95,106

Notes to the financial statements *continued*

for the year ended 31 July 2023

25 Income and expenditure reserve – endowment reserve

Endowment reserves are as follows:

	Permanent endowments £'000	Expendable endowments £'000	2023 Total £'000	2022 Total £'000
At 1 August				
Capital	57,612	-	57,612	55,546
Accumulated income	-	2,645	2,645	2,387
	57,612	2,645	60,257	57,933
New endowments	568	721	1,289	5,999
Investment income	273	-	273	236
Intra-group transfer	1,296	-	1,296	1,383
Transfers	(2,010)	2,010	-	-
Expenditure	(122)	(2,584)	(2,706)	(2,913)
	(563)	(574)	(1,137)	(1,294)
Increase / (decrease) in market value of investments	1,974	-	1,974	(2,381)
At 31 July	59,591	2,792	62,383	60,257
Represented by:				
Capital	59,591	-	59,591	57,516
Accumulated income	-	2,792	2,792	2,645
	59,591	2,792	62,383	60,257
Analysis by type of purpose:				
Chairs	15,295	-	15,295	15,232
Scholarships	30,361	2,742	33,103	31,613
Other	13,935	50	13,985	13,412
	59,591	2,792	62,383	60,257
Analysis by asset				
Fixed assets			59,398	57,672
Current asset investments			2,985	2,585
			62,383	60,257

The intra-group transfer represents funds that London Business School has agreed to transfer to its subsidiary, London Business School Anniversary Trust in instances where the endowment balance does not have an agreed amount of dividend income or accumulated capital growth.

26 Income and expenditure reserve – restricted reserve

Reserves with restrictions are as follows:

	2023 Total £'000	2022 Total £'000
At 1 August	15,464	5,473
New donations	7,355	13,200
(Decrease) in market value of investments	-	(3)
Expenditure	(3,505)	(3,206)
	3,850	9,991
At 31 July	19,314	15,464

Analysis of other restricted funds/donations by type of purpose:	2023 Total £'000	2022 Total £'000
Scholarships	2,953	2,350
Other	16,361	13,114
	19,314	15,464

27a Cash and cash equivalents

	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
CONSOLIDATED			
Cash and cash equivalents	54,659	5,387	60,046
	54,659	5,387	60,046

Consolidated reconciliation of net debt	**£'000**
Net debt 1 August 2022	30,341
Movement in cash and cash equivalents	(5,387)
Net debt 31 July 2023	**24,954**
Change in net debt	(5,387)

Notes to the financial statements *continued*

for the year ended 31 July 2023

27b Analysis of net debt

	2023 £'000	2022 £'000
Cash and cash equivalents	60,046	54,659
Borrowings: amounts falling due after more than one year		
Unsecured loans	85,000	85,000
	85,000	85,000
Net debt	24,954	30,341

28 Capital and other commitments

The consolidated London Business School group and the London Business School had no capital commitments at 31 July 2023 (2022: nil).

29 Contingent liabilities

The School has no contingent liabilities at 31 July 2023 (2022: nil).

The School has provided written undertakings to support all subsidiary companies at twelve months from the date of approval of these financial statements.

30 Lease obligations

Total rentals payable under operating leases:

	2023			2022
	Land and buildings £'000	Plant and equipment £'000	Total £'000	Total £'000
Payable during the year	3,135	50	3,185	3,241
Future minimum lease payments due:				
Not later than 1 year	3,179	48	3,227	3,055
Later than 1 year and not later than 5 years	11,118	-	11,118	9,858
Later than 5 years	653,439	-	653,439	658,203
Total lease payments due	667,736	48	667,784	671,116

During 2015/16 the School entered into a 125 year lease agreement for the main campus buildings, Sussex Place. During 2016/17 the School entered into a 125 year lease agreement for 27 Sussex Place (now known as North Building) and a 35 year lease agreement, with an option of a further 60 years for the Sammy Ofer Centre.

31 Pension schemes

(a) Pension scheme details

The School makes contributions on behalf of members to two principal pension schemes and one closed scheme. Firstly, the School is a participating institution of the Universities Superannuation Scheme (USS). This is an open defined benefit scheme, with benefits accrued on either a final salary basis or career revalued earnings basis, according to specific membership criteria. The underlying assets of this scheme are managed and governed by the USS Trustee Board, which is an entirely separate entity to the School. Secondly, the School also sponsors a contract-based defined contribution scheme, provided through Scottish Widows. Lastly, the School sponsors a legacy defined benefit pension scheme for staff, the London Business School Pension & Assurance Scheme, which has been closed to future accrual since 1 August 2010. The assets are held in separate trustee-administered funds.

	2023 Total £'000	2022 Total £'000
Universities Superannuation Scheme	11,911	11,121
Scottish Widows	460	399
	12,371	11,520
London Business School Pension Scheme	900	135
Total contributions charged to the income and expenditure account	13,271	11,655

(b) USS

Pension costs

The total cost charged to the profit and loss account is £11,911,000 (2021/22: £11,121,000) as shown in notes 8 and 31a.

Deficit recovery contributions due within one year for the institution are £2,356,000 (2021/22: £849,000).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

Notes to the financial statements *continued*

for the year ended 31 July 2023

31 Pension schemes *continued*

(b)USS *(continued)*

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumptions plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	**2022**
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	**2022**
Discount rate	5.49%	3.33%
Pensionable salary growth	3-5%	3-8%
Headcount growth	1-5.5%	1-7%

If the salary growth were to increase to 6% for the next year, this would increase the provision by £377,000 and a 0.5% decrease in discount rate would increase the provision by £1,491,000.

31 Pension schemes *continued*

(c) SPS

The London Business School (the Employer) operates a final salary pension scheme, the London Business School Pension & Assurance Scheme (the Scheme). The Scheme is a Registered Pension Scheme under Chapter 2 of Part IV of the Finance Act 2004.

The Scheme was closed to all future accrual with effect from 1 August 2010.

The assets of the Scheme are held separately from those of the Employer. The value of the insured pensions (£981,000) is omitted from both assets and liabilities below for clarity.

The School and the Trustees of the Trust have granted the Scheme a floating charge over the Endowment Investments of the Trust to provide additional security for the Scheme's deficit. Under the terms of this charge, the School is required to maintain a balance on these investments of the higher of £30,000,000 and 120% of the Scheme's estimated buyout deficit as confirmed in the Scheme's most recent actuarial report. On 19 February 2021, the Trustees granted a temporary amendment of this requirement until 1 November 2022, whereby during this period the School is required to ensure that the value of these investments is greater than or equal to £30,000,000. During the year, the School has continually met the requirements of the floating charge and its amendment.

Assets and liabilities at each year end:	**2023 £'000**	**2022 £'000**
Total market value of assets	20,384	20,049
Present value of liabilities	(20,778)	(27,159)
Deficit	(394)	(7,110)

The amounts recognised in the profit and loss:	**2023 £'000**	**2022 £'000**
Net interest on defined benefit liability	233	352
Expenses paid from the Scheme	-	-
Total expense	233	352

The amounts recognised in the statement of comprehensive income and expenditure:	**2023 £'000**	**2022 £'000**
Actual return on assets	(82)	156
Return on assets included in net interest	(709)	(300)
Asset (loss)	(791)	(144)
Liability experience (loss)	(391)	(893)
Change of assumptions gain	7,231	17,639
Remeasurement gain in the statement of comprehensive income and expenditure	6,049	16,602

Notes to the financial statements *continued*

for the year ended 31 July 2023

31 Pension schemes *continued*

(c) SPS *(continued)*

Changes in the present value of the defined benefit liabilities:	**2023 £'000**	**2022 £'000**
Opening value of liabilities	27,159	43,631
Interest cost	942	652
Benefits paid	(483)	(378)
Expected value of liabilities at end of the year	27,618	43,905
Liability experience loss	391	893
Change of assumptions (gain)	(7,231)	(17,639)
Closing value of liabilities	20,778	27,159

Changes in the value of the assets:	**2023 £'000**	**2022 £'000**
Assets at beginning of the year	20,049	20,136
Expected return on assets	709	300
Employer contributions	900	135
Benefits paid	(483)	(378)
Expenses	-	-
Expected assets at end of the year	21,175	20,193
(Loss) on Scheme assets	(791)	(144)
Assets at end of the year	20,384	20,049

The main actuarial assumptions used to value the liabilities:	**2023**	**2022**
Discount rate	5.00%	3.50%
Price inflation (RPI)	3.10%	3.00%
Price inflation (CPI)	2.80%	2.80%
Future increases to pensions in deferment	2.80%	2.80%
Future increases to pensions in payment	3.00%	3.00%
Mortality table	S3PxA CMI 2022 projection with 1.5% long term rate	S3PxA CMI 2021 projection with 1.5% long term rate

The total value of the assets (excluding annuities):	**2023**	**2022**
Equities	30%	30%
DGFs	29%	30%
Bonds	20%	19%
Property	18%	20%
Cash / Other	3%	1%
Total	100%	100%

32 Related party transactions

All transactions involving organisations in which members of the Governing Body or Senior Management have an interest, including those identified below, are conducted at arm's length and in accordance with the School's financial regulations. An updated register of interests of the Governing Body is maintained.

During the year certain governors and senior management earned consultancy fees from a subsidiary of the School, the Centre for Management Development Company Limited.

	2023 £	2022 £
Professor Herminia Ibarra	67,000	35,000
Professor Anna Pavlova	21,000	42,000
Professor Rajesh Chandy	9,000	-

There were no amounts owed to the above individuals at the end of the year (31 July 2022: £Nil)

The President of the London Business School Students' Association ("LBSSA") is also a member of the Governing Body. During the year, the School made general contributions to LBSSA of £406,000 (2021/22: £369,000) and specific sponsorship of £6,500 (2021/22: £6,500). The School charged LBSSA for catering services £299,000 (2021/22: £168,000) and for financial administrative services of £53,000 (2021/22: £28,000). The School also donated estate services of £2,000 (2021/22: £2,000). At the year end, the School owed an amount of £5,000 to LBSSA (2022: £5,000).

Donations to the School include donations from 22 (2021/22 : 16) Governing Body members, either as individuals or Foundations associated with the member, totalling £4,826,000 (2021/22 : £11,933,000).

As allowed under FRS 102 'Related party transactions', transactions and balances between 100% owned group entities have not been disclosed as they have been eliminated on consolidation.

33 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the School, are as follows:

Company	**Principal Activity**	**Status**
London Business School Trading Company Limited	Provision of the trading activities of the School	100% owned
London Business School Anniversary Trust	Provision of the charitable purpose of the School	100% owned
Centre for Management Development Company Limited	Provision of education in the field of business studies	100% owned
London Business School Trust Company Limited	Dormant	100% owned

Notes to the financial statements *continued*

for the year ended 31 July 2023

34 Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the School and have been established for its general or special purposes. One of the connected institutions is included as a subsidiary undertaking. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, this connected institution is exempt from registration with the Charity Commission. Another entity is an associate, the results of which are included in these consolidated financial statements. There is one connected entity which is not included in the consolidation since the School does not have any control over their activities. The movements in the year on the total funds of all connected institutions, as reported in their own financial statements, were as follows:

	Opening balance	Income	Expenditure	Change in market value	Closing balance
	£'000	£'000	£'000	£'000	£'000
Consolidated					
London Business School Anniversary Trust	76,167	15,121	(9,974)	1,707	83,021
Global Entrepreneurship Research Association (GERA) (31 December 2022)	689	750	(559)	-	880
Not consolidated					
London Business School Student Association (31 July 2022)	1,395	2,475	(2,768)	-	1,102

London Business School has a subsidiary and connected charity, London Business School Anniversary Trust, the results of which are consolidated within these financial statements. This entity has been set up by trust deed and is an exempt charity. The purpose of London Business School Anniversary Trust is to raise funding for the School to support scholarships, chair awards and develop the infrastructure of the School, as well as build permanent endowments for the School.

GERA is a company limited by guarantee and has no share capital. It was a joint venture between London Business School and Babson College. The School has no management in the company but retains this right to appoint a management nominee.

London Business School Student Association is a private company limited by guarantee. It was incorporated on 18 February 2011; on 28 March 2011 the company also became a registered charity (number 1140901). The Trustees are the sole members of the charitable company and their liability is limited to £1 in a winding up. The Trustees have control of the Student Association's property and funds. The day-to-day administration and financial management is delegated to the executive members of the Student Association.

35 Post balance sheet event

The 2023 revaluation (as at 31 March 2023) of the USS pension scheme is currently in progress, but if the surplus is confirmed the deficit contribution plan may be removed, which would mean the provision would no longer be required. The School will continue to account for the full liability of future deficit contributions until such a change is announced as it has a legal obligation to continue making deficit contributions until informed otherwise. It is anticipated that the USS Trustee Board could finalise a proposed Schedule of Contributions by the end of December 2023, with the change in contribution rate taking effect on 1 January 2024.

36 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the School is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition); and,
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Notes to the financial statements *continued*

for the year ended 31 July 2023

36 US Department of Education Financial Responsibility Supplemental Schedule *continued*

Primary Reserve Ratio

Note/Schedule			**2023 £'000**	**2023 £'000**	**2022 £'000**	**2022 £'000**
		Expendable Net Assets:				
Balance sheet	Consolidated Balance Sheet – Unrestricted Reserves	Net assets without donor restrictions		156,236		143,803
Balance sheet	Consolidated Balance Sheet – Restricted Reserves	Net Assets with donor restrictions		81,697		75,721
N/A	N/A	Secured and Unsecured related party receivable	-		-	
N/A	N/A	Unsecured related party receivable		-		-
13	Consolidated Balance Sheet – Tangible Assets, net	Property, plant and equipment, net (includes Construction in progress)	305,327		305,773	
37	Note of the Financial Statements – 37 – Analysis of non current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – pre-implementation		296,013		300,244
N/A	N/A	Property, plant and equipment – post-implementation with outstanding debt for original purchase		-		-
37	Note of the Financial Statements – 37 – Analysis of non current assets for US Financial Responsibility Supplement Schedule	Property, plant and equipment – post implementation without outstanding debt for original purchase		5,907		4,441
37	Consolidated Balance Sheet – Tangible Assets, net	Construction in progress		3,407		1,088
N/A	N/A	Lease right-of-use asset, net	-		-	

36 US Department of Education Financial Responsibility Supplemental Schedule *continued*

Note/Schedule			2023 £'000	2023 £'000	2022 £'000	2022 £'000
N/A	N/A	Lease right-of-use asset pre-implementation		-		-
N/A	N/A	Lease right-of-use asset post-implementation		-		-
12	Consolidated Balance Sheet – Intangible Assets	Intangible assets		6,308		686
23	Consolidated Balance Sheet – post-employment and pension liablities	Post-employment and pension liabilities		40,002		52,447
22	Consolidated Balance Sheet – Loans	Long-term debt – for long term purposes	85,000		85,000	
22	Consolidated Balance Sheet – Loans	Long-term debt – for long term purposes pre-implementation		35,000		35,000
22	Consolidated Balance Sheet – Loans	Long-term debt – for long term purposes post-implementation		50,000		50,000
N/A	N/A	Line of Credit for CIP		-		-
N/A	N/A	Lease right-of-use asset liability	-		-	
N/A	N/A	Pre-implementation right-of-use leases		-		-
N/A	N/A	Post-implementation right-of-use leases		-		-

Notes to the financial statements *continued*

for the year ended 31 July 2023

36 US Department of Education Financial Responsibility Supplemental Schedule *continued*

Note/Schedule			**2023 £'000**	**2023 £'000**	**2022 £'000**	**2022 £'000**
N/A	N/A	Annuities with donor restrictions		-		-
N/A	N/A	Term endowments with donor restrictions		-		-
N/A	N/A	Life income funds with donor restrictions		-		-
25	Consolidated Balance Sheet – endowment reserve	Net assets with donor restrictions: restricted in perpetuity		62,383		44,481
		Total Expenses and Losses:				
Con-solidated Statement of Compre-hensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – total expenditure Total expenditure (£185,701k) less Note 25 endowment reserve expenditure (£2,706k) and Note 26 restricted reserve expenditure (£3,505k)	Total expenses without donor restrictions – taken directly from Statement of Activities		179,490		195,485
Con-solidated Statement of Compre-hensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – (Investment income £1,627k, gain on investments (£1,707k)) – net gain not included	Non-Operating and Net Investment (loss)		-		-2,250
Con-solidated Statement of Compre-hensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – (investment income £1,627k, gain on investments £1,707k) – net gain not included	Net investment losses		-		-2,250

36 US Department of Education Financial Responsibility Supplemental Schedule *continued*

Note/Schedule			**2023 £'000**	**2023 £'000**	**2022 £'000**	**2022 £'000**
Consolidated Statement of Comprehensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – actuarial loss in respect of pension scheme – pension gains are not included	Pension -related changes other than net periodic costs		-		-30,383

Equity Ratio:

		Modified Net Assets:				
Consolidated Balance Sheet	Consolidated Balance Sheet – unrestricted reserves and non-controlling interest	Net assets without donor restrictions		156,236		143,803
Consolidated Balance Sheet	Consolidated Balance Sheet – restricted reserves	Net assets with donor restrictions		81,697		75,721
12	Consolidated Balance Sheet – intangible assets	Intangible assets		6,308		686
N/A	N/A	Secured and Unsecured related party receivable	-		-	
N/A	N/A	Unsecured related party receivables		-		-
Consolidated Balance Sheet	Consolidated Balance Sheet – total assets	Total assets		446,971		439,159
N/A	N/A	Lease right-of-use asset pre-implementation		-		-
N/A	N/A	Pre-implementation right-of-use leases		-		-

Notes to the financial statements *continued*

for the year ended 31 July 2023

36 US Department of Education Financial Responsibility Supplemental Schedule *continued*

Note/Schedule			**2023 £'000**	**2023 £'000**	**2022 £'000**	**2022 £'000**
12	Consolidated Balance Sheet – intangible assets	Intangible assets		6,308		686
N/A	N/A	Secured and Unsecured related party receivable	-		-	
N/A	N/A	Unsecured related party receivables		-		-

Net Income Ratio:

Con-solidated Statement of Compre-hensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – total comprehensive income Unrestricted comprehensive gain £12,433k.	**Change in Net Assets Without Donor Restrictions**		12,433		-17,044
Con-solidated Statement of Compre-hensive Income and Expenditure	Consolidated Statement of Comprehensive Income and Expenditure – total income Total income £195,454k, less investment income £1,627k, plus, actuarial gain £6,949k, share of gain in associate/joint venture £41k. Losses are not included	**Total Revenues and Gains**		200,817		208,518

37 Analysis of non-current assets for US Financial Responsibility Supplemental Schedule

	Note	As at 1 August 2022 £'000	Transfers £'000	Additions £'000	Disposals £'000	Revaluation £'000	Depreciation on existing assets £'000	Depreciation on new assets £'000	As at 31 July 2023 £'000
Cost of asset type									
Tangible	13	329,665	118	7,047	-	-	-	-	336,830
Assets under construction	13	1,088	(1,012)	3,407	-	-	-	-	3,483
		330,753	(894)	10,454	-	-	-	-	340,313
Depreciation									
Tangible	13	24,980	-	-	-	-	9,760	246	34,986
		24,980	-	-	-	-	9,760	246	34,986
Net book value		305,773	(894)	10,454	-	-	(9,760)	(246)	305,327

	Existing assets £'000	Transfers £'000	New assets £'000	Construction in progress (CIP) assets £'000
Cost of asset type				
Tangible	329,665	118	7,047	-
Assets under construction	1,088	(1,012)	-	3,407
	330,753	(894)	7,047	3,407
Depreciation by type				
Tangible	34,740	-	246	-
	34,740	-	246	-
Net book value	296,013	(894)	6,801	3,407

Governing Body

as at November 2023

The Honourable Apurv Bagri
(Chair to 30 April 2023)
(retired 30 April 2023)
President & CEO, Metdist Group

Dr David Pyott CBE
(Deputy Chair to 30 April 2023)
(Chair from 1 May 2023)
Member, Supervisory Board, Royal Philips

Professor Julian Birkinshaw
Vice-Dean, Professor of Strategy and Entrepreneurship, Academic Director, Institue of Entrepreneurship and Private Capital

Nina Bohn
Director, Principal Gifts and External Relations, Asia Pacific

Mr Roger Carlsson
CEO, FCT Europe Ltd

Professor Rajesh Chandy
(appointed 1 April 2023)
Professor of Marketing, Tony and Maureen Wheeler Chair in Entrepreneurship, Academic Director, Wheeler Institute for Business and Development

Professor Sendil Ethiraj
Deputy Dean (Faculty) and Professor of Strategy and Entrepreneurship

Professor Julian Franks
(retired 31 March 2023)
Professor of Finance; Alexander M. Knaster Chair

Mr Lars Fjeldsoe-Nielsen
Founder and Managing Partner, Nielsen Ventures, 2xN

Sir Bradley Fried
(retired 30 April 2023)
Principal & founder, Grovepoint Capital

Mr Richard Frost
Secretary to Governing Body

Mr Gonzalo Garcia
Co-Head of Investment Banking, EMEA, Goldman Sachs

Ms Elisabeth Grieg
(retired 31 July 2023)
Member of the founding family, Chair Grieg Maturitas, and Chair Grieg Star

Professor Herminia Ibarra
Professor of Organisational Behaviour; Charles Handy Chair

Ms Priya Keni
(appointed 1 June 2023)
President, Student Association

Mr Ryan Kruger
(appointed 1 August 2023)
Managing Partner, 10Elms

Mr Savio Kwan
Co-Founder, Partner and CEO, A & K Consultant Co Ltd

Ms Anna Marrs
Group President, Global Commerical Services and Credit & Fraud Risk, American Express

Dame Mary Marsh
(retired 31 December 2022)

Mr Henry Obi CBE
Partner and Head of Public and Regulatory Affairs, Helios Investment Partners LLP

François Ortalo-Magné
Dean, London Business School

Professor Anna Pavlova
Professor of Finance

Ms Christiana Riley
Regional Head of North America, Banco Santander

Jean-Phillipe Verdier
(retired 31 July 2023)
Founding Partner, Verdier & Co

Dame Professor Sarah Worthington
(retired 30 April 2023)
KC(Hon) FBA, Professor of Law, London School of Economics; Barrister; Downing Professor Emeritus of the Laws of England and Emeritus Fellow of Trinity College, Cambridge University

Mr Dezhi Yu
(retired 31 May 2023)
President, Student Association

AUDIT & RISK COMMITTEE
Reports to Governing Body
Chair:
Mr Henry Obi OBE
Members:
Mr Roger Carlsson
Mr Eric Stobart
Mr Ryan Kruger
Mr Gary Narunsky
Secretary:
Mr Richard Frost, Deputy Secretary

In attendance:
François Ortalo-Magné, Dean
Ms Joyce Bill, Chief Financial Officer & Treasurer
Ms Tracy Siu, Deputy Chief Financial Officer

FINANCE COMMITTEE
Reports to Governing Body
Chair:
Mr Gonzalo Garcia
Other Non-Executives:
Mr Lars Fjeldsoe-Nielsen
Ms Anna Marrs
Dr David Pyott CBE
Secretary:
Ms Tracy Siu, Deputy Chief Financial Officer

In attendance
François Ortalo-Magné, Dean
Ms Joyce Bill, Chief Financial Officer & Treasurer
Professor Florin Vasvari

GOVERNANCE & NOMINATIONS COMMITTEE
Reports to Governing Body
Chair:
Dr David Pyott CBE
Members:
François Ortalo-Magné, Dean
Mr Gonzalo Garcia
Ms Anna Marrs
Secretary:
Mr Richard Frost, School Secretary

REMUNERATION COMMITTEE
Reports to Governing Body
Chair:
Ms Christiana Riley
Members:
Mr Lars Fjeldsoe-Nielsen
Mr Savio Kwan
Dr David Pyott CBE
Secretary:
Ms Jane Gibbon, Chief People Officer

TREASURER
Ms Joyce Bill, Chief Financial Officer

Professional advisors

Principal Solicitor
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

External Auditor
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Internal Auditor
KPMG LLP
15 Canada Square
London
E14 5GL

Principal Banker
HSBC Bank plc
2nd Floor
62-76 Park Street
London
SE1 9DZ

Investment Manager
BlackRock Asset Management Ireland Limited
JPMorgan House
International Financial Service Centre
Dublin 1
Ireland

Principal/Registered Office

Sussex Place
Regent's Park
London
NW1 4SA

London Business School
Regent's Park
London NW1 4SA
United Kingdom
Tel +44 (0)20 7000 7000
Fax+44 (0)20 7000 7001
www.london.edu