

# Financial Statements

*For the year ending 31 July 2025 ■*



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# Report of the Chair of the Council



## Year in review

This year marked our President's first full year in post and much was achieved. The School continued to receive national recognition at the top of a number of league tables, reflecting the unique nature and high quality of the student experience at LSE. This flourishing global reputation is a source of pride and further strengthens the reputation of the School as a centre of excellence.

Nonetheless, this is a challenging time for higher education, and LSE is not immune to the shocks resulting from shifts in government policy, economic challenges, and other resourcing pressures.

The solid financial foundation the School works so hard to maintain, demonstrated in the following pages, is testimony to the conscientious planning and care which goes into managing the School in order to secure its future.

Our President has referred in his remarks to the major initiatives associated with the School's fundraising Campaign, along with other efforts to create secure sources of revenue. Such efforts are essential to maintain the School's success in recruiting top faculty, supporting their pathbreaking research, developing its estate, and providing students with a world class education. Council and its committees, led by my distinguished colleagues, play a critical role supporting these activities and others that are critical to the School's operations.

Despite challenging times, the School remains as ambitious as ever. Our 'Shaping the World' strategy, overseen by Council, aims to promote LSE's global impact by focusing on the five great challenges of the day: preserving democracy, rethinking political economy, ensuring sustainability, addressing inequalities, and managing new technologies. Successfully delivering the Strategy requires an integrated approach that enhances the School's world-class teaching and research through new global partnerships, improved internal efficiency, and a strengthened alumni community. But none of these ambitions can be realized without a strong financial base.

## Governance

LSE's governance continues to be strengthened year on year. The membership of Council was augmented by two new members: Dr Jose Vinals, a distinguished international banker and economist, and Suchad Chiaranussati, an angel investor with deep expertise in private equity real estate. In addition, Council continued its practice of undertaking and learning from regular governance reviews.

This is my final year as Chair of LSE Council. It has been an immense privilege and joy to serve the School in this role over the past six years, during a time of significant change and development for LSE. I am grateful to all my colleagues on Council for their unfailing support, commitment, and guidance; to Vice Chair Ali Nikpay for his wisdom and leadership; and to our President and the School Management Committee for their generous collaboration and exemplary leadership. LSE's future prospects look better than ever, and I look forward to seeing what comes next.

## Dr Susan Liautaud

Chair of Council

# Welcome from the President and Vice Chancellor



Staff, students, alumni, partners and friends of LSE,

Enclosed are the School's financial statements for the 2024-25 academic year.

This was my first full academic year in the role of President and Vice Chancellor. It was an eventful year, filled with accomplishments, challenges, and new initiatives – and, for me, continued learning about this extraordinary institution, its intellectual and international diversity, and its singular role in the world.

That role has never mattered more. Societies around the world are at a breaking point: democracy is being eroded, wealth inequality is growing, social and political inequities are worsening, and we are driving toward a climate-biodiversity-fresh water catastrophe. And while the STEM disciplines are doubtless important, new technologies and inventions often create problems that are equal to or potentially even exceed their benefits. It is the social sciences

that offer ways through these challenges: new political and economic paradigms, better insights into human behaviours, fresh approaches to building and sustaining cohesive societies. And LSE is uniquely positioned to be the vanguard in overcoming these daunting problems, with outstanding scholars and students, a social sciences focus, a central London location that gives us a truly global reach, and a history of successfully developing ideas “for the betterment of society”.

Which is why securing the School's financial viability has never been more important and sits at the heart of our Shaping the World strategy.

Last year, I wrote here that LSE was in a fortunate position. That remains true in relative terms. When we look at the UK Higher Education sector, the picture is fraught. Recent years have seen growing numbers of the UK's institutions facing financial difficulties, exacerbated by damaging policymaking that fails to recognise universities as one of the country's jewels. By comparison, LSE has – through sustained student demand and prudent financial management – fared well. From launching a new Global School of Sustainability to rolling out cutting-edge artificial intelligence tools and acquiring a new flagship building for our campus, we have been able to continue investing to keep LSE at the forefront of education and research. Those investments, combined with the dedication of our School community, have been rewarded with our best ever NSS results and a second year as the Times' top ranked UK university.

We cannot, however, be complacent. The costs of running a university continue to grow year-on-year, and our substantial international student population – one of our greatest strengths – leaves LSE highly exposed to government plans to introduce a levy on international fee income. This and other policies targeting international students and staff are systematically undermining the UK's standing as a desirable place to work and study in a global talent market that is becoming increasingly competitive. We need to significantly grow our income and rethink how we operate to weather these challenges and position ourselves to achieve our full potential in the coming years.

To that end, we have launched ambitious plans to diversify our income through an increased fundraising campaign target of £750 million by 2030 while expanding our extended education and lifelong learning offering and building an annual giving program worthy of the name. At the same time, we have initiated our Operations Excellence Programme to transform how we deliver our services and create an improved experience for our staff and students that distinguishes us as a place to work and study. All of this will be essential to support our academic mission in the years ahead and ensure that LSE remains at the forefront of developing the ideas, policies, and intellectual frameworks needed to address the world's most pressing problems.

I am excited by the progress the LSE community has made so far, and I look forward to continuing to work with you all to further advance our ability to shape the world for the betterment of society.

**Professor Larry Kramer**

LSE President and Vice Chancellor



# Strategic Report and Report of the Directors

## School Mission and Strategy

### Strategic Overview

The world universities are operating in has changed enormously in recent years. Expectations of what universities can and should deliver continue to grow while funding shrinks; political and public support is wavering, especially considering the scale of other pressing policy issues to be addressed; and new technologies like artificial intelligence present opportunities and challenges that require us to rethink what higher education is and will be in the future. The arrival of Professor Larry Kramer as LSE's President and Vice Chancellor in April 2024 therefore provided a timely opportunity for us to review our strategy, update our priorities to respond to that new environment, and ensure we remain well placed to achieve our ambition of being the leading social science institution with the greatest global impact.

The resulting refreshed strategy – 'LSE Shaping the World' – is comprised of four key pillars. At its core, our focus remains on supporting world-class research with real-world impact and delivering an outstanding educational experience for our students. But to achieve that, we must strive to build a cohesive community with a culture that supports and enables everyone at LSE to achieve their potential. We must also secure the resources we need to maintain excellence, ensure our operations are fit for purpose, and build a physical and digital estate befitting of a leading university. These priorities comprise the two additional strategic pillars: "Culture and Community" and "Enabling Success".

Below, we set out a selection of examples showing the initial progress we have made towards these refreshed strategic priorities during the 2024-25 academic year.

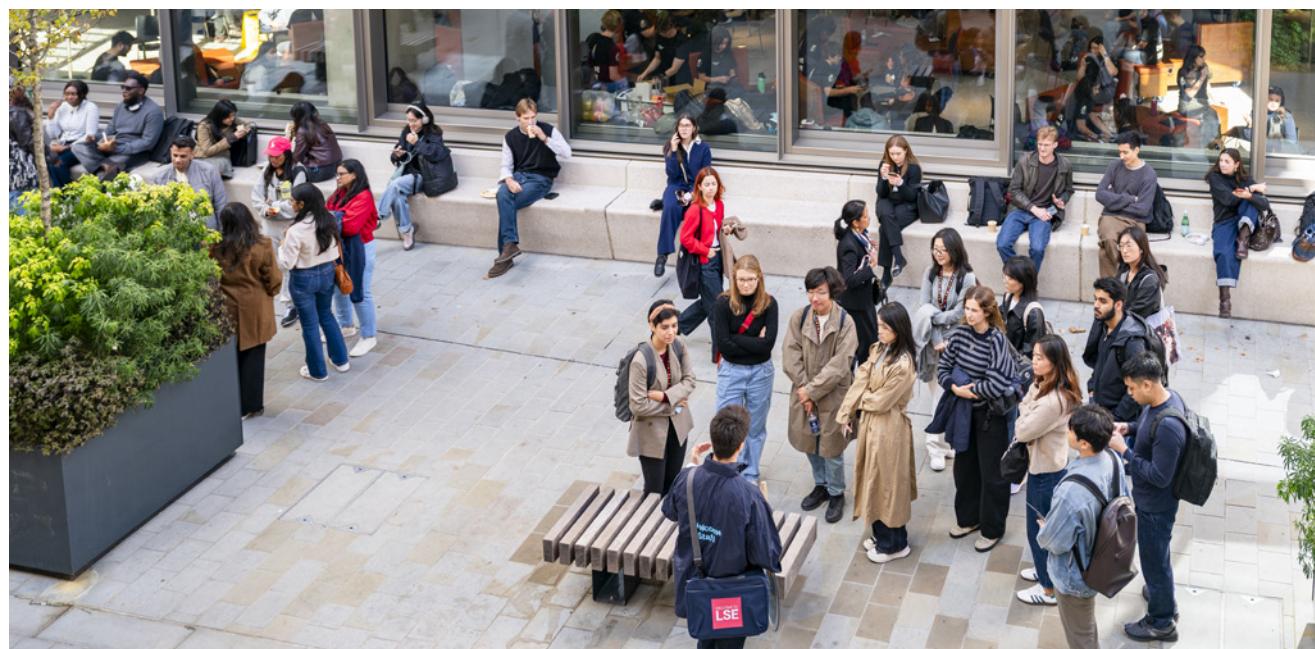
### Strategic Priority 1: Research

Our world-leading research across the breadth of the social sciences remains at the heart of LSE's founding mission: to know the causes of things for the betterment of society. Our first strategic pillar is focused on three core priorities: to support research excellence across the School, to enhance the impact and influence of that research, and to create a strong enabling environment for our researchers.

#### Priority 1 - Research

##### Achievements in 2024-25

- We launched LSE's Global School of Sustainability to foreground LSE as a global centre for high-impact social sciences research and education aimed at addressing the challenges of climate change. This will be the first of five such hubs, each focused on a major global issue, which will collectively coordinate, resource, and support LSE's efforts to address the most significant problems facing society.
- We have refined our internal seed funding schemes with an increased volume of applications and links to external funding opportunities, while investing in enhanced support for the latter, especially large complex grant bids.
- We have increased the visibility of and support for impact activity, helping our academic staff maximise the real-world benefits of their research. This includes an Impact and Engagement Hub, funding for initiatives, events, and partnerships, and a new LSE Impact prize.
- We made significant progress in establishing LSE as a centre for open social science research. We are a leading partner in open science initiatives through the European consortium of social sciences universities, CIVICA, and continue to grow our own open access LSE Press which surpassed one million downloads across all publications last year.



## Strategic Priority 2: Education and Student Experience

Our enduring research excellence underpins the high-quality, cutting-edge education we offer to our students. That remains true, but we must continue to grow and evolve what we teach and how, and we must take steps to ensure our student body reflects the diversity of the world we seek to understand. To those ends, our second strategic pillar centres on three priorities: to strengthen our educational offering, to create and support a diverse student body, and to deliver an excellent student experience.

### Priority 2 – Education and Student Experience

#### Achievements in 2024-25

- LSE was named the Times University of the Year for the second year running.
- We achieved outstanding results in the 2025 National Student Survey (NSS), including being the top Russell Group university for organisation and management, and the top London Russell Group university in categories relating to education delivery
- That was complemented by excellent results in our internal Year 1 and 2 undergraduate student survey, including 94% overall satisfaction: our highest ever score.
- We took significant steps in developing our capacity and capability around artificial intelligence in education. This included rolling out of Claude Education to all students to ensure equitable access, a pilot AI Fellows programme to encourage pedagogical innovation, and a conference hosted with Peking University focused on global approaches to Generative AI in Higher Education.
- Our new team of Department Senior Student Advisors was established to offer bespoke support to students in their home department and to better coordinate access to internal and external support services.
- We established a new dedicated Lifelong Learning division and appointed a new Associate Vice President (Education) to lead to developing a strategy to make LSE a global destination for gaining and updating knowledge and skills at all stages of life and careers.

## Strategic Priority 3: Culture and Community

Delivering our intellectual mission requires LSE's community to be one in which diverse viewpoints from around the globe can be discussed and debated freely. Our third strategy pillar therefore focuses on building a strong and cohesive culture at LSE and increasing equity, diversity, and inclusion.

### Priority 3 – Culture and Community

#### Achievements in 2024-25

- We launched our Campus Relations Group with dedicated funding, to identify and implement an initial programme of eight initiatives intended to enhance engagement, build trust, foster good relations, and enable connection and dialogue.
- We launched the Report + Support system to offer clear, consistent and accessible routes for staff and students to report harassment, bullying, discrimination or sexual misconduct, improving case management and oversight, enabling sophisticated data analysis, and facilitating more transparent communication with all parties involved.
- All staff are now required to complete training on addressing harassment and sexual misconduct, and our Consent Education – designed to build understanding of consent, promote active bystander interventions, and signpost support services – is now a mandatory part of our student induction.



## Strategic Priority 4: Enabling Success

Our final strategic pillar focuses on the underlying enablers of success and sets out our ambitions to strengthen the foundations on which our academic mission is built. It focuses on five key priorities: to secure the School's financial position, to deliver more efficient and effective operations, to support and develop our internal talent, to future-proof our physical and digital estate, and to strengthen the LSE brand around the globe.

### Priority 4 – Enabling Success

#### Achievements in 2024-25

- We launched a major transformation programme, the Operations Excellence Programme, designed to enhance our administrative systems and processes.
- We rolled out artificial intelligence productivity tools to provide equitable access for all our Professional Services staff.
- After exceeding our previous goals around fundraising and alumni volunteering, we have set ambitious new targets for 2030: to raise £750m (of which we have already raised £472.5m, or 63%) and to engage our alumni community in 300,000 hours of volunteering for the School. These are supported by significant investment into our Philanthropy and Global Engagement team, including a new Director for Alumni Engagement.
- We undertook a year-long, comprehensive review of our Environmental, Social and Governance investment policy, ensuring that it remains aligned to our community's values, our strategic ambitions, and our fiduciary responsibilities.
- We acquired a significant new property – 61 Aldwych – and launched a design competition with the intention of creating a new entrance and public face for our campus, as well as additional space for our world-class research and teaching.



## Scope of the Financial Statements

These financial statements comprise the consolidated results of the School and its subsidiaries. The operations of these subsidiaries cover commercial lettings, consultancy services, the provision of customised executive education programmes, overseas fundraising, ownership of property, and the design, build and operation of a hall of residence. For commercial, legal, and taxation reasons these activities are channelled through limited companies and partnerships which, where appropriate, transfer their profits to the School through an annual Qualifying Charitable Donation.

In addition, the School is a partner in the TRIUM Executive MBA programme with New York University and HEC in Paris. As the School acts as agent for the programme, its proportional share of income and expenditure of the programme is recognised in the School's Statement of Comprehensive Income and Expenditure whilst the assets and liabilities of the operation are included within the School's balance sheet.

The LSE Students' Union is a separately constituted body over which the School does not exert significant influence and so it is not consolidated in these financial statements.

## Chief Financial Officer's Overview

The purpose of this Financial Review is to explain the key features of the School's 2024-25 financial results and place them in the context of our overall financial planning and the vision for the School set out in LSE 2030.

This report shows that through prudent investment and stewardship of our resources the School continues to maintain a strong position to manage the financial uncertainties we are facing and remain true to our guiding principles and vision.

Comprehensive income for the year (including gains and losses on investments and the change in the market value of our interest rate swaps) was a surplus of £83.7 million compared to £215.6 million in 2023-24. These headline figures include some large items which do not reflect an underlying change in the School's operating financial performance. As the table below shows, this includes changes in the USS pension past service deficit cost provision (in 2023-24); significant endowments & donations recognised and received in year related to future spending; and the performance of the School's investments. Adjusting for these items shows an underlying surplus from operations of £10.4 million, broadly consistent with the past two years.

2024-25 continued to see improved financial returns in various areas of the School's operation. We were pleased that our hugely popular summer school programme exceeded 8,000 participants, back to its pre-pandemic peak in 2019, concluding the recovery over the past few years, as students are looking for opportunities to travel to London once more. Continued investment over recent years in the School's fundraising capabilities has been successful; as demonstrated by the consistently high donation and endowment income, not to mention pledges for future years, all of which contribute towards the School's Shaping the World campaign. 2024-25 also saw the first philanthropic gift received by our Indian foundation, LSE Research and Education Foundation India, to facilitate scholarship support to Indian students.

The general rise in equity markets and increased yields have meant the School's non-current investment portfolios have delivered sizeable investment income and gains in 2024-25 of £32.2m (7.9% of portfolio value as at 31 July 2025). Likewise, these higher yields have generated higher returns on the School's cash and working capital portfolios.

The long-overdue increase in home undergraduate tuition fees to £9,535 (effective from the 2025-26 academic year), with confirmation it will continue into 2026-27 and 2027-28, will have a small but positive effect. However, this benefit is significantly outweighed by the rise in employer National Insurance costs.

We are very concerned about the proposed 6% levy on international student income. At the time of writing, it is unclear as to the precise size, timing and scope of this levy which makes planning difficult and inevitably delays investment decisions and consequently the benefits they bring. Our concerns extend beyond LSE's own position. UK higher education is one of the country's most valuable exports, and this policy—particularly at this time—could negatively affect the entire sector and the UK as a whole.

We experienced a small under-recruitment of full-time students in 2024-25 and 2023-24; however, this will be more than offset by over-recruitment for 2025-26 entry. On some of our Executive Masters programmes numbers have not yet recovered to pre-pandemic levels and our Online courses which have not shown the growth anticipated post pandemic. These changes highlight signs of changing student demand now that in-person study methods are available once more which we are addressing through the creation of a new Lifelong Learning Division. This team will focus on developing online short courses and executive programmes (see page 16) in anticipation of the completion in 2028 of the new executive teaching facility in the Firoz Lalji Global Hub.

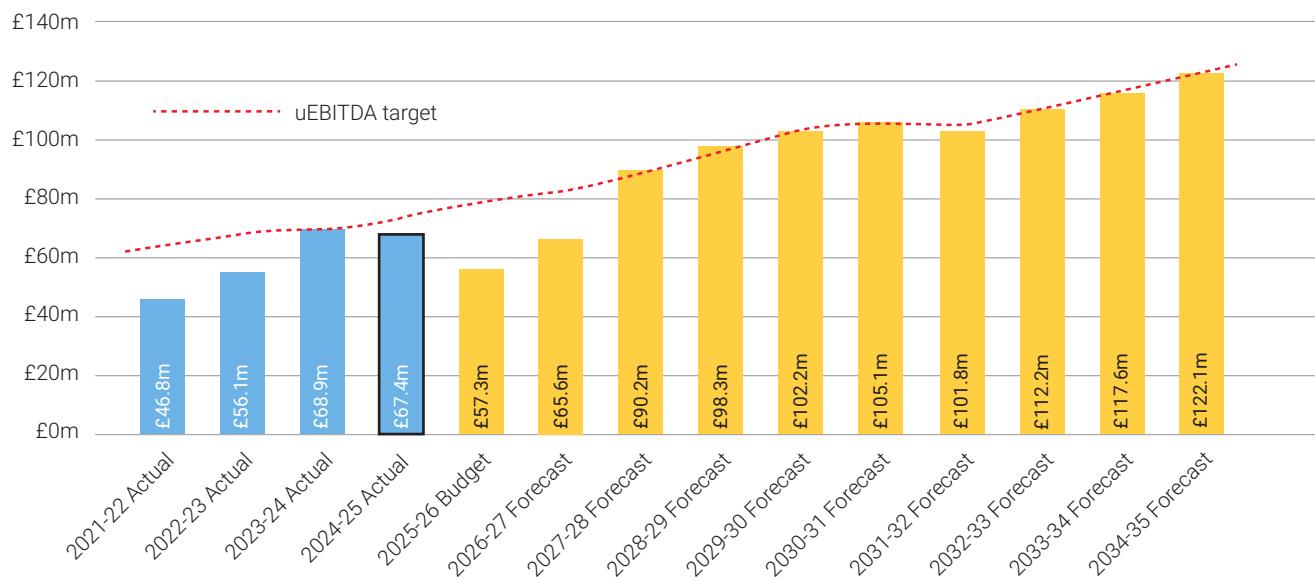
On the capital side, in February 2025 the School completed the purchase of 61 Aldwych, significantly increasing the School's campus footprint. We plan a major refit of the building to enable us to decant from the Towers which will allow them to be redeveloped.

	2024-25	2023-24	2022-23
	£m	£m	£m
Total Comprehensive income for the year	83.7	215.6	58.1
<b>Adding back exceptional items:</b>			
Pension provision movements	-	(113.5)	(9.0)
Change in the market value of investments	(32.2)	(36.7)	(5.0)
Movement in interest rate SWAPS	(0.7)	2.3	(11.9)
Endowments & donations recognised and received	(40.4)	(49.3)	(22.7)
Adjusted Comprehensive income for the year	<b>10.4</b>	<b>18.4</b>	<b>9.5</b>

**2024-25 Financial Review**

	2024-25		2024-25	2023-24	
	Unrestricted funds	Restricted or designated funds	Total	Total	Change
	£m	£m	£m	£m	%
Operating income	508.9	4.0	512.9	481.5	31.4 6.5%
Donations and endowments	2.8	37.6	40.4	49.3	(8.9) (18.1%)
Total income	511.7	41.6	553.3	530.8	22.5 4.2%
Operating expenses	(446.1)	(23.0)	(469.1)	(433.2)	(35.9) 8.3%
Earnings before interest, tax, depreciation, and amortisation (EBITDA)	65.6	18.6	84.2	97.6	(13.4) (13.7%)
Change in USS past service deficit provision			0.0	113.5	(113.5) (100.0%)
Depreciation			(20.8)	(17.5)	(3.3) 18.9%
Interest and other finance costs			(12.6)	(12.4)	(0.2) 1.6%
<b>Surplus/(loss)</b>	<b>50.8</b>	<b>181.2</b>	<b>(130.4)</b>	<b>(130.4)</b>	<b>(72.0%)</b>
Gains on investments			32.2	36.7	(4.5) (12.3%)
Change in the fair value of hedging financial instruments			0.7	(2.3)	3.0 (130.4%)
<b>Comprehensive income for the year</b>	<b>83.7</b>	<b>215.6</b>	<b>(131.9)</b>	<b>(131.9)</b>	<b>(61.2%)</b>
<b>BALANCE SHEET</b>					
Fixed and intangible assets			955.5	758.4	197.1 26.0%
Investments (Endowments & School)			413.2	375.9	37.3 9.9%
Net current assets			167.7	192.8	(25.1) (13.0%)
Creditors over one year			(443.9)	(318.3)	(125.6) 39.5%
Pension liabilities and provisions			0.0	0.0	0.0 0.0%
<b>Net assets</b>	<b>1,092.5</b>		<b>1,008.8</b>	<b>83.7</b>	<b>8.3%</b>
<b>LIQUIDITY</b>					
<b>Operating cash generated during the year</b>			<b>61.0</b>	<b>58.5</b>	<b>2.5</b> 4.3%
Cash and cash equivalents			83.4	55.0	28.4 51.6%
Investments			558.6	569.3	(10.7) (1.9%)
Loans			(396.3)	(271.0)	(125.3) 46.2%
<b>Net funds</b>	<b>245.7</b>		<b>353.3</b>	<b>(107.6)</b>	<b>(30.5%)</b>
<b>STUDENT NUMBERS</b>					
Undergraduate			5,978	5,846	
Postgraduate – taught			5,415	5,498	
Postgraduate – research			494	540	
<b>Total Full-time student numbers</b>			<b>11,887</b>	<b>11,884</b>	
Part-time			428	489	
Others (visiting, executive)			1,413	1,344	
<b>Total Full-time, Part-time and other student numbers</b>			<b>13,728</b>	<b>13,717</b>	
London Summer Schools			8,620	7,974	
University of London Global Programme – LSE programmes			8,922	9,517	
Online			9,230	10,213	
<b>Total student numbers</b>			<b>40,500</b>	<b>41,421</b>	

## Actual and Forecast Unrestricted EBITDA against annual target



The School's preferred measure of financial performance for internal financial planning purposes is *unrestricted* Earnings before Interest, Taxation, Depreciation, and Amortisation (uEBITDA) less any significant donations that we have received in the year and any associated expenditure. This measure is designed to exclude the volatility that the receipt of a large gift can create and avoids a mismatch in subsequent years, when reporting expenditure funded by that gift. We have a medium-term target to achieve and sustain an uEBITDA of 15% of unrestricted revenue. This is the level the Council considers necessary to ensure the School can:

- Continue, on a financially sustainable basis, to invest in the digital and physical infrastructure required;
- Cover capital and interest payments as they fall due;
- Maintain reserves to provide sufficient headroom to allow us to manage the risks that the current period of economic and political volatility presents.

## Financial strategy and financial sustainability

Long-term, detailed financial planning has been central to the School's approach to financial management and financial sustainability for many years. Each year, the School Management Committee (SMC) and Council approve a 10-year Financial Plan, prepared using a set of prudent assumptions and long-term financial metrics and targets. The Plan's sensitivity to these assumptions is assessed along with the current risks identified in the School's Strategic Risk Register to ensure we have a reasonable expectation of maintaining a sustainable long-term financial position. In accordance with our funding principles, any significant investments and associated returns are evaluated on a standalone basis and against this Plan before any decision to invest is made. This ensures rational financial decisions are made within a transparent and clear framework that is focussed on maintaining the financial sustainability of the School.

The 2025 Financial Plan covers financial years 2025-26 to 2034-35 and was developed during April and May 2025 and following an extensive review by the Financial Management Board and the Finance and Estates Committee, was approved by Council in June 2025.

The 2025 Financial Plan includes 5 major areas of additional investment and expenditure:

- The redevelopment of 61 Aldwych, a new building acquired by the School in February 2025
- The disposal of a campus building which is no longer required for teaching and research purposes
- Significant investment in AI, designed to ensure staff and students can maximise the benefits of this new and evolving technology in their education, research and across our administrative functions
- Investment to significantly expand our non-degree and overseas teaching activities
- An Organisational Enhancement Programme to overhaul and modernise our administrative processes.

Alongside this, the Plan maintains our levels of investment in education, technology and people, the core elements of the School's strategy.

Like other universities we have faced a period of cost inflation which is difficult to rapidly respond to as our single largest source of revenue, full time tuition fees can only be increased with 18 months' notice, and the financial benefit lags these cost increases. The financial impact of these fee increases is becoming apparent in the 2025 Financial Plan projections, and we are pleased to note that we have not experienced any significant reduction in demand during this year's recruitment cycle. We have exceeded our recruitment targets across our undergraduate and postgraduate taught programmes for 2025 entry.

Against this backdrop, an unrestricted EBITDA budget of £57.3 million (compared to the 2024-25 budget of £63.1 million) was agreed by Council for 2025-26 with the aim to reach our unrestricted EBITDA target by 2027-28.

## Going Concern

SMC and Council have considered the going concern status of the School and are confident it is and will continue to be a going concern for the foreseeable future (defined externally as a period of at least 12 months from the approval date of these accounts). These accounts have therefore been prepared on a going concern basis.

In coming to this conclusion, SMC and Council have taken the following actions:

- Prepared detailed income and expenditure, and cash flow budgets for the 2025-26 financial year and forecast for the following year, taking due regard to sensitivity of income to student recruitment and extended education and other major revenues streams.

- Used the 2025 Financial Plan, which is prepared using prudent income and expenditure, cash flow, and balance sheet forecasts to ensure we have adequate funds to meet liabilities as they fall due and that all our banking and lender covenants are met throughout the period.
- Challenged the financial planning with a set of severe but plausible downside scenarios that the School may face in the foreseeable future and modelled how provisions within our financial planning

## Income

	2024-25 Total	2023-24 Total	Change	
	£m	£m	£m	%
Tuition fees	336.1	316.4	19.7	6.2%
Funding Council grants	27.7	26.8	0.9	3.4%
Research grants	40.7	42.7	(2.0)	-4.7%
Other income	95.8	83.8	12.0	14.3%
Investment income	12.6	11.7	0.9	7.7%
Total income before donations and endowments	512.9	481.4	31.5	6.5%
Donations and endowments	40.4	49.3	(8.9)	-18.1%
<b>Total income</b>	<b>553.3</b>	<b>530.7</b>	<b>22.6</b>	<b>4.3%</b>

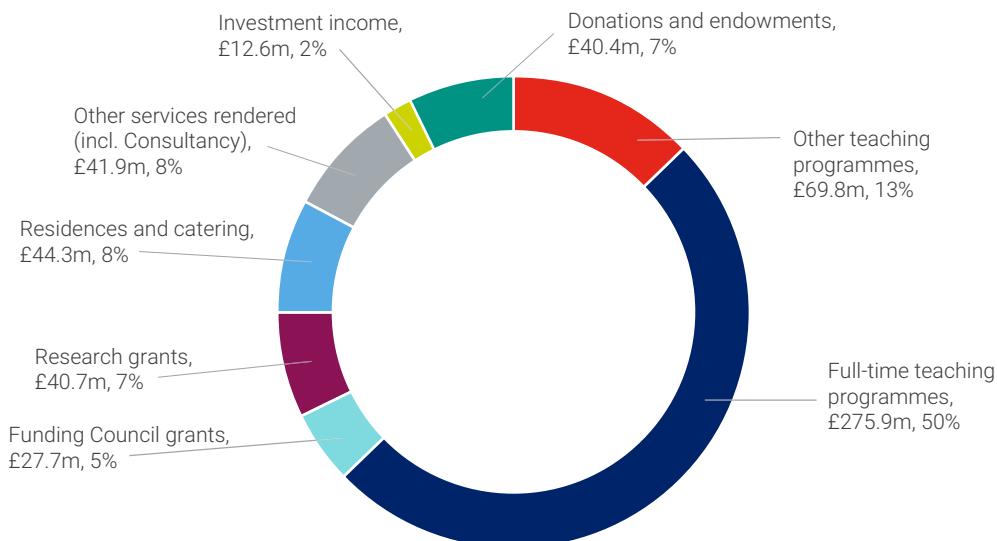
Total income before donations and endowments was £512.9 million, a 6.5 per cent increase compared to 2023-24.

Tuition fees increased to £336.1 million due to increases in postgraduate and overseas undergraduate fees. The 2024-25 Summer School recovered to close to its pre-pandemic levels, further contributing to the increased tuition fee income total.

Funding Council grants were relatively consistent compared to the previous year, although included within the 2024-25 figure is a new government grant towards capital works on the Lionel Robbins Building, as part of the School's ongoing mission to decarbonise the LSE campus.

Research income decreased by 4.7 per cent to £40.7 million, primarily due to delays in the UK associating to Horizon Europe after Brexit.

## 2024-25 Income



could create time for management to consider, develop and implement strategies designed to mitigate these risks. These scenarios included the potential impact of an overseas student income levy, delays in the sale of property and a significant fall in annual revenue.

- Noted the successful 2025-26 student registration round and level of applicants for the School's courses.

The increase in Other Income is mainly due to the increased levels of occupancy and activity in the School's halls of residences, particularly summer school and vacation bookings. There has also been growth in other grants – mainly funding for academic work raised through the fundraising team and by the International Growth Centre; an institute largely funded by the FCDO but with a growing level of support from some major philanthropic foundations.

Donation and Endowment income decreased in 2024-25 to a total of £40.4 million (a decrease of 18.1 per cent), however this remains at a consistently high level. In 2023-24, the donations figure was skewed as it included the receipt of two £10 million tranches of a £50 million pledged gift to establish the Marshall Impact Accelerator, whereas in 2024-25, only one £10 million instalment was received. Moreover, what these figures do not reflect, are the pledges secured during 2024-25 of £88.9 million, providing confirmation that the significant investments we have made and plan to make in fundraising are well founded.

## Students, education, and tuition fees

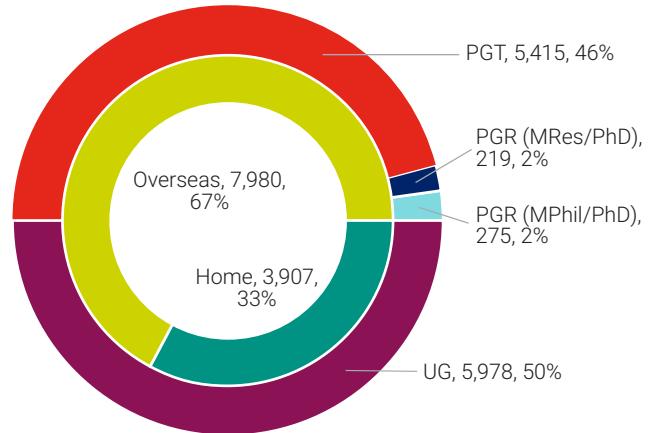
Demand for our full-time courses has continued to remain strong with 15.0 (14.3 in 2023-24) applicants per place for undergraduate study and 4.8 per place (5.0 in 2023-24) for postgraduate taught programmes. We are pleased to see that this level of demand has continued this year (2025-26).

Overall, our registered numbers increased by 0.03 per cent to a total of 11,887 in 2024-25, an increase of 3 compared with 2023-24. We slightly under-recruited in both years but have over-recruited in 2025-26 which will offset this. Great care is taken by the School to avoid substantial over-recruitment because of the impact this can have on the student experience. We are planning to maintain the full-time student population at this level over the next few years however we are concerned that the significant financial impact of the proposed overseas student income levy may require us to consider an increase our numbers. If that proves necessary, it will have to be accompanied by investment to maintain the best educational experience possible.

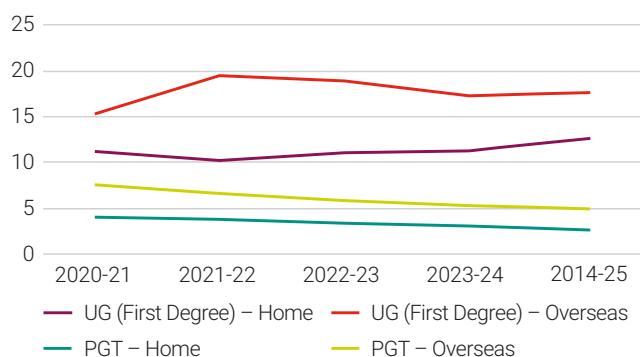
The School's overall educational experience has been recognised in several ways: from our outstanding result in the 2025 National Student Survey to being named the Times University of the Year for the second year running. In addition, the Guardian University Guide 2026 named LSE as the top university in London for the sixth consecutive year.

Our success is based on LSE performing exceptionally well across a range of areas, including scoring highly on graduate prospects, research quality and continuation rates. The continuing improvements across teaching and student satisfaction are the result of a longer-term, School-wide focus on excellence in education.

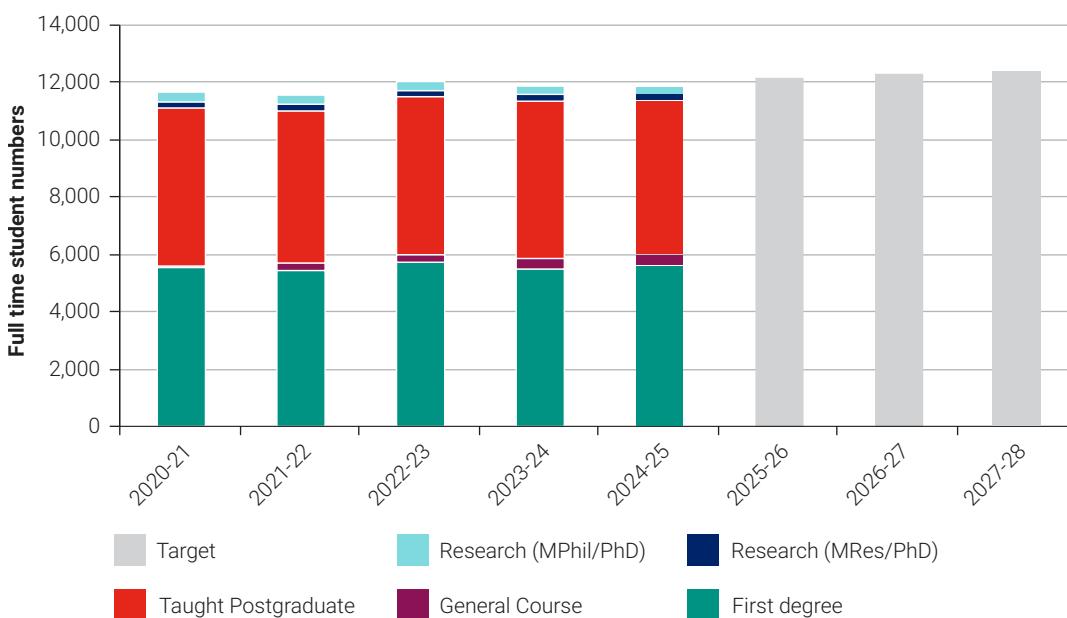
## Full time students in 2024-25 by level and fee status



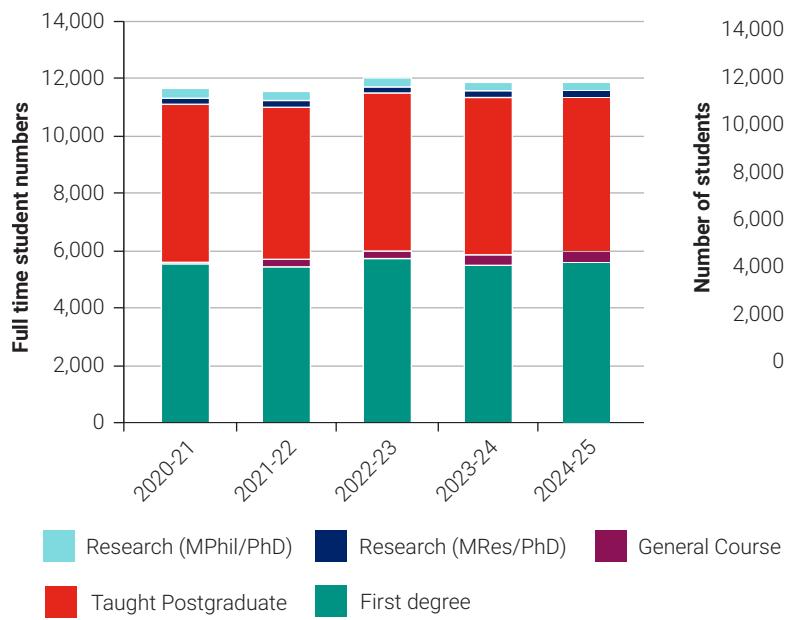
## Applications per place



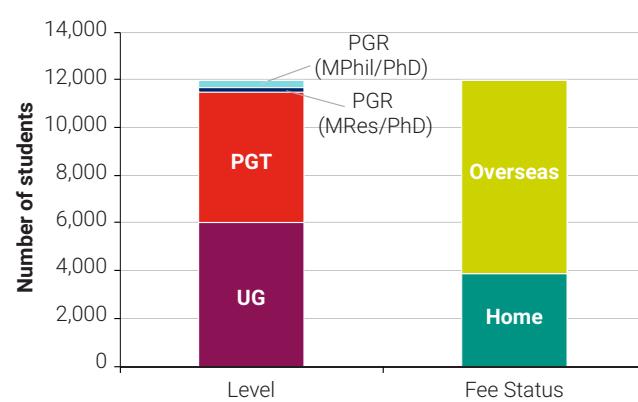
## Full time student recruitment and planned growth



### Full time students in 2024-25



### Full time students in 2024-25



### Full-time students by domicile in 2024-25

Full-time students by HESA domicile 2024-25	Student numbers	Student population (%)
United Kingdom	4,279	36.0%
International	7,608	64.0%
<b>Total</b>	<b>11,887</b>	<b>100%</b>



## Financial support for PhD (postgraduate research) students

The School has two flagship funding schemes for doctoral students: our own LSE PhD Studentship scheme which supported 215 (2023-24: 249) fully funded students across four years of study and the Economic and Social Research Council Doctoral Training Partnership (DTP) schemes supporting a further 86 (2023-24: 122).

In addition, PhD students are funded by philanthropic support and other Research Councils, and some institutes and departments provide scholarships from their own resources. All these awards provide a stipend to cover living costs and the PhD tuition fee. They are awarded on academic merit and research potential and are highly competitive.

The combination of both LSE PhD Studentships and ESRC DTP Studentships means that 43% of doctoral students enrolled at the School had full funding. Additionally, the School provides funds to support conference attendance and the writing-up period for all our PhD students. LSE continued to offer additional funds to support students impacted by COVID-19 in the form of extensions to their original funding packages where the pandemic impacted on their research.

## Financial support for undergraduate and postgraduate students

As part of our commitment to widening participation in higher education, in 2024-25 the School spent £19.3 million from general resources on needs-based bursaries and scholarships for undergraduate and postgraduate students to enable them to study at the School.

For UK undergraduates, the School continues to deliver on the commitments in our Access and Participation Plan with the Office for Students to widen access for students from specific under-represented groups. Home UK undergraduate students from lower-income households are eligible for bursaries up to the value of £4,000 per year for each year of study (increasing to £4,250 in 2025-26). In addition, we offer accommodation bursaries at our halls of residence and several philanthropic scholarships, including our Ugglia Family Scholars Programme, now in its 3rd year. This comprehensive package of financial support provides a 50% fee remission and generous stipend package of just over £17,000 per academic session for undergraduate students from BAME and under-represented groups. There are now three full cohorts a total of thirty students supported by this programme with a further six cohorts to be recruited over the whole ten-year agreement. This programme together with our outreach work and evolving approach to contextualised admissions, has resulted in increasing numbers of Home UK students from widening participation target groups enrolling at the School.

All incoming PGT students, are invited to apply for financial support and considered for central School funding through the Graduate Support Scheme (with awards that range from £5,000 to £15,000) as well as other LSE Scholarships generated by PAGE and long-term endowment funds held by the School. UG International students are supported by the School funded Undergraduate Support Scheme (based on financial need for up to three or four years of study) as well as PAGE generated scholarships. These awards can range between a contribution of their tuition costs to full support packages for fees and maintenance, for up to three or four years of study, depending on the length of the programme.

In 2024-25, we launched a new Care-Experienced and Estranged Student Bursary, awarding an additional £1,000 per year of study to students with some of the most challenging personal circumstances. Student feedback underlined the difficulty of meeting costs associated with moving to university and securing accommodation at the start of the year, so half of the bursary amount is available before a student embarks on their studies. Twenty-two care-experienced or estranged students received this additional support in the first year of the scheme.

## Careers support during and after LSE

A degree from LSE is internationally recognised and respected, and our graduates go on to pursue fulfilling and successful careers in a wide variety of sectors across the world. Employers value an LSE education for its intellectual rigour and for the breadth of our students' experiences within and alongside the curriculum.

Graduate outcomes data, the UK's principal record of employment outcomes for graduates from Higher Education, emphasises our students' success in the employment market. Of those responding in the latest exercise, 2022-23, 92.4% were in employment or further study at a higher level. In another key barometer of success, LSE secured an Employer Outcomes score of 99.9% in the 2026 QS World rankings.

LSE Careers prepares students for post-university life and success in the labour market by offering an extensive careers programme and opportunities to develop key skills. Support is provided through a core offer available to all, complemented by targeted activities delivered within academic departments and to groups with specific needs. Students have access to themed and sector-focused activities encompassing workshops, employer events, engagement with alumni as well as one-to-one discussions, work-based learning opportunities and a substantial portfolio of online information and resources. With much of the programme delivered in-person, they can choose to attend appointments online while virtual and hybrid events ensure contact with internationally based employers and alumni.

Our programme reflects a dynamic employment landscape and emerging interests, ensuring that students and recent graduates can learn about and engage with professionals working locally and internationally in a broad range of careers. During 2024-25, we worked with students, employers, alumni and colleagues from across the School to develop a bespoke framework that helps students identify and articulate the skills gained through their academic work and the broad range of activities with which they engage, while connecting these with the wider professional and societal landscape within which their careers will evolve. We developed a model to support the appropriate use of AI within careers activities, both as an effective research tool and in the preparation of applications and worked with employers and alumni to understand the emerging impact of AI on their sectors.

International students hoping to work in the UK are given specific support, and, in response to a more challenging context within the UK, our programme for those seeking to work internationally was expanded. We continued to develop our diversity and inclusion initiatives, directly supporting students from underrepresented backgrounds, collaborating with colleagues on a series of new initiatives.

Recognising the importance of work experience in securing employment, LSE Careers' fully funded work-based learning programme supports students with limited work experience and those seeking to build experience in sectors where paid opportunities can be hard to access. Our internal Graduate

Internship Scheme offers opportunities for significant work experience across the School. We directly support several academic department-based internship schemes and, through our Parliamentary Internship Programme, provide opportunities for masters students to carry out paid work with MPs alongside their studies.

These paid, in-person opportunities are complemented by a virtual programme through which students can complete a series of online professional skills modules, specifically designed for LSE students. They are also able to collaborate with fellow students on short, employer-designed projects, providing an effective springboard into longer, more in-depth experiences. This year saw the inclusion of a greater number of international and sustainability projects.

Our careers programme is designed to support students and alumni wherever they are in their career and to help them lay the foundations of effective ongoing career management, empowering them to continue to learn, grow and succeed.

## Extended Education - Summer School and University of London

A major restructure was undertaken in 2024-25 to create a new division of Lifelong Learning alongside Extended Education. The online short courses and executive programmes which previously sat in Extended Education now sit under the aegis of Lifelong Learning and are reported on separately. Extended Education remains the home of Summer School and the University of London Global Programmes.

Summer School 2025 was an overwhelming success, and saw 8,620 enrolments across the three sessions, taking us to within 1% of 2019 pre-pandemic peak. The US remains our largest market by some distance, and its dominance grows, now representing 56 per cent of all enrolments. The largest session by far is Session One, which accounted for almost all the growth in enrolments.

The Global Programmes, delivered in partnership with the University of London, recruited 2,358 new students studying at Teaching Centres in 2024-25, and a further 487 on the online variant supported by 2U. The total student population across the whole programme was 8,922 (7,413 at teaching centres, and 1,509 online). The number at teaching centres has declined a further 8% since 2023-24. A significant transformation project is underway to reimagine the delivery of these degrees and safeguard their future.

A new Summer School pathway for Global Programmes students was launched this year, which enables students to embed Summer School into their degree. 156 of these students attended Summer School in 2025, with 79 of them taking advantage of the pathway. We see this as an important development that brings together two of the ways LSE is seeking to broaden access and the reach of our education.

## Lifelong Learning - Executive Education and LSE Online

Executive Education delivered a mixed but resilient performance in 2024-25. Open enrolment was strong in the first half but softened later as economic uncertainty impacted corporate and self-funded demand. Interest declined in areas such as EDI, sustainability, and climate change, with growth coming in areas such as AI and Leadership. To support growth within a constrained teaching calendar, an additional delivery week was introduced in May, which will expand capacity. Custom Executive Education remained robust and finished significantly ahead of budget. As organisations confront rapid technological, economic, and societal change, they

are seeking adaptable, context-specific learning partners; we therefore plan significant expansion of the LSE custom portfolio to meet this strategic need.

Online learning remains a key part of LSE, bringing our research and teaching to a professional audience more flexibly than traditional degree programmes. The portfolio recorded a modest year-on-year revenue increase and a healthy uplift in surplus. Online Certificate Courses remained the largest contributor with 9,230 enrolments and five new products have been successfully launched since summer, including two stacked pathways. The Online Career Accelerators delivered strong results for Data Analytics and the Digital Marketing accelerator. The LSE AI Leadership Career Accelerator, designed to lead AI-powered business transformation, has been extremely successful, attracting record number applications for its second cohort. We also launched our first credit-bearing programme, a Postgraduate Certificate in Data Analytics. Shorter-form segments remained stable and continue to support LSE learners, providing effective pathways into our higher-value offerings.

While portfolio performance has been strong over the past years, results remain uneven and require continued focus. To harness the significant potential of Executive Education and LSE Online and develop new lifelong learning opportunities, LSE created in summer 2025 the new Lifelong Learning Division. LSE Lifelong Learning, comprising Executive Education (open and custom programmes), LSE Online, Professional Development courses and support to the Executive Masters portfolio, will extend LSE's educational reach and further develop global learning opportunities to professionals, corporates, and organisations. This strategic move positions LSE for growth and innovation, and directly responds to demand from corporates, our alumni and the wider LSE community for lifelong upskilling and reskilling.



## Office for Students (OfS) and UK Research Innovation (UKRI) grants

The School's primary sources of direct public funding were OfS and Research England recurrent and capital grants. During the year, the School recognised recurrent quality-related research (QR) and Higher Education Innovation Funding (HEIF) grants for the academic year of £22.3 million, Recurrent Research Capital

Investment Fund (RCIF) allocations of £1.5 million, a non-recurrent capital grant of £2.0m and non-recurrent, supplementary and additional grant allocations of £1.9 million, a total of £27.7 million of Funding Body grants compared to £26.8 million in the previous year. The School continues to receive a reduced QR research grant allocation due to the revised formula Research England employed post REF 2021.

	2024-25	2023-24	Change	
	£m	£m	£m	%
Grants related to teaching (OfS)	0.3	0.5	-0.2	-40.0%
Recurrent research grant (UKRI) and GCRF	16.9	16.8	0.1	0.6%
Higher Education Innovations Fund (HEIF)	5.4	5.3	0.1	1.9%
Other specific grants	5.1	4.2	0.9	21.4%
	<b>27.7</b>	<b>26.8</b>	<b>0.9</b>	<b>3.4%</b>

## Research and Innovation

The Research and Innovation ecosystem at LSE is vibrant, diverse and progressive. It encompasses structural and competitive funding streams to support the research and innovation lifecycle, from undertaking frontier-leading basic research through to generating meaningful impactful change and the commercialisation of our ideas and expertise. The introduction of the Research for the World Strategy in 2023 defined strategic priorities for the School in relation to Research, Impact and Influence, and People and outlined how LSE will enable and support world-class research and researchers across the social sciences, while having the widest possible impact. Delivery of these priorities was initiated during FY 2023-24 and continues at pace.

### Research Grant Awards

This year, we report in terms of research grant awards:

- A significant increase in EU research awards in the future pipeline since UK association
- An increase in UKRI grant income
- Success rates for research grants by volume continue to be relatively high.

Large grants awarded during the year included:

- £9.9 million from the Economic and Social Research Council (ESRC) for the continuation of the ESRC Centre for Economic Performance (CEP) Institute 2025-2030
- £14.8 million award by the European Research Council (ERC) across 10 fellowship grants through the Horizon Europe Programmes
- £2.5 million from the Wellcome Trust to understand the cost and benefits to health and finances when increased access to diagnostics is provided, focusing on the African Region
- £1.9 million from the Sequoia Climate Foundation for the India Programme on 'Enabling an Equitable and Scalable Transition in India' ('The India Programme')

• £1.9 million from the National Institute for Health and Care Research (NIHR) to fund the NIHR Policy Research Unit in Policy and Innovation and Evaluation.

• £1.5 million from Natural Environment Research Council (NERC) to assess opportunities for unlocking private sector funding in climate adaptation to identify the extent to which adaptation can be made an attractive investment, whilst also mitigating the impacts of climate change on communities and the economy.

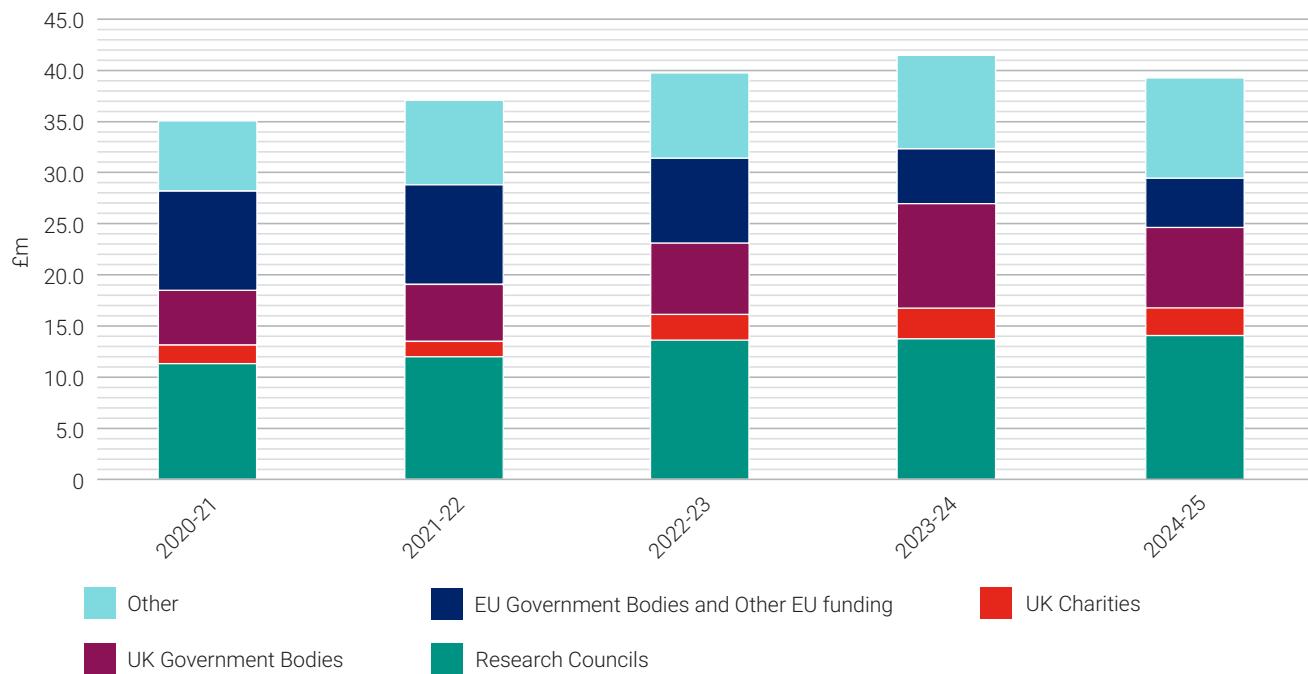
Research grant awards in the future pipeline have grown by 11.0 percent, largely due to improved success with UKRI and EU Government funding.

Internally, the School has launched new themed internal seedcorn funding schemes to support the development of applications for external funding, to good effect alongside the introduction of new partnerships funding with LSE's select academic global research partners. In addition, internal structures to support grant development have continued to evolve particularly around ideas facilitation and network development, trusted research, partnership development and evaluation and analysis services.

### Research Grant Income

For research grant income, we can report a total of £39.2 million, a 5 per cent decrease from the previous year. This decrease in research income is due to the follow-on lag of EU Government funding due to the lack of UK association, as well as decreases in UK charity and UK Government bodies income. This is partly offset by research income increases seen with Research Councils and Other sources.

## Research income by Source (School)



## Innovation and Impact funding

This encompasses both impact income as well as commercial research and innovation activities. This year we report on:

- In KEF (Knowledge Exchange Framework) version 5, LSE maintained its ranking as a leading university in 3 key areas of external engagement – Public and Community Engagement; CPD and Graduate Start-Ups; and Working with the Public and Third Sector – and improved its profile in Working with Business.
- A significant increase of 30 per cent in LSE Consulting and contract research income, engaging 42 different internal academic units comprising 77 per cent new activities and an external client list majoring on corporates. This income increase also includes a successful relatively new income stream the 'Academic Speakers Bureau' that currently hosts 95 registered speakers
- ASPECT (A SHAPE Platform for Entrepreneurship, Commercialisation and Transformation) is being successfully managed as a self-sustaining membership model, with LSE the lead legal entity for the network, now comprising 40 members across the UK and internationally. The ASPECT network is a collective of institutions committed to maximising the value of commercial and business opportunities from social sciences research. It brings those supporting SHAPE commercialisation across member organisations together to share best practice, guidance, case studies and information. It also supports cross-institutional training development and pilot projects, as guided by agreed strategic aims, and ensures value for money for members.
- LSE Generate has scaled its school-programme to reach over 10,000 students across more than 11 schools worldwide. Over the past year alone, the programme has generated nearly £200k in revenue and is set to deliver four Social Innovation Bootcamp weeks next summer in the UK, New York, Hong Kong and Dubai.

LSE has continued to progress impact and innovation as a priority, supported by strategic and structural changes. These include ring fencing internal funding for projects and activities, new prize and recognition initiatives, establishing a series of meet up and community sharing fora, and refining professional support to improve a more inclusive view of impact as well as focusing on non-academic partnership development.

This work builds on the School's strengths in engaging the world beyond LSE with our research and knowledge, in the pursuit of our wider mission to contribute to the betterment of society.

## The Year Ahead

Continued progression of the Research for the World strategic ambitions will be actioned, contextualised within the research and innovation ecosystem across and within LSE, for maximum income and opportunity growth.

Programme work will conclude on the planning for and implementing of a new research management system. There will also be enhanced progression on the selection, supporting and delivering on meaningful and valuable external partnerships, alongside Government priorities for R&D within the HE sector. Finally, a new planned physical space to support student and alumni entrepreneurs will be delivered which will have an exciting role to play in generating a positive impact on 'place' and localised businesses.

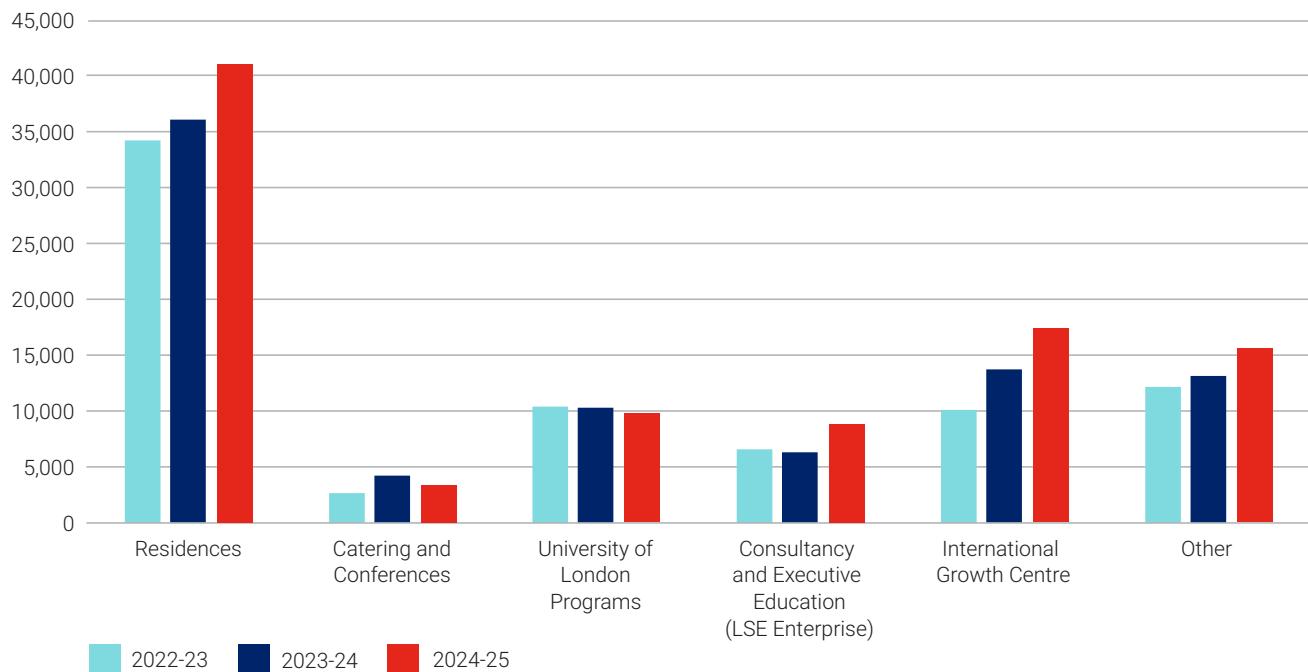
## Other income

In addition to our core activities, the School generates significant revenue from a range of other activities that are closely related to teaching and research. In 2024-25, this continued to grow across most areas, with an increase of 14.3 per cent from £83.8 million to £95.8 million. The activities covered under this heading include the following:

- Our Residences and Catering services operate over 4,000-bed spaces at eight halls of residence, University of London halls, and with commercial partners. Unlike commercial providers of student accommodation, we can offer 38-week contracts to undergraduate students, making our residences far more affordable. This is something we have been able to do by generating income from commercial letting during vacation periods. Residences and Catering income grew by 9.9 percent year on year, to £44.3 million reflecting the increase in summer school letting and an increase in accommodation fees.
- The Global Programme which operates under a collaboration agreement with the University of London International Programme. Through these programmes, LSE academic material was taught to over 8,900 students world-wide in 2024-25.
- Consultancy and custom executive education activities delivered through LSE Enterprise Limited grew by 36.7 per cent to £8.7 million.



## Other Income (£000's)



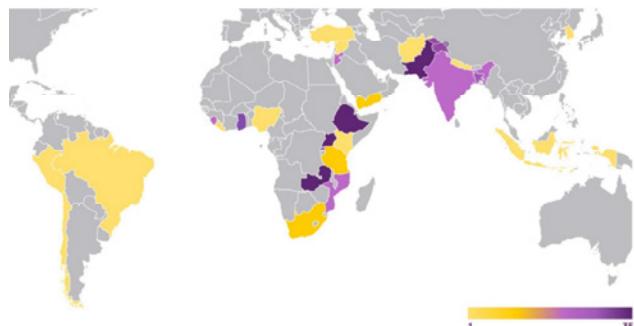
## International Growth Centre (IGC)

The International Growth Centre (IGC) is a global research centre with a network of world-leading researchers, country teams across Africa, South Asia, and the Middle East, and a set of global policy initiatives. Based at LSE and in partnership with the University of Oxford, it is majority funded by the UK Foreign, Commonwealth and Development Office (FCDO).

The IGC focuses on inclusive and sustainable growth to tackle poverty, working to improve the productivity of people and firms as the backbone of economic development. It supports governments in transitioning to resilient and low-carbon pathways to growth and in protecting vulnerable populations from the negative effects of climate change.

### Map of IGC projects and events

#### Map of IGC activity, FY2024-25



*Includes all funding origins, excluding international events and multi-country research projects.*

The IGC's programme on supporting governments to use data and AI in decision-making reached significant milestones during the year. The Zambia Evidence Lab, established in the Ministry of Finance by the IGC, in collaboration with LSE's Data Science and AI Institute, represents its largest development to date. In Bangladesh, a partnership with the BRAC Institute of Governance and Development has established a data hub and is evaluating the use of dashboards for local government decision-making. In South Africa, a long-standing collaboration with the City of Cape Town continues to promote the application of data in urban governance.

The IGC has also expanded its support for international and local researchers and strengthened local research-policy ecosystems. Its open global commissioning platform, supported by resident country teams, attracted a record number of proposals, an increase of 43% on the previous year. Of these, 55% had principal investigators based in partner countries, the highest proportion to date. These results reflect a broader set of resources developed for local researchers, including training, fellowships, and university partnerships in resident countries.

## 2. IGC's year in numbers

Value of approved CB10 projects

**£4,800,000**



**140**

high policy impact cases, of which 25 (18%) led to substantial policy change<sup>1</sup>

 *IGC*

**20** policy-relevant research outputs published<sup>2</sup>



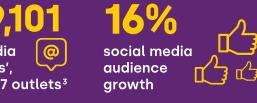
**50%**

CB10 projects with at least 1 local researcher



**4** publications in top 5 journals

**499,101** 'top media mentions' across 77 outlets<sup>3</sup>



**16%** social media audience growth

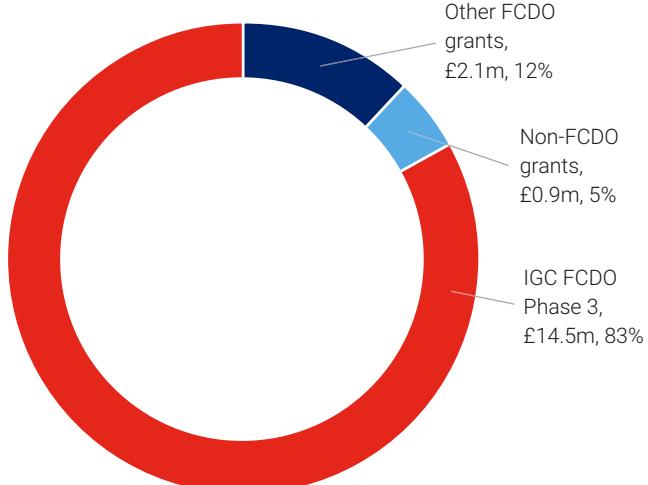


<sup>1</sup> See Box 1 for details.  
<sup>2</sup> Those include Growth Briefs, Policy Toolkits, Synthesis Briefs, Policy Notes, Synthesis Papers, and VoxbevLit.  
<sup>3</sup> In outlets with >100,000 audience reach.

*Source: 2024-25 IGC Annual Report*

In 2024-25, the IGC generated revenue of £17.5 million (2023-24: £13.7 million), which increased due to higher commissioning under the IGC FCDO Phase 3 grant.

### 2024-25 IGC income generated (£m)



The IGC incurred total expenditure of £16.2 million in 2024-25 (2023-24: £12.3 million).

## Investment income

Investment income comprises interest and dividend income from the holdings within the School's investment portfolios and working capital balances received during the financial year. Investment income increased to £12.6 million (2023-24: £11.7 million). This primarily reflects the fact that the School maintained a high level of working capital to fund the redevelopment of 35 Lincoln's Inn Fields (Firoz Lalji Global Hub project), the interest rates on our premium deposit bank accounts, of which a new one was opened in 2024-25, and carrying a high balance of cash overall which attracted interest.

Total realised and unrealised investment gains for the year were £32.2 million (2023-24: £36.7 million). The School's unrealised gains in investments relate to the change in market value of the School's investments in bonds and equities between 31 July 2024 and 2025 and are disclosed separately from Investment Income in the Statement of Comprehensive Income and Expenditure.

The School's portfolios benefitted from the general rise in equity and bond markets over the year and each of the portfolios exceeded their target return of CPI + 4.5% for 2024-25. The main investment portfolios, which hold endowment funds and the School Fund, had annual gains ranging from 5.8% to 8.7%, exceeding our target return of CPI + 4.5%.

The School recognises the importance of effective and responsible investment and investment management, especially as we continue an ambitious programme to seek philanthropic support for the School. As part of that, during 2024-25, we undertook a thorough review of the School's Environmental, Social and Governance (ESG policy) and sought input from a Consultative Group to represent all our stakeholders. Further detail on our approach to the investment and custodianship of endowments funds is set out in the Endowment Investment Performance report on page 39.

The School Fund is a portion of School reserves that have been set aside and invested on a long-term basis to cover the repayment of debt, provide a buffer in a financial crisis (for example, a future pandemic) and attract philanthropic support, enabling us to grow the Fund over time. It is also a critical part of our contingency planning. In the event of a major exogenous shock that directly impacts the School's ability to continue operating in its current mode, the Fund will provide management with the time to implement strategic adjustments to move towards a financially viable operating model. In this sense it is a key component in ensuring LSE's long-term sustainability.

	School general and designated funds £m	Endowment funds £m	2024-25	2023-24
			Total £m	Total £m
<b>Income</b>				
Investment income	9.4	3.2	12.6	11.7
Total Realised & Unrealised gain	13.2	19.0	32.2	36.7
Total return	<b>22.6</b>	<b>22.2</b>	<b>44.8</b>	<b>48.4</b>
<b>Holdings</b>				
Non-current investments	130.0	280.4	410.4	373.1
Current asset investments	145.5	-	145.5	193.4
Cash and cash equivalents*	78.5	-	78.5	55.0
	<b>354.0</b>	<b>280.4</b>	<b>634.4</b>	<b>621.5</b>
<b>Held as:</b>				
Cash and working capital*	78.5	-	78.5	55.0
Term Deposit	-	-	-	7.60
Capital Projects	145.5	-	145.5	185.8
Gift Matching	-	16.3	16.3	15.4
Growth Portfolio	-	223.8	223.8	206.6
School Fund Portfolio	126.5	-	126.5	111.4
FER	-	40.3	40.3	36.7
Shared equity housing loans & Property	3.5	-	3.5	3.0
<b>31 July 2025</b>	<b>354.0</b>	<b>280.4</b>	<b>634.4</b>	<b>621.5</b>
<b>31 July 2024</b>	<b>362.8</b>	<b>258.7</b>	<b>621.5</b>	

\*excluding balances held on behalf of TRIUM

## Philanthropic support

In 2024-25, LSE continued to secure notable philanthropic and partnership income from alumni, friends and strategic partners. LSE received a total of £40.4 million in donations and endowments during 2024-25 (2023-24: £49.3 million), including receipts from pledges secured in previous years. New commitments (gifts and pledges) totalled £88.9 million.

Shaping the World, our major philanthropic and engagement Campaign, continues to drive forward philanthropic support for School priorities. At the end of the fiscal year, with the addition of these new commitments, more than £472.5 million had been raised, towards our revised £750 million Campaign philanthropic income target. More than 5,000 donors have supported our Campaign to date.

## Alumni and volunteer engagement

In 2024-25, more than 3,500 alumni volunteers contributed 21,352 hours across our programmes supporting current students and recent graduates, taking our Campaign total to 143,876 volunteering hours. Volunteering activity takes place in-person, around the world and remotely, via our AI-powered Ask an Alum platform connecting students with alumni worldwide.

Our on-campus Alumni Centre exceeded 12,400 individual visits from 5,730 unique visitors. With 49 per cent of visitors based outside the UK, the Alumni Centre serves as a hub for our global community in London. Outreach activity around the world is supported by our network of 130+ alumni volunteer groups across 86 countries.

## Corporate engagement

In 2024-25 £3.9 million was secured from external organisations, including around 15 new contracts, 13 funding renewals or extensions into new projects. Some key highlights included welcoming new partners to LSE such as Rokos Capital Management, Builders Vision, Mitsubishi Corporation Foundation and McKinsey and Co, and new funding into our entrepreneurial and social ventures programmes such as LSE Generate and Marshall 100x Impact Accelerator.

## Planning ahead

Increasing LSE's endowment is an institutional priority, allowing greater financial security at a challenging time for UK higher education funding. Various fundraising initiatives, including matched funding opportunities, are being developed to help increase the size of LSE's endowment while generating immediate use funds from annual yields.

To help the School achieve its strategic goals through to 2030 and realise our Campaign ambitions of £750 million philanthropic income and 300,000 volunteer hours, significant investment has been made to increase both LSE's global alumni engagement provision, including across academic departments, and the capacity of income generating teams.

## Fundraising statement

The School is registered as a levy payer with the Fundraising regulator, demonstrating our commitment to good fundraising practice and to abide by the Code of Fundraising Practice and Fundraising Promise. There were no complaint returns or adjudications and investigations in 2024-25.



## Expenditure

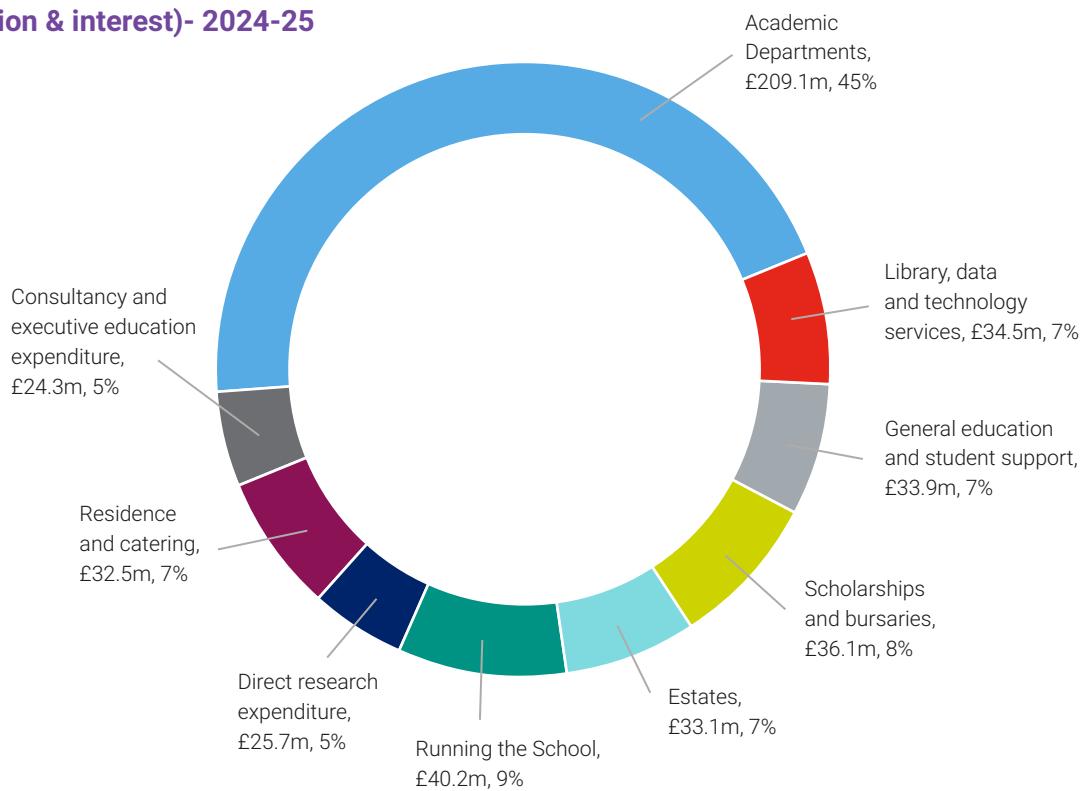
Total expenditure, excluding the £113.5 million release of the USS pension provision in 2023-24, increased by £39.5 million to a total of £502.6 million in 2024-25 compared to £463.1 million in 2023-24; a rise of 8.5 per cent. £24.4 million of the increase was from the year-on-year increase in payroll - a 9.1 per cent increase arising from the increase in employer NIC contributions from 13.8 per cent to 15.0 per cent in April 2025, the national pay award for LSE staff which ranged from 2.5 - 5.7 per cent depending on salary band and a one-off lump sum increase of £1,300 (pro rata) for all staff, and planned increases in staffing, mainly in academic departments, fundraising, research support and student recruitment.

Non-pay operating costs increased by £11.7 million year on year (compared to £11.5 million between 2022-23 and 2023-24), a 7.2 per cent increase that reflects the impact of the higher rates of inflation that we have experienced recently.

The elements that contributed to the non-pay cost rise are:

- Increased spending on scholarships of £2.4 million
- Increased expenditure in line with external funding: International Growth Centre, Marshall Institute Accelerator, Consulting, and Global School of Sustainability (£8.3 million)
- These increases were partially offset by a decrease in research grant expenditure in line with income (£3.4 million)

## Use of funds generated from income (excluding changes in pension provision, depreciation & interest)- 2024-25



### Academic departments

Delivery and support of research-led student learning and teaching and student research projects. Includes academic and departmental support staff salary costs and resources.

### Library, data and technology services

Includes IT and library resources provided by the School.

### General education and student support

Includes counselling services, careers advice, Students' Union, registry, admissions and health services.

### Estates

Cost of maintaining and running the campus, teaching spaces, student support spaces, and sports facilities.

### Running the School

Includes centrally managed services such as admissions, finance, human resources, communications, planning and strategy delivery.

## Procurement

Our procurement policies and processes are central to delivering value for money for all stakeholders. While LSE is not legally required to comply with the Procurement Act 2023, we continue to voluntarily uphold its principles, competitive tendering, regular benchmarking, and collaboration through the London Universities Purchasing Consortium (LUPC).

This year, we embedded new AI procurement technology enabling faster specification development and more robust procurement outcomes.

LSE's commitment to responsible and sustainable procurement is reflected in our comprehensive Supplier Code of Practice, which integrates our Sustainability Policy, Energy Policy, Modern Slavery Statement, Responsible Procurement Policy, and ESG Investment Policy.

### Strategic Partnerships

- **Electronics Watch:** Our Director of Procurement serves on the board of trustees, supporting workers' rights in electronics supply chains. Through our affiliation, we collaborate with over 1,500 public buying organisations in 14 countries to uphold labour and safety standards, using public procurement leverage for worker-driven monitoring and remediation.
- **Net Positive Futures:** In partnership with more than 60 UK universities, we monitor suppliers' progress towards Net Zero targets.

### Financial Performance

In 2024-25, procurement-influenced expenditure reached £142 million (2023-24: £141.5 million), a modest increase of 0.4%. The team awarded 482 contracts (2023-24: 358), reflecting expanded activity. Annualised savings totalled £6.1 million (5.2%), more than double the previous year, enabled by our new Procurement tool. On the 27 contracts using these tools, savings reached 15%.

Our strategic partnerships and robust procurement principles ensure LSE remains at the forefront of responsible and sustainable procurement.

The School recognises its responsibility to meet contractual obligations in a timely fashion and to this end works to pay all approved invoices following agreed terms of payment. The School's standard payment terms are 30 days net. In 2024-25, the amount due to trade creditors was equivalent to 17.4 days of purchases compared to 18.7 days at the end of 2023-24.

## Pension schemes

LSE staff on salary band 6 and above are eligible to join the Universities Superannuation Scheme (USS). An 'Exclusivity' agreement between the School and USS prevents the School from enrolling eligible staff in any other pension scheme. All other staff may join the Superannuation Arrangements of the University of London (SAUL).

The Trustee of each scheme must carry out a full actuarial valuation at least every three years to determine whether it has sufficient funds to pay the pensions promised, or a credible plan to recover any shortfall (via a deficit recovery plan which must, by law, aim to eliminate any deficit).

The actuarial valuations undertaken by the Trustee are calculated based on the level of risk the schemes' plan to take in the long term, in pursuit of investment returns (which part-fund pensions), expected returns and planned contribution income.

## SAUL scheme

The SAUL scheme provides pensions to staff at several universities and related employers in and around London on a collective basis. The latest full actuarial valuation for the SAUL pension scheme was carried out with an effective date of 31 March 2023 which showed a surplus in the funding position of the whole scheme amounting to £134 million (105 per cent funded) at the valuation effective date. As SAUL was in surplus on a Technical Provisions basis at that date, no deficit contributions were required. The next full actuarial valuation will be undertaken with an effective date of 31 March 2026.

In between full valuations, the Trustee undertakes a mini assessment of the financial health of the scheme and the most recent available funding check undertaken as of 31 March 2024 showed an increased surplus of £243 million (109 per cent funded) at that date.

The Employers' contribution for the Defined Benefit (DB) portion of the scheme is currently set at 19 percent; decreased from 21 per cent on 1 September 2024. The employee contributions for members have remained at 6 per cent of pay. Employees who commenced employment and joined SAUL for the first time after 1 April 2023 are enrolled into a new Defined Contribution (DC) section of the scheme for the first three years of membership. The Employers contribution rate to this section of the scheme is 16 per cent and members contribute 6 per cent of pay.

## USS scheme

The latest full actuarial valuation for the USS pension scheme was carried out with an effective date of 31 March 2023 identified a surplus of £7.4 billion on a technical provision basis; a funding ratio of 111 per cent. The next triennial valuation of the Scheme is planned to be undertaken with an effective date of 31 March 2026.

In between full valuations, the Trustee reviews the funding position of the scheme on a monitoring basis, which does not involve the same detailed review of all the underlying assumptions that occurs during the triennial full valuation. The interim actuarial assessment for the Scheme as at 31 March 2025 showed an increased surplus at that date of £10.1 billion (116 per cent funded).

In December 2023, employer contribution rates were reduced to 14.5 per cent following the 31 March 2023 actuarial valuation, and this remained effective in 2024-25. Employee contributions were reduced at the same time to 6.1 per cent.

The scheme continues to maintain a suite of debt monitoring metrics designed to assure the Trustee that the financial covenants provided by member institutions were not being unduly downgraded by additional borrowing or reduced operating performance. The School has complied with these metrics for 2024-25.

Accounting standards required that a provision for the discounted value of future contributions to cover the deficit (identified in the prior year) is included in the balance sheet (note 20). As set out in the note, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis and as such, the previous provision of £110.0 million at 31 July 2023 was released to the Consolidated Statement of Comprehensive Income and Expenditure during 2023-24. While the School is pleased with the Scheme's improved financial position, we remain concerned about potential deterioration if rates fall or investment returns falter. Above all, the School is keen to ensure we can continue to provide attractive and affordable pension benefits for all our staff. We remain keen to work with USS and our stakeholders to explore options that offer better benefits at the same or lower contribution rates and ensure flexible, lower-cost options are available.

## Balance sheet

By 31 July 2025, School's net assets increased by £83.7 million (8.3%) to a net value of £1,092.5 million compared with £1,008.8 million at 31 July 2024.

The increase in net assets consists of EBITDA of £84.0m plus investment and gains of £32.9m less depreciation of £20.8m and interest of £12.4m. Significant transactions affecting the balance sheet in 2024-25 have been the purchase of 61 Aldwych (fair value of £167.07 million), a new term loan (£130.0 million to Creditors falling due after 1 year), and the liquidation of one of the working capital portfolios (£46 million of current asset investments).

The Group is reporting a net current asset position of £167.6 million at July 2025 compared to £192.7 million at July 2024. The decrease is primarily due to the liquidation of one of the working capital portfolios for £46 million, which is partly offset by the underlying operating surplus and net cash inflow in 2024-25.

A year-on-year comparison of balance sheets presented within the table below highlights these substantial changes over 2024-25.

Group	2025	2024	Change	
	£m	£m	£m	%
Tangible and intangible assets	955.5	758.3	197.2	26.0%
Non-current investments	413.2	375.9	37.3	9.9%
Non-current debtors	0.1	0.2	(0.1)	-50.0%
<b>Total non-current assets</b>	<b>1,368.8</b>	<b>1,134.4</b>	<b>234.4</b>	<b>20.7%</b>
Current asset investments	145.5	193.4	(47.9)	-24.8%
Stock	0.8	0.5	0.3	60.0%
Debtors	61.0	53.2	7.8	14.7%
Cash and cash equivalents	83.4	61.3	22.1	36.1%
<b>Total current assets</b>	<b>290.7</b>	<b>308.4</b>	<b>(17.7)</b>	<b>-5.7%</b>
Creditors: falling due within 1 year	(123.1)	(115.7)	(7.4)	6.4%
<b>Net current assets</b>	<b>167.6</b>	<b>192.7</b>	<b>(25.1)</b>	<b>-13.0%</b>
Total assets less current liabilities	1,536.4	1,327.1	209.3	15.8%
Creditors: falling due after 1 year	(443.9)	(318.3)	(125.6)	39.5%
<b>Net assets</b>	<b>1,092.5</b>	<b>1,008.8</b>	<b>83.7</b>	<b>8.3%</b>
Expendable endowments	116.7	112.0	4.7	4.2%
Permanent endowments	159.4	143.4	16.0	11.2%
Endowment reserves	276.1	255.4	20.7	8.1%
Restricted reserves	67.6	51.0	16.6	32.5%
General reserve	748.8	702.4	46.4	6.6%
<b>Total reserves</b>	<b>1,092.5</b>	<b>1,008.8</b>	<b>83.7</b>	<b>8.3%</b>

## Funding strategy

Our funding strategy was adopted by Council in 2017 when it approved the Statement of Funding Principles. This provides a framework for borrowing, investing, and applying surpluses to support the long-term development of our infrastructure to ensure it and the School's finances are sustainable. It is our strategy to fund capital development on a portfolio basis rather than a building-by-building basis, using cash flow and cash reserves to leverage external grants and donations and periodically raise funds through long-term debt. The School believes that it is appropriate to make use of long-term borrowing to fund the development of its asset base and uEBITDA to fund development of the technology infrastructure. Funding new facilities or major modernisation work using long-term borrowing ensures that the cost is borne by those who benefit from the investment in the future.

In 2022, the School launched a Sustainable Finance Framework (SFF), to raise finance to fund environmentally and socially sustainable projects at LSE. The establishment of the Sustainable Finance Framework aligns the School's social purpose and Sustainability Strategic Plan with its funding and financial strategy. Standard and Poor Global Ratings provided a Second Party Opinion confirming the framework's alignment to international Green and Social Bond Principles.

Under the SFF, the School has so far successfully secured the following funding:

- £175 million sustainable private placement raised in 2022, of which £125 million has so far been drawn. The £125 million has been fully allocated against eligible green projects, including the Marshall Building and student bursaries
- £130 million term loan signed in February 2025, which is fully drawn. This is to be fully allocated against 35 Lincoln's Inn Fields (Firoz Lalji Global Hub) in the coming years

The School publishes an annual Impact & Allocation Report, which is externally assured by DNV, to outline the allocation of proceeds raised under the SFF. During 2024-25, the School published its second Impact & Allocation Report to 31st July 2024, which confirmed that the £125 million private placement drawn had been fully spent on eligible green & social projects in line with the framework. The School will publish its third Impact & Allocation Report in 2025-26, which will confirm how some of the £130 million term loan has been spent. Reports will be published annually until

the proceeds have been fully allocated and the eligible projects are practically complete.

The new loan, in addition to the School's existing borrowing, has been fixed with interest rate swaps, so that no more than £15 million (present value) of the School's total borrowing remains unhedged at any time.

## Cash, working capital & investments

The School's cash and investments comprise of cash (held in sterling, dollars and euros), bonds, equities, money market funds and property holdings. The School's Working Capital portfolios are held in line with the School's Treasury Management Policy with the aim of prioritising the security and liquidity of the funds to ensure the School can meet its operational liabilities as required.

The School's average cash and working capital balance held throughout 2024-25 was £241.8 million compared to an average balance of £236.3 million in 2023-24. This high level of working capital is primarily due to the proceeds from the School's green loan signed in February 2025 which is invested in shorter term corporate bond portfolios (presented as current asset investments within note 15). These funds are set aside for the redevelopment of 35 Lincoln's Inn Field (the Firoz Lalji Global Hub) over the coming years.

Cash and working capital forecasting is an important aspect of our financial planning process. During 2024-25 there was a net cash inflow from operating activities of £61.0 million (compared to an inflow of £64.8 million in 2023-24). The decrease in 2024-25 is primarily driven by a decrease of £9.5m in donations and endowment income, which is partly offset by an increase in several other income categories (e.g. funding body grants, other income, and investment income).

Additionally, the School retains access to credit facilities, available until 2032, should the need for additional short-term liquidity arise. Our cashflow projections over the next few years do not require us to use this facility although we may choose to do so as part of our treasury management process.

The School's non-current investment portfolios have a longer-term outlook and are managed to ensure returns are maximised whilst operating within a set of risk parameters that are appropriate to the purpose for which the funds are held. Further details of the investment portfolio performance can be found on page 39.



## Capital expenditure

During 2024-25, a total of £217.8 million was spent on capital infrastructure related to the construction and acquisition of tangible and intangible assets. This expenditure primarily related to the following:

- the strategic purchase of 61 Aldwych for £167.1 million to significantly expand the School's footprint, conveniently located adjacent to the existing campus, and accommodate additional teaching and research facilities which will benefit the School and its stakeholders in the long term
- the design and development of the Firoz Lalji Global Hub at 35 Lincoln's Inn Fields (£14.9 million). The Global Hub will be a new flagship centre for the School to better facilitate executive education and act as a convening point for an extensive events programme. As the building will be redeveloped to a very high environmental standard it is being partly funded by financing raised under the School's Sustainable Finance Framework
- improved infrastructure on campus and in teaching spaces (£6.0 million)
- the decarbonisation of the Lionel Robbins Building (£2.5 million) which is being part financed by government grants (disclosed under Capital grants in note 2)
- refurbishment and electrification work totalling £1.8 million within the School's Old Building
- £9.7 million invested in new operational systems as part of our HR and Payroll Transformation programme, Course Selection and Timetabling rationalisation project and Identity and Access Management programme.

The School reports fixed assets at cost less accumulated depreciation and impairment. We have concluded that while the market value of the School's estate is significantly higher than book value, to show all or some of the properties at market value would not offer the reader of these statements any greater insight into the School's operations. Had that approach been taken we estimate that the value of the School's freehold and leasehold property would be approximately £1.6 billion. The option to adopt a revaluation policy remains available and is reconsidered periodically.

## Residence development

The development of the School's new residence at Glengall Road has now been completed. The brand-new 15-storey hall of residence offers 676-bed spaces, with facilities including a gym, courtyards, roof terraces, shared kitchens, a cinema room, student common rooms, and an innovative 'Street' layout designed to build a community within the hall. The hall opened in September 2025 and is fully let to this year's postgraduate taught intake. The project is structured as a partnership with LSE holding a minority 19.9% of the equity in a special purpose vehicle, Spark Living (LSE Glengall Road) LLP, which has purchased a long lease on the site from the School. The School's shareholding in Spark Living is held via intermediary subsidiary companies and disclosed in note 13. The payment for the long lease on the site is treated as Deferred Income in note 18.

The School has continued to progress with plans to the redevelopment of Bankside Hall, a residence located behind Tate Modern in Southwark. This exciting development will offer us the opportunity to add c.1,200 bed spaces and provide a key component for the School's strategy to deliver 6,000 bed spaces. Following an extensive tender process the School selected as partners, a consortium of Equitix and Bouygues – both have extensive experience in student accommodation development. In April 2024, following a selection process run jointly with the School and our partners, we appointed Carmody Groarke / Sheppard Robson as the architects for the scheme. We submitted the scheme for planning permission in September 2025 and, subject to the outcome of this, hope to open a new hall on the site in 2032. The development will be funded through a joint venture entity formed by the LSE and our partners. LSE will grant a lease on the site to the JV which will lead on the design, construction, and operation of the hall according to a specification and framework established with the School. Once in operation, the School will retain the right to nominate beds annually for the duration of the JV's lease, with the building reverting back to LSE ownership thereafter.

## Taxation

The School is an exempt charity within the meaning of the Charities Act 2011 and recognised as a charity by HM Revenue and Customs. Our commercial trading activities are undertaken through subsidiary companies.

Indirect tax (VAT) and payroll taxes collected and paid to HMRC (PAYE, National Insurance contributions and Apprenticeship Levy charges) amounted to £2.1 million and £89.7 million respectively.

LSE is committed to ensuring that it continues to meet its responsibility for governance, risk management, and decisions made in relation to taxation. We aim to comply fully with our legal obligations and engage openly with tax authorities and other stakeholders whilst also effectively managing the School's and its staff's tax expenses. Our latest tax strategy is published on the School's website.



## Strategic Risks

### Understanding our risks

The vision articulated in LSE's Shaping The World strategy will always carry certain risks. Effective risk management helps to achieve our strategic objectives, whilst protecting the School's stakeholders, reputation, and sustainability.

### Risk management processes

The School Management Committee (SMC) monitors and reviews emerging and changing risks throughout the year. These processes are reviewed by Audit Committee, with Council informed regularly as part of the President and Vice Chancellor's report.

**The Strategic Risk Register** acts as the main tool for the evaluation of risk and aligns with LSE's strategy through dashboard targets. The management of each strategic risk is formally assessed by the risk owner at least once each term and reviewed by the SMC, which ensures that the risks are being actively managed, with the appropriate strategies in place.

Each strategic risk is graded with a level of risk tolerance. Once tolerance has been defined, SMC evaluates what action needs to be taken to address the risk. The School's approach is to minimise its exposure to reputational, compliance and financial risk, while accepting and encouraging an increased degree of risk in pursuit of its mission and objectives. It recognises that its tolerance for risk varies according to the activity undertaken.

Strategic risks are now evaluated along with the most pressing or relevant endogenous and exogenous risks mapped across three further central registers:

**The Political Risk Register** evaluates the exogenous risk environment to the School, by examining the risks posed by changes in UK government policy, as well as the impact a more febrile international political landscape may have on LSE's sustainability.

**The Business Model Risk Register** evaluates exogenous and endogenous risks to the School's business model, considering the impact on the Financial Plan posed by external factors such as UK government funding cuts, a potential global recession, recruitment markets, and internal factors like the costs involved with such major undertakings as improvements to existing information architecture.

**The Operational Risk Register** evaluates endogenous risks arising from the School's processes and systems, including IT security and travel safety.

Key operational risks in academic departments and service areas are identified and managed at the appropriate level within the organisation. Internal Audit undertakes reviews of key areas throughout the year, and these are reported to the School's Audit Committee.

All major projects have individual risk registers and risk assessment is incorporated into planning and decision-making processes. Risk assessment training and awareness is promoted through the management structure by the Strategic Risk Manager.

### Managing Risk Through Change

Change continues to define the life of the School. In 2025, LSE began preparatory work on the Operational Excellence Programme (OEP), a mission-driven initiative designed to address longstanding risks related to operational inefficiencies and resource constraints. The OEP aims to transform systems and culture across the School,

enabling staff and faculty to work more effectively and collaboratively. Its phased approach reflects lessons from past experience and prioritises deliberate, inclusive change. Leadership transitions have also shaped the year. LSE welcomed its first General Counsel, Elizabeth Messud during 2024-25. Post year end, the Pro-Vice Chancellor for Faculty Development, Charles Stafford, finished his term in post and has been replaced by Alex Voorhoeve, while Chief Operating Officer Andrew Young will retire in April 2026. These internal developments unfold against a backdrop of global uncertainty, with strategic risk management central to decision-making across education and research. In student recruitment, LSE is diversifying its model to reach a broader range of international markets. This complements ongoing efforts to expand philanthropic development and the Extended Education portfolio. Summer School attendance has rebounded since the pandemic, but competition from UK and international institutions—including private providers—remains a strategic concern.

The School recognises that attracting and retaining top faculty is a significant risk. To mitigate this, LSE has committed £100 million over seven years to staff investment and is advancing a research strategy focused on sustaining excellence. This strategy includes three targeted workstreams: delivering an integrated research infrastructure to support high-quality, timely research; establishing a School-wide income model to ensure a balanced and diverse funding portfolio; and embedding a robust impact and engagement ecosystem to maximise the real-world value of LSE research. These initiatives enhance visibility, accessibility, and user experience across the Research Lifecycle. In parallel, LSE continues to prioritise staff retention through competitive reward packages, including active engagement in USS pension reform to ensure affordability for all our staff.

Understanding how external developments affect internal structures is key to effective risk management. LSE is taking a strategic approach to artificial intelligence, balancing opportunity with caution. A new partnership with Anthropic expands access to AI tools across the student community and supports responsible innovation in education. Additionally, a three-year partnership with Microsoft will bring Microsoft 365 Copilot to staff, enhancing productivity while managing associated risks. Global instability—including the wars in Ukraine and the Middle East—has emphasised the impact of exogenous threats on campus life. LSE remains committed to the safety of its community.

The proposed international student levy of 6%, initially trailed in the May 2025 Home Office white paper and now a component of the Higher Education White Paper adds another element of political and financial risk to our financial planning. We will continue the approach we adopted successfully during the pandemic of regularly stress-testing our Annual Financial Plan against a range of downside scenarios to ensure we have the financial headroom to provide time to respond to risk in a measured and strategic fashion. This requires that a continuing degree of financial discipline is applied to all our decision making.

Meanwhile, the School is actively addressing risks related to sustainability and climate change. In 2024, LSE was ranked the UK's top university for environmental sustainability in the QS Sustainability Rankings. Key developments include the Firoz Lalji Global Hub—LSE's first net-zero building—£2.7 million raised in matched decarbonisation funding, COP28 contributions from the Grantham Institute, and the launch of the Global School of Sustainability, supported by a generous gift.

Operational risks also include the continued threat to the IT estate from cyber-attacks. The Chief Information Officer is leading the

implementation of the Technology Strategy to strengthen digital resilience. A renewed focus on budgetary discipline and operational planning—guided by the risk framework—ensures consistent and value-driven resource allocation across professional services.

Through this period of exogenous shock, with key contributors being UK government policy, geopolitical instability and cyber security, as outlined above, LSE acknowledges the short- and medium-term challenges ahead. However, the School remains committed to taking a strategic view of threats and opportunities to generate positive long-term outcomes. Remaining true to its mission, LSE aims to remain at the forefront of understanding, forecasting, analysing, and explaining change as it unfolds.

## Equity and diversity

### Eliminating Unlawful Discrimination, Harassment, and Victimisation

#### Key Achievements & Actions across this academic year:

- **Policy & Process Review:** Updated harassment and sexual violence policies in consultation with the new General Counsel to meet new Office for Students (OfS) requirements.
- **New Single Source 'hub' website:** Created for compliance with the OfS new condition of registration E6, bringing together all our information, resources, support services and staff/student training information.
- **Report + Support System:** Launched a platform for staff and students to report harassment, bullying, discrimination, or sexual misconduct (anonymously or named), improving case management and data analysis.
- **Mandatory Staff Training:** "Addressing Harassment and Sexual Misconduct" training is now compulsory for all staff; 1,779 staff have completed it.
- **Trauma-Informed Practice:** 57 staff (including legal, HR, and senior leaders) trained in trauma-informed investigations and adjudication.
- **Independent Support Services:** New contracts were awarded following a competitive tendering process with Rape Crisis South London and Survivors UK to provide year-round, specialist emotional and practical support for staff and students.
- **Consent Education:** A new mandatory programme was designed and delivered for all incoming students; 61% completed Level 1 (online), 54% completed Level 2 (workshop) in Autumn 2024, with targets to increase in 2025.

### Advancing Equality of Opportunity

#### Key Achievements & Actions:

- **EDI Strategy:** Published a new EDI Strategy (2024–28) aligned with LSE's institutional priorities, with a metrics framework for accountability.
- **Widening Participation:** Management of the School's Access and Participation Plan (APP) will move to the EDI team in August 2025.
- **Gender Equity:**
  - Institutional Bronze Athena Swan award extended to May 2028; mid-term review planned for 2026.
  - A new mentoring scheme for Early Career Researchers (ECRs) and coaching for female academics returning from maternity leave is being developed and will be launched in the academic year 2025-26.

- We commissioned a changemakers research project investigating underrepresentation of female PGR/PhD students in STEMM.

#### • **Race Equity:**

- We continued to implement and make progress with our Race Equity Framework and Action Plan with six priorities (confidence, pipeline, career development, leadership, student experience, awarding gap).
- We carried out an Ethnicity Terminology Consultation which led to new language around ethnicity and race in official School communication, and renaming the BAME Mentoring Scheme to "Empower: Ethnic Minority Mentoring Programme."
- We initiated an academic governance project to review the diversity of committee representation and presented the findings and next steps to the Academic Nominations Committee.
- We completed an evaluation of the Fair Recruitment Adviser Scheme evaluation.

#### • **Disability Equity:**

- Disability @ LSE Working Group (DWG) established to evaluate accessibility and equity.
- Staff Disability Respite Room created.
- Accessibility Fund and estate adaptations for physical access implemented with Finance and Estates.
- A new reasonable Adjustments Policy has been developed and published, with new staff training now in development.

#### • **LGBTQ+ Equity:**

- LGBTQ+ Action Plan published, with six priorities (education, communications, policies, engagement, safeguarding, impact).
- Intersectional LGBTQ+ and race equity conference held.
- Gender Expression Fund launched for trans and non-binary students.
- We continued to convene the sector-wide LGBTQ+ Benchmarking Forum
- LGBTQ+ training for students planned; trans policy review underway.

### Fostering Good Relations

#### Key Achievements & Actions:

- **Inclusive Spaces:** Hall-Carpenter Room launched and established as a hub for marginalised groups and EDI events.
- **Campus Relations Group & Fund:** Supports community-led inclusion activities; eight projects funded.
- **Parliamentors Programme:** Brings together students from different faiths for social change projects.
- **Community Events:** Peace-building workshops, interfaith dialogues and cultural celebrations (e.g., Ramadan iftar, Shavuot tea party).
- **Training & Workshops:** Islamophobia and antisemitism awareness, active bystander, inclusivity, neurodiversity, gender allyship, and more.

The School has actively complied with its responsibilities under the Equality Act 2010 and the General and Specific Duties of the Public Sector Equality Duty. Key reports which demonstrate compliance are:

- Our equality data and information report for 2023-24 (a year in arrears given the lag in the official HESA data publication)
- Our report on progress towards meeting the aims of the General Duty covering academic year 2024-25.
- Our gender pay gap report for 2024.
- Our current equality objectives

## Priorities for 2025-26

- Fostering good campus relations amid global tensions and new Freedom of Speech Act.
- Meeting OfS Condition E6 on harassment and sexual misconduct.
- Preparing for Athena Swan mid-term review.
- Embedding and evaluating reasonable adjustments for disabled students.
- Strengthening governance for the Access and Participation Plan (2025-26 – 2028-29).

## Public benefit statement

As an exempt charity, LSE is responsible for ensuring its work provides public benefit. The School's Articles of Association set out: 'The Object of the School is to advance education, learning and research for the public benefit'. Delivery for the public benefit has remained core since the School's foundation and is underpinned by the strategy, LSE 2030. Council members, as trustees, take regard of the guidance on public benefit, as published by the Charity Commission, in exercising their powers and duties.

## Access and Participation & Widening Access

During 2024-25, we invested £6.2m in supporting UK undergraduate students from under-represented groups to access and enter higher education, including at LSE. This encompasses delivering pre-entry outreach programmes and tailored student recruitment activities, assessing applicants using our holistic contextual admissions process, and the provision of comprehensive financial support.

The LSE Widening Participation team works with young people who face barriers to success in their education or are from groups currently under-represented in higher education. The team delivers a range of events and programmes to help raise educational attainment, build networks with peers from similar backgrounds and to support young people to make informed choices about their educational future.

Through our widening participation activities, we engaged with over 1,118 young people throughout the last year. Our activities reached pupils from nearly 500 schools and colleges, 38 per cent of whom were eligible for Free School Meals, 31 per cent lived in areas with the lowest rates of university participation and 39 were care-experienced students.

Collaboration is vital to our widening access approach and in 2024-25 we continued to work in partnership with sector-leading organisations such as The Brilliant Club and The Sutton Trust, and to contribute to the Russell Group's Advancing Access collaboration to support teachers and advisors. LSE's own students are integral to our widening access and participation work, acting as paid Student Ambassadors, tutors and mentors. This year Five LSE PhD students led tutorials on their research topic with The Brilliant Club for the LSE Springboard programme, giving young people from outside of London and the South-East experience of university-style learning.

In 2024-25 we launched a new pilot programme of tailored support for contextual offer holders and care-experienced students, demonstrating our commitment to supporting access and success across the whole student journey. The LSE Navigate network links up activities across Widening Participation, LSE LIFE, LSE Careers and the LSE Students' Union to support and enable participation in the whole range of academic, personal and professional development opportunities on offer - from the point of receiving an offer, throughout a student's time studying at LSE and for up to two

years after graduation. This pilot project contributes to the School's Education and Student Experience priorities, and has been informed by a six-week co-research project led by the Eden Centre's Education Evaluation Team and current LSE undergraduates who received a contextual offer.

Through our use of contextual information, we recognise the academic potential of our applicants from all backgrounds to inform a holistic assessment of their prior achievement and future potential whilst considering their educational and individual circumstances. Tailored support is offered to students from priority groups through the application and admissions journey including insight webinars, personal statement feedback and a travel fund for Open Days and other on-campus events.

## Financial support

LSE is committed to ensuring no one is deterred from applying because of their financial circumstances. Comprehensive bursary and scholarship schemes provide financial support to both undergraduate and postgraduate students, made possible through tuition fee income and philanthropic support.

Our Access and Participation Plan commits a substantial proportion of tuition fee income to supporting the access, success and onward progression of UK undergraduate students, including a comprehensive financial support package. UK undergraduates from low income households are eligible for the LSE Bursary of between £500 and £4,000 per year (increasing to £4,250 in 2025-26) and the LSE Accommodation Bursary, which assists students with Halls of Residence fees with awards of between £500 to £2,500. These initiatives reflect our ongoing commitment to supporting students from all backgrounds to study at LSE.

Overseas undergraduates and taught postgraduates from all backgrounds can access additional School schemes which provide awards with a range of values, assessed on financial need. There is a separate and extensive scheme for PhD students.

In addition, we have a range of scholarships funded by external donors and foundations, which support study at all levels.

## Advancement and Learning

The LSE Library is one of the most outstanding social sciences libraries in Europe, with designated status as a national research library as the British Library of Political and Economic Science. It is open to everyone interested in studying and researching the social sciences.

### Public events and school programmes

The Library provides free public and education programmes to enable a wide audience to engage with our unique archives collections.

### Community-led engagement

Funded by the LSE Homelessness Initiative and in partnership with Arts & Homelessness International (AHI), the *Archives in Absentia* project engaged three artists with lived experience of homelessness to creatively respond to archival collections. It culminated in a public showcase of their work and inclusion in the LSE Digital Library.

*The Sound of Trans Freedom* sound art project was a collaboration with Aunt Nell production company supported by The National Archives which engaged four trans sound artists responding to letters in the Press For Change archive at LSE Library.

## Public exhibitions

The Library held two free public exhibitions with 15,092 visitors:

- *Exposure and Contrast: The Exit Photography Group* co-curated with Professor Cadence Kinsey (Utrecht University) was an exploration of the archives of the Exit Photography Group, who documented the lives of people living in Britain's inner cities in the mid-1970s.
- *Women of the World Unite: The United Nations Decade for Women and Transnational Feminisms 1975 to Now* co-curated with Dr Imaobong Umoren (LSE Department of International History) drew on The Women's Library collection to illustrate the promises and challenges of the UN International Conferences on Women and the histories of transnational feminisms.

**Public events** The Library ran 31 free public events with over 14,450 attending, covering the breadth of themes within LSE collections. The programme included photographers, performers, authors and politicians.

**Education** The Library's Learning programme for schools provided 26 school workshops with 673 students (primary and secondary level) attending either an archive workshop or an EPQ (Extended Project Qualification) research skills workshop. A partnership (in its third year) with Christ Church Primary (Croydon) introduced 60 Year 5 students to archives relating to campaigning through workshops in-school and a day in the Library. Students created poetry, letters, skits, and posters that advocated for issues close to home.

570 students (undergraduate and postgraduate) from 19 external UK and international HE institutions participated in archive research workshops for their studies. We hosted a 3<sup>rd</sup> year undergraduate student from the Royal Central School of Speech and Drama as part of their *Writer in Residence* module.

## Archives acquisition and access programme

This year the LSE Library has ensured that several unique collections of national significance have been saved for the benefit of future generations, including the archives of:

- **Association of Women Solicitors:** originally formed as the informal "1919 Club" in 1923, it formally became the Association of Women Solicitors in 1969 and promoted the interests and professional development of women solicitors, advocated for gender equality and provided a supportive network, until its absorption into the Law Society's Women Lawyers Division in 2013.
- **Women's Equality Party:** a major born-digital archive documenting the Party's work from its founding in 2015 through to its dissolution in 2024. This is the largest and most complex born-digital collection acquired by the Library to date.
- **Shirley Meredeen:** founder member of the Growing Old Disgracefully network and Older Women's Co-Housing.
- **Feminist Review Trust:** founded in 2001 and disbanded in 2024, the Trust provided grants for projects supporting women's equality and rights.
- **Caroline Lucas MP:** a collection of parliamentary papers from the former Green Party leader and first Green MP in the UK.
- **Movement for the Ordination of Women Oral Histories:** fourteen interviews conducted by members of the Friends of The Women's Library in 2023-24.

We also received additions to existing collections from feminist campaigner Elizabeth Wilson, the Campaign for Nuclear Disarmament, and the Campaign for an Independent Britain.

We also purchased the following items:

- A first edition of *The Brunt of War and Where it Fell* by Emily Hobhouse. This complements other printed and archival material already in the collection relating to Committee of Ladies Investigation into Concentration Camps in South Africa, 1901-1902.
- A small collection of papers relating to feminist campaigner Gertrude Horton (1901-1978).

## Digitisation programme

Digitised collections provide researchers, students and the wider public with free, remote access to a growing collection from LSE Library's unique archives and special collections. Notable collections added to the LSE's Digital Library in 2024-25 include:

- The Women's Library Photographs
- Independent Labour Party NAC minute books and ILP Branch minute books
- Time and Tide
- Charles Booth's Life and Labour of the People of London
  - Booth Notebooks (c.65 previously undigitised)
- LGBT+ Badges
- South Asian Heritage journals:
  - All Pakistan Women's Association Newsletter
  - Annual Meetings of the All-India Muslim League
  - East Pakistan Year Book
  - Mukti: Asian Women's Journal
- Movement for the Ordination of Women Oral Histories

During 2024-25, the Library's "digitisation on demand" service received over 157 requests, 40 per cent from outside the UK, and supplied 4,800 pages of digitised material.

## LSE Press

LSE Press is the School's open access (OA) publisher of monographs, edited collections, textbooks and journals. OA publishing recognises that research is a public good and allows us to share findings with a wide range of audiences across the world, free of charge to the reader. Further, our equitable business model (known as diamond OA) also allows us to primarily publish without the author facing Article Processing Charges or Book Processing Charges common in academic publishing.

During 2024-25 LSE Press published five new books alongside our five journals. Additionally, our student journal imprint, Houghton St Press, now publishes 19 student-led journals. In total, LSE Press books and journals have been accessed over 1.9 million times from most countries and territories across the world. Our single most accessed book title, *Advanced Macroeconomics*, has been accessed over 100,000 times alone.

This year, we published Professor Naila Kabeer's new book *Renegotiating Patriarchy: Gender, Agency and the Bangladeshi Paradox* to excellent reviews, with the book described as a 'masterpiece', and with 'the potential to have a pathbreaking impact on feminist theorising'. We commissioned new titles from world-

leading scholars, Professor Nicholas Stern (*The Growth Story of the 21st Century: The Economics and Opportunity of Climate Action*) and Professor Tim Besley and Professor Andrés Velasco (*The London Consensus: Economic Principles for the 21st Century*, co-edited with Dr Irene Bucelli). We began to receive external funding from library membership schemes, which will allow us to publish more under a diamond OA model. We also hosted a symposium of the future of social science publishing during OA Week, October 2024, promoting the benefits of publishing OA for social science research.

## Research

In line with our founding mission, LSE research seeks to tackle some of the most challenging issues facing the UK and world today. The research of many of our academic staff has direct relevance to our charitable aims and the delivery of public benefit. There are many examples of LSE research making an impact in the media and wider public over 2024-25, including:

- Research from LSE's Care Policy & Evaluation Centre found that AI tools used by over half of England's local authorities to support social workers may be introducing gender bias into care decisions.
- An LSE study led by Dr Huseyin Naci found that while new medicines approved by NICE may have helped some patients, their rollout has come at a heavy cost to the health of many others. This was covered by *The Financial Times*, *Independent* and *Daily Telegraph*.
- Research from LSE's Centre for the Analysis of Social Exclusion (CASE), featured in *The Guardian*, revealed a "Stress crisis in UK", as five million struggle with financial, health and housing insecurity.
- *The Guardian* also featured CASE research on how the "Benefit cap traps families in crowded, rat-infested homes."
- A report from the Inclusion Initiative at LSE revealed how women working in Capital Markets reported facing persistent sex discrimination.

LSE proactively supports impactful research through competitive internal funding. The Seed Research Fund awarded 17 grants in the last academic year, including projects on trade-offs in national healthcare systems; policies to address child poverty; remote education for girls in Afghanistan; and the impact of bots on capital markets. Nine grants were awarded for projects through the new Global Sustainability Research Fund, including on safer cycling in London; sustainable finance; and minimising species extinction risk. Twenty-six grants were awarded for engagement, partnerships, impact and innovation, including projects to involve faith communities in local climate policy; to improve police efficiency in North India; and to develop an AI tool for analysing complaints about healthcare.

## Public and Community Engagement

Through a range of platforms and channels, LSE engages an international audience in social science research. We have a renowned public lecture programme with over 72,000 in-person and online attendees annually; a wide-ranging blog platform with over 2,500 articles published last year and around six million views annually; a significant social media following with approximately 2.8 million followers across Facebook, X (formerly Twitter), LinkedIn, YouTube, Instagram, TikTok and Threads; as well as a wealth of digital content. This content includes research films and podcasts with around 25 million downloads per year, and an online magazine, Research for the World which had over 402,000 views in 2024-25.

## LSE events

The academic year 2024-25 saw LSE's events programme continue both online and in-person. Since September 2023 we have hosted over 119 free public events (not including LSE Festival events), 107 of which were hybrid and 12 in-person.

Throughout the last year, we hosted an array of speakers from across the world, including politicians, business leaders and Nobel laureates. Speakers have included Professor Amartya Sen, Nobel Laureate and Professor of Economics and Philosophy at Harvard University; Professor James Robinson, Nobel Laureate and Institute Director of The Pearson Institute; Dr Ngozi Okonjo-Iweala, Director-General of the World Trade Organisation; Alexander Stubb, President of the Republic of Finland; Lord Saatchi, British businessman and co-founder of Saatchi & Saatchi; Gudni Jóhannesson, professor of history at the University of Iceland and former President of Iceland; Reid Hoffman, Co-Founder of LinkedIn and Inflection AI; Teresa Ribera, European Commission Executive Vice-President for a Clean, Just and Competitive Transition; Professor Alan Taylor, Professor of International and Public Affairs at Columbia University.

Our online offering has meant we have been able to attract a global audience, with viewers from over 120 countries tuning in, via LSE's events platform, LSE Live. In addition to LSE Live, our global reach continues to increase by livestreaming events onto the popular LSE YouTube channel and LinkedIn page. Recordings are subsequently made freely available on YouTube and the LSE Player, providing our viewers the opportunity to tune in and enjoy LSE events if they are not able to attend live.

## The LSE Festival 2025

The LSE Festival 2025: Visions for the Future explored the threats and opportunities of the near and distant future, and what a better world could look like.

The programme reflected the breadth of research taking place at LSE, while including formats and topics not usually part of the ongoing public events programme. The Festival welcomed over 4,264 people on campus with over 8,000 people tuning in online. Out of the 30 events, 22 were hybrid and streamed on LSE Live, which allowed for audience engagement from across the world. Attendees tuned in from 101 countries.

High-profile speakers at this year's Festival include Professor of International Political Economy at the Harvard Kennedy School, Dani Rodrik; Author, journalist, and political commentator, Grace Blakeley; Institute professor at MIT and 2024 Nobel Laureate in Economics, Daron Acemoglu; Founder and managing partner of SkyBridge, Anthony Scaramucci; Professor of African American Studies at Princeton University, Ruha Benjamin; British Nigerian-born chef and first black female Michelin-starred chef in the UK, Adejoké Bakare; Google DeepMind's Chief Operating Officer, Lila Ibrahim; Deputy Mayor of London for Environment and Energy, Mete Coban.

The Festival had a substantial reach. Social media content promoting the Festival events and podcasts had a total of over 1.5 million impressions/views with over 19,000 interactions across Instagram, X, Facebook, LinkedIn, TikTok and Threads. Festival podcasts have received over 145,000 downloads with an average of 7,020 downloads per podcast. LSE Festival webpages were viewed over 180,000 times since April 2025.

## Volunteering

Our dedicated Volunteer Centre seeks to inspire and empower our community to volunteer for causes they are passionate about. In 2024-25, the Centre saw huge interest from students who wanted to get involved in volunteering and make a difference.

The Volunteer Centre runs various programmes to help LSE students get involved. These include one-off volunteering opportunities, a consultancy challenge, a Disabled Students' placement scheme, a research volunteering scheme, student-led projects and volunteering fairs. In May 2025, the Volunteer Centre also opened a new home on campus, which serves as a place that welcomes all students, celebrates the impact of volunteering, and creates a hub for students to actively shape a better world through volunteering.

Each year we work with around 200-300 partners from London, the UK and across the world. The Centre's research has found almost 40 per cent of the student body volunteer during their time at LSE, rising to over 50 per cent among undergraduates. LSE students fulfil a range of roles including mentoring, campaigning, fundraising, marketing, research and many more. Students who volunteer say they have wider groups of friends, feel part of LSE, are more confident in themselves and have skills that employers will value.

## Trade Union facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the School, as a public sector employer, is required to collate and publish a range of data on the amount and cost of time spent by Trade Union (TU) Officials on facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake TU duties and activities.

This publication year runs from 1 April 2024 to 31 March 2025. This information is to be published every year by 31 July. The relevant Trade Unions with whom the School has a Collective Bargaining Agreement are University and College Union (UCU), UNISON and Unite. The number of employees who were relevant union officials during the relevant period was 19 with a full time equivalent of 17.6.

Employees who were relevant union officials during the relevant period spent the following percentages of their working hours on facility time:

Percentage of time	Number of employees
0%	2
1-50%	16
51- 99%	1
100%	-

The total cost of facility time was £0.114 million of a total pay bill of £294.2 million. The percentage of the total pay bill spent on facility time was 0.04 per cent.



## Section 172 statement

The School is a company limited by guarantee and, therefore, must provide a Section 172 statement in accordance with the Companies Act 2006. Section 172 requires the directors (for the School these are the Council members) to act in the way they consider, in good faith, would be most likely to promote the success of the company (the School) for the benefit of its members as a whole. Council members are also the formal company members, but act to ensure decision-making is for the benefit of the School and wider stakeholder community.

Section 172 also states that in doing so, company directors should have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company.

The Object of the School is to advance education, learning and research for the public benefit. The current strategy to deliver this Object is articulated through 'Shaping the World'. Together these provide that the work of the School is undertaken with a view of the long term and for the benefit of wide-ranging stakeholders. It is within this framework that Council's decision-making is undertaken.

During 2024-25, Council has received regular progress reporting on the strategic priorities of 'Shaping the World' and proposals for approval. This has covered a range of stakeholders (particularly students and staff) and across a range of activities and issues, such as: education; research; financial position; estates; technology and AI; health and safety; equity, diversity and inclusion; free speech; and the philanthropic campaign.

The School seeks to engage with stakeholders and receive feedback in a variety of ways, including a range of staff and student fora/meetings, surveys, consultations, participation in external networks, alumni networks, engagement with policymakers, research partnerships, and input into decision-making through committee memberships.

This context underpinned key decisions taken by Council during the year:

- approving the financial plan, budget and student fees in the context of a continuing challenging environment, with particular consideration of the likely long-term consequences and the need to ensure the financial sustainability of the School, including for the benefit of staff, students and other stakeholders;
- reviewing progress and approving proposals concerning the development of student residences and the estate, which have taken into account likely long-term consequences, the optimal student and staff experience and impact on the community and environment;

- approving proposals concerning governance and management arrangements, particularly with consideration of maintaining a reputation for high standards of business conduct, including returning Council membership provisions and terms of office to the Articles of Association; membership appointments and reappointments to Council and Council committees to enhance expertise and diversity and the ability to ensure a range of perspectives to support decision-making;
- overseeing a review of the School's investments, undertaken by the Investments Subcommittee following requests for divestment, and taking decisions with consideration, among other listed Section 172 matters, of the likely long-term consequences on the endowment, including for the benefit of future students, and the proper conduct of business with regard to Council's fiduciary responsibilities.

## Directors

The directors of the Company are listed at page 83.

During the year a management liability insurance policy was in place which provides for director and management indemnity provision.

## Independent Auditors

The Company's current external independent auditors are BDO LLP.

## Disclosure of information to auditors

At the date of making this report, each of the Company's directors as set out on page 83, confirms the following:

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

He or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Strategic Report and Report of the Directors was approved by Council on 25 November 2025.

### Larry Kramer

President and Vice Chancellor



# Corporate Governance and Internal Control Statement

This Corporate Governance and Internal Control Statement covers the 2024-25 financial year and period up to the date of approval of the audited financial statements. The statement provides an overview of the School's governance structure and outlines the internal control and risk management arrangements.

The School is a company limited by guarantee and an exempt charity. As a UK Higher Education Institution, it is regulated by the Office for Students (OfS). The overarching objectives, powers and framework of governance are set out in the Articles of Association. The Articles set out 'The Object of the School is to advance education, learning and research for the public benefit', which underpins all School activity, including its articulation through the School's strategy, 'Shaping the World'.

The School is committed to upholding the highest standards of corporate governance and is satisfied that it complies with the Committee of University Chairs (CUC) Higher Education Code of Governance. The School also complies with the Public Interest Governance Principles required by OfS.

During 2024-25, the School underwent an independent review of its governance arrangements in line with good practice and to identify opportunities for further enhancement; this was overseen by the Governance Committee reporting to Council. This included an assessment of the School's compliance with the CUC Higher Education Code of Governance published in September 2020 where the findings revealed almost total compliance. KPMG was appointed to undertake the review. The review found that the School's arrangements were broadly satisfactory and identified some practice where improvements could be made. When management actions have been identified to address these areas, steps will be taken to implement them during 2025-26. During 2023-24 a review of the School's academic governance arrangements was undertaken by independent consultants; the outcomes were reported in 2024-25 and progress is being made to implement these as part of a number of changes.

In addition to this Statement, the School ensures transparency about its corporate governance arrangements principally through publication on its website and conduct in accordance with the CUC Higher Education Code of Governance.

The adequacy and effectiveness of arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities (including compliance with the OfS's ongoing conditions of registration and any terms and conditions of funding as well as any other relevant regulatory responsibilities) are ensured through ongoing oversight and review to ensure they remain fit for purpose. This is achieved through delegated responsibilities to committees, management, third party review, including that undertaken by the internal and external auditors, but recognising that Council is ultimately responsible for these arrangements.

These arrangements also allow Council to ensure the regularity and propriety in the use of public funding where existing arrangements within the extensive control framework are kept under review, tested and enhanced as required.

## Council

Council is the governing body of the School and its formal responsibilities are set out in the Articles of Association. The CUC Higher Education Code of Governance sets out the overarching responsibilities of Council: collectively responsible and accountable for institutional activities; ensuring institutional sustainability (overseeing mission, strategy, aims and values, including effective

systems of control and risk management are in place); protecting and promoting institutional reputation and autonomy; promoting ethical behaviour, equality, inclusivity and diversity across the institution; ensuring governance structures and processes are appropriate, and; understanding and ensuring engagement with stakeholders. A full list of Council members from 1 August 2024 to 31 July 2025 and up to the date of signing these financial statements can be found on page 83.

Council members are charity trustees and company directors and as such are 'fit and proper persons', expected to discharge their duties with prudence and care and to accept ultimate responsibility for the affairs of the School.

Council formally meets at least four times a year. It is formally composed of 20 members, the majority being Independent members, including the Chair, as well as there being staff and student members. Independent Council members do not receive remuneration for their role.

The School Secretary is the formal secretary of Council and responsible for overseeing the governance arrangements of the School. Any queries concerning the School's governance should be directed to the School Secretary.

Council is supported by the committees set out below. All have approved terms of reference and memberships, in order to provide expert support. They are chaired by Independent members of Council and report regularly on their work.

## Audit Committee

Audit Committee is responsible for advising Council on the adequacy and effectiveness of the School's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies, on which the Audit Committee provides an annual opinion based on the work it has conducted through the year. Both the External and Internal Auditors provide the Committee with detailed reports and attend meetings to discuss findings and recommendations for improvement, together with management's response and implementation plans.

## Finance and Estates Committee

Finance and Estates Committee is principally responsible to Council in the following areas: financial strategy and risk; funding adequacy, cash flow and investment; financial forecasting and budgets; financial policies and regulations; evaluation of major commitments; review of financial performance at aggregate level and; oversight of the implementation of strategic priorities relating to the estate, including capital projects.

## Governance Committee

Governance Committee is responsible for making recommendations on the membership of Council and its committees, particularly for Independent/external members. It also advises Council on corporate governance matters, arrangements, and practices to continually enhance the School's governance, including to ensure compliance and best practice.

## Remuneration Committee

Remuneration Committee oversees remuneration arrangements for the President and Vice Chancellor and other senior staff and complies fully with the CUC Higher Education Senior Staff Remuneration Code. An effectiveness review of Remuneration Committee was conducted in 2024-25 as part of a regular review cycle. The findings were positive, placing the Committee at the upper end of practice in higher education. The small number of recommended enhancements will be implemented in 2025-26.

## Academic Board

Academic Board is the principal academic body of the School, to which Council has delegated responsibility for the academic standards and the direction and regulation of academic matters. It is supported by its own structure of committees which deal with academic and student affairs, research, and academic planning and resources.

## Controls Framework

As the governing body of the School, Council has responsibility for maintaining a robust system of internal control that supports the achievement of strategic and operational objectives, while safeguarding public and other funds and assets.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve objectives, including missing appropriate opportunities. It can therefore only provide reasonable and not absolute assurance of effectiveness. Council ensures and reviews the effectiveness of internal control, including through:

- Having wide ranging and robust internal control arrangements in place, including for the prevention and detection of corruption, fraud, bribery and other irregularities. Internal controls are reviewed and developed to ensure they remain fit for purpose and in response to risk evaluation and cover business, operational, compliance and financial risk. These arrangements are embedded into ongoing operations;
- Ongoing oversight by Council of progress against the strategic priorities of 'Shaping the World', including corresponding identification and management of risk, through regular reporting from the President and Vice Chancellor and senior officers. The School's risk management arrangements ensure key risks are identified and adequate mitigations are implemented as part of an ongoing process to ensure the achievement of objectives;
- Regular reporting from Council committees, including from Audit Committee, which has responsibility for reviewing on behalf of Council the arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies. Audit Committee provides an annual report to Council including its opinion on the School's arrangements;
- Annual performance review of individual academic units (Departments and Institutes) by members of the School's senior management team together with in-depth quinquennial reviews by the Academic Planning and Resources Committee involving independent expert assessors. The Research Committee oversees regular performance reviews of research units;
- Monitoring by the President and Vice Chancellor and the School Management Committee of various work streams arising from strategic priorities and regular risk analysis, advised by a dedicated risk manager;
- A strong budgetary control process, with a high degree of decision-making autonomy delegated to budget controllers on how to spend budgets, but very limited opportunity to overspend. Regular management accounts are reviewed by the School Management Committee and Finance and Estates Committee. There are additional processes for administration and control of research grants, research contracts, donations and endowments where there are specific conditions on how the funds may be spent;
- Regular meetings between senior managers and service leaders to review progress and issues arising from operational activities, and similar meetings between the President and Vice Chancellor and Heads of Departments in relation to academic developments;
- Internal and external auditing is provided by KPMG LLP and BDO LLP respectively. Through their work, both support the School to enhance the internal control environment and the delivery of value for money, from their recommendations arising from reviews of School arrangements. The Internal Auditors undertake an annual programme of reviews, reporting regularly to Audit Committee, and culminating in an annual report to Audit Committee and Council, including to inform the Committee's annual opinion on the adequacy and effectiveness of the School's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies, based on work conducted during the year;
- Extensive financial controls including planning and budgeting arrangements, defined delegations of responsibility, review, oversight and reporting arrangements, policies and procedures, Financial Regulations detailing financial controls and procedures;
- Long-term financial planning summarised in an annually approved Financial Plan that provides the basis for any significant financial decision making and a robust framework to ensure the School's financial sustainability and resilience.



## Declaration of the Council

In accordance with the Companies Act, Council, as directors, is responsible for the administration and management of the School's affairs, including running an effective system of internal controls, and is required to present audited financial statements for each financial year. Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the School and enable it to ensure that the financial statements are prepared in accordance with the Companies Act, the latest Statement of Recommended Practice: Accounting for Further and Higher Education Institutions, and other relevant accounting standards.

In addition, within the Office for Students' terms and conditions of funding, Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the surplus or deficit and cash flows for that year. The designated office holder for this purpose is the President and Vice Chancellor.

In directing the preparation of the financial statements, Council has ensured that:

- Suitable accounting policies were selected and applied consistently;
- Judgements and estimates made were reasonable and prudent;

- Applicable accounting standards were followed, subject to any material departures disclosed and explained in the financial statements;
- Financial statements were prepared on the going concern basis. Council is satisfied that the School has adequate resources to continue in operation through 2024 and 2025. For this reason, the going concern basis continues to be adopted in the preparation of the financial statements.

Council has taken reasonable steps:

- To ensure that funds from whatever source, including the Office for Students, are used only for the purposes for which they have been given and in accordance with the relevant terms and conditions;
- To ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- To safeguard the assets of the School and prevent and detect fraud;
- To secure the economical, efficient and effective management of School resources;

Council confirms that there were no significant control weaknesses or failures identified through the reporting period which should be disclosed.



# Endowment Investment Performance

Funding from philanthropy, along with tuition fees, recurrent grants and research grants are the School's main sources of income. Endowment support is the only form of income that can put the School in control of its own long-term financial destiny. Throughout the School's history, endowed gifts have made a meaningful contribution to student bursaries, facilities, and to its portfolio of research and teaching. In an ever-changing sector, the challenge facing LSE is to make giving an integral part of its financial health.

During the 2024-25 financial year, the School's endowment reserves increased from £255.5 million to £276.1 million. The sizeable increase in the endowment of 8.1 per cent is attributable to new funds received during the year of £6.0 million and £22.3 million of investment income and realised/unrealised gains generated by the relevant endowment portfolios. The endowment supported expenditure of £7.6 million, to further the School's charitable objectives.

Endowment reserves	£ million
At 1 August 2024	255.5
New endowments received in year	6.0
Investment income	3.2
Expenditure for the year	(7.6)
Increase in market value of the investments	19.0
At 31 July 2025	276.1

We are pleased that increasingly, many individual donors and foundations recognise this form of support as vital to the School's unique public benefit as a charity focused on education and the "betterment of society".

## Portfolios and their objectives

The School's endowment is divided into three portfolios, each devoted to a different objective and managed according to the investment return and risk criteria pertinent to that portfolio's objective:

**The Growth portfolio:** expendable endowments that have a longer-term horizon and permanent endowments that are invested on a total return basis. The threshold objective for this portfolio is to yield a total return over the long term of 4.5 per cent per annum plus the Consumer Price Index (CPI). The funds are largely invested in a range of investment funds covering quoted equities, private equity, and property.

**The Gift Matching portfolio:** expendable endowments that are budgeted to be spent in the short or medium term and the near-term commitments on permanent endowments. The investment objective for this portfolio is to preserve capital. The funds are invested in cash and short-term bonds matched to a budgeted distribution schedule.

**The Financial Economic Review (FER) portfolio:** a separate investment portfolio for a permanent endowment to support the STICERD research centre. The threshold objective for this portfolio is to generate a long-term total investment return of 4.5 per cent per annum plus CPI to provide a fixed pay-out to fund the annual operating costs of STICERD.

## Investment Sub-Committee (ISC)

Established in 1989, the LSE Investments Sub-Committee (ISC) is a sub-committee of the Finance and Estates Committee. It is responsible for initiating investment strategy and determining the asset allocation required to achieve the investment risk and return targets approved by the Finance Committee for the School's Endowment and School Fund investment portfolios.

The Committee meets at least three times a year and appoints an external investment adviser whose tactical asset allocation and manager recommendations are monitored and reviewed by the ISC. Overall strategic asset allocation and manager selection is reviewed by the Committee at least once a year.

## Environmental, Social & Governance (ESG)

The ISC is also responsible for implementing the School's Environmental, Social & Governance (ESG) investment policy through its oversight of the portfolios' exposure to the designated areas. During 2024-25, the Environmental, Social, and Governance (ESG) Policy Review was launched in October 2024, with the inauguration of a Review Group, composed of independent members of the LSE community with broad collective expertise on the subject. This Group was tasked with reviewing the School's ESG Policy and proposing potential revisions for Council to consider, after review by the Investment Sub-Committee and Finance and Estates Committee. Prior to this, the ESG policy was last reviewed in 2022. Separately, a Consultative Group composed of LSE students, faculty members, and staff was formed to represent all stakeholders and provide the community's input to the Review Group. The Review Group concluded their work and reported to Council in June 2025, making the following recommendations:

- Achieving the highest possible degree of transparency and understanding about our investments and strategies
- Distributing an "induction package" of materials to help incoming staff and students understand the endowment and ESG Policy
- Reviewing the ESG Policy on a regular schedule
- Holding an Annual General Meeting for the endowment
- Reviewing our extant investment filters
- Providing a regular opportunity for the LSE community to share research
- Convening and coordinating with other universities.

The recommendations have started to be implemented and will continue to do so throughout 2025-26. For example, the content of the School's investment webpages has been re-written in a more transparent, accessible way to help as wide an audience as possible understand the School's investments, and a consultant has been engaged to build the webpages; it is expected that these can be launched in mid 2025-26.

The Endowments are primarily invested in Funds managed by external Fund Managers so that while the School is not choosing individual stocks, the ISC selects the fund managers that will minimise and/or eliminate our investment in companies that do not fall within our ESG policy. We recognise that our endowment is not large compared with the assets under management in the funds we invest in, nevertheless the stance of the School is such that we believe that we can influence behaviours.

The School's ESG policy states there should be no direct and, as far as possible, no indirect holdings in companies engaged in Tobacco, Indiscriminate Weapons, Thermal Coal or Tar Sands. The investment portfolios continue to be analysed and screened on a regular basis to ensure compliance with the ESG policy. The total exposure across all the portfolios was 0.1 per cent in 2024-25 (0.1 per cent tobacco, and no exposure to the other excluded categories); an improvement compared to 0.4 per cent in 2023-24 (0.2 per cent tobacco, 0.1 per cent tar sands and 0.1 per cent thermal coal).

## Portfolio performance

The investment performance for each investment portfolio over one-, three- and five-year periods is:

Investment return	1 year	3 years p.a.	5 years p.a.	Long-term threshold objectives
Growth	8.7%	6.4%	7.9%	-
Gift matching	5.8%	4.2%	1.8%	-
Gift matching and growth combined	8.6%	6.2%	7.3%	4.5% + CPI
FER	11.1%	10.5%	10.3%	4.5% + CPI

The School's portfolios benefitted from the general rise in equity and bond markets over the year and each of the portfolios exceeded their target return of CPI + 4.5% for 2024-25.

Whilst the target return was met, the Growth portfolio lagged its benchmark performance as most active managers were underweight in exposure to mega cap technology stocks which dominated the US market over the year (including the Magnificent 7). The performance of the small cap and environmental specialists was also disappointing, the latter due to the sharp setback in clean energy related stocks, although these have significantly recovered post year end. The School's Gift matching portfolio generated a positive unrealised return of 5.8% underperforming its benchmark by 0.3%. This is partly due to limited liquidity in the market, resulting in relatively wide bid/offer spreads on individual bonds which has made trading relatively expensive.

The School's ESG policy also screens companies against the carbon performance metrics rated by the LSE Grantham Research Institute's Transition Pathway Initiative (TPI). The School's exposure to non-aligned TPI rated stocks was 0.3 per cent, an improvement compared to 0.9 per cent in 2023-24. Developments and advances in sustainability metrics and data are intrinsic in ensuring the School invests responsibly and sustainably in the forthcoming years, and it is a source of pride that LSE's own Grantham Research Institute is leading the way in developing this methodology.

The FER portfolio is invested on a passive basis, and performed well in 2024-25, producing an absolute return of 11.1% over the year, and outperforming the long-term CPI + 4.5% target by 2.6%.

Passively managed funds benefited from the concentration of tech stock gains compared to actively managed funds.

The School continued to contribute and build its investment in private equity based on the committed amounts set in 2022-23 by ISC. Private equity has been incorporated into the School's asset allocation as it is expected to yield a premium over listed equities and assist the portfolios in meeting their long-term objectives.

The long-term threshold target for portfolios is CPI + 4.5% and performance has been reported on this basis. High inflation during 2022-23 has meant that the portfolios (except FER) have underperformed their long-term CPI objectives on their 3- and 5-year returns.





# Environmental Sustainability Report

Sustainability is a key commitment of LSE's 2030 Strategy and Ethics Code. Our dedicated sustainability team coordinates efforts across the School to improve LSE's environmental performance in close collaboration with the LSE community.

Our policies outline the School's sustainability objectives and guide the direction of our Sustainability Strategic Plan. The School's environmental impacts are robustly managed through our Environmental and Energy Management Systems (E/EnMS) which is externally audited and accredited to ISO 14001 and 50001 standards.

Delivery and decision-making continue to be driven by dedicated committees and working groups with students and staff representation, including our Sustainability Leadership Board, chaired by Eric Neumayer, the School's Deputy President and Vice Chancellor.

Our Sustainability Strategic Plan, focuses on six key themes to maximise our impact in shaping a sustainable world: Education, Research, Engagement and Leadership, Investment, Collaboration, Our School and provides a framework for delivering the School's key commitment of Creating a Sustainable LSE, part of LSE's 2030 strategy.

The hard work and dedication of the School community in furthering sustainability is recognised by our position as a 'First Class' university in People & Planet's Green University League, achieving 13th place and 39th in the QS World University Rankings Sustainability 2025 (15th in the UK).

Some other highlights and achievements in 2024-25 include:

## Global School of Sustainability

Launched in January 2025, the Global School of Sustainability (GSoS) is the School's interdisciplinary centre for sustainability expertise and impact. At GSoS, we advance pioneering sustainability research and focus in particular on global policy engagement. Our activity is centred around partnerships across the LSE community and beyond. As we scale up our ambitions, the Global School of Sustainability is making significant investments in a wide range of research and impact activities.

GSoS's work is organised around five central themes: Creating sustainable finance and business; Generating sustainable growth; Mobilising political, legal and governance systems; Protecting and enhancing nature and biodiversity; and Building sustainable societies. Under each theme, a substantial programme of work has been developed, always underpinned by rigorous academic research with a clear potential to generate actionable results.

We have also launched a Global Sustainability Research Fund that seeks to fund ambitious, creative and impactful research activities across LSE – drawing on our world-leading expertise in the social sciences and bringing disciplines together in new ways.

Under the leadership of Lord Nicholas Stern and GSoS Professor in Practice, Sir Andrew Steer, we have meanwhile established a Global Impact Group that is specifically designed to take new ideas from within GSoS and LSE and introduce them into the highest levels of global policy making.

As we take this work forward, we are collaborating closely with three impactful research and policy centres at LSE that are independently funded but are now integral to the wider GSoS ecosystem: the Grantham Research Institute on Climate Change and the Environment, the TPI Global Climate Transition Centre (TPI Centre) and the Centre for Economic Transition Expertise (CETEx).

Finally, we will be supporting a range of specialist activities in a broader context, such as the Global Climate and Nature Barometer undertaken in partnership with the Gallup World Poll.

## ESG Investments

In July 2024, Council brought forward a planned review of the School's Environmental, Social and Governance (ESG) Policy by one year, conducting it during 2024-25. The review included a comprehensive assessment of the policy and considered questions raised by students and staff, particularly around the School's investments.

Following recommendations from the ESG Policy Review Group, LSE will introduce several new measures throughout 2025-26 to strengthen its approach to responsible investment, as outlined in the Endowment Investment Performance report on page 39. For example, the School will hold an Annual General Meeting on its endowment to enhance transparency and accountability, and provide an opportunity for the LSE community to share research and insights related to investment and sustainability.

In addition, LSE will establish a group to lead discussions among universities on the investment management of staff pensions under the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

## Built environment

The enabling works for the Firoz Lalji Global Hub at 35 Lincoln's Inn Fields are progressing, with the great majority of the demolition works completed in April 2025. The main contractor took possession of the site in September 2025. Construction works will commence in January 2026 until January 2028, followed by direct works. It anticipated that the building will be ready for occupation from April 2028.

The Firoz Lalji Global Hub will be our first net-zero building in construction and operation and built to Passivhaus standards. Design Stage approval was received from the Passive House Institute (PHI) on 7 October 2024. Sustainability has been a driving force in the building's design, incorporating circular economy principles of design - such as material retention, reuse, and recycling of the building fabric, and looking at end-of-life scenarios for building materials. The design keeps over 60 per cent of the existing structures. The new building is on target to additional achieve the highest environmental certifications including BREEAM Outstanding and WELL Platinum.

In February 2025, we completed the largest property transaction in the School's history, with the acquisition of 61 Aldwych. The acquisition of the 16,891m<sup>2</sup> building was very significant for the School, and resulted in a 5.6% increase of gross internal area (GIA) on the previous year. Located on the corner of Aldwych and Kingsway, this impressive Edwardian building provides a highly visible street frontage and new front door for the LSE. We aim to have the transformation from a corporate office to a bespoke space for LSE teaching, learning, faculty and research space complete by 2027.

Working in collaboration with our partners, the delivery of three new halls of residences will take place over the coming years. Although these halls will be managed by our third-party partners, we are closely involved with the developments to ensure our shared sustainability goals are met. During 2024-25, significant progress was made on Robeson House. In collaboration with Spark Living and Equans, LSE has delivered a 676-bed hall for graduate students, which opened in September 2025 for the 2025-26 academic cohort. We continued to work with architects Carmody Groarke and partners Equitix and Bouygues UK, on the redevelopment plans for

Bankside House to transform it into a best-in-class student residence providing 1,944 bed spaces in the heart of London's cultural quarter. In October 2024, working in collaboration with Hollybrook Homes, the owners of a site in Vauxhall Gardens, Lambeth Council approved planning permission for a student hall of residence. The site is ideally located for the School, only a short journey from our campus. The site is being developed, and it is hoped that the building will be ready for occupation in Autumn 2029.

We continue to partner with SOS-UK on their Green Impact and Sustainable Halls campaigns, engaging staff and students in energy-saving, waste reduction and other sustainability-focused activities throughout the year.

### Energy & Carbon

Energy and carbon are our most significant environmental impacts. We have set firm targets to achieve net-zero carbon emissions by 2050 at the latest, and by 2030 for our direct energy use (Scopes 1 and 2). LSE was awarded £2.7m in funding through the Public Sector Decarbonisation Scheme (PSDS), which the School is match-funding. The funding is being used to decarbonise one of our

largest buildings, the Lionel Robbins Building (home to our library) through the installation of air-source heat pumps.

Since 2015, we have invested over £5 million in energy conservation measures such as energy efficient lighting, boilers, photovoltaic panels and improved building controls. Recently, we have focused our efforts on reducing our gas usage, by installing air source heat pumps and actively monitoring our Building Management System (BMS). We have invested in optimising the Towers (Pankhurst House, Fawcett House and Pethick-Lawrence House), some of our most energy intensive buildings. By fine-tuning the daily settings of the BMS, we achieved significant energy reductions with a 32% decrease in natural gas usage and an 18% decrease in electricity consumption compared to the previous year. These measures helped LSE achieve an energy usage of 159 kWh per m<sup>2</sup> in 2024-25, a 30% improvement in efficiency against our 2005-06 baseline.

We purchase 100% of our electricity from renewable sources through REGO-backed agreements with our supplier. We are investigating the long-term potential of a Power Purchase Agreement (PPA) to further support the expansion of the UK's renewable industry.

### Streamlined Energy and Carbon Reporting (SECR) Statement

LSE energy usage and associated carbon footprint:

	2024-25		2023-24		Change (kWh)	Change (kgCO <sub>2</sub> e)
	Energy use (kWh)	Associated carbon emissions (kgCO <sub>2</sub> e)	Energy use (kWh)	Associated carbon emissions (kgCO <sub>2</sub> e)		
<b>Electricity</b> purchased (market-based)	<b>18,061,205</b>	-	18,077,630	-	(0.1)	-
<b>Electricity</b> purchased (location-based) <sup>1</sup>	-	<b>3,196,833</b>	-	3,742,973	-	(14.6)
<b>Gas</b> consumed	<b>17,909,818</b>	<b>3,276,780</b>	18,290,028	3,345,246	(2.1)	(2.0)
<b>Transport</b>						
Personal car use mileage – claimed as expenses <sup>2</sup>	<b>12,454</b>	<b>3,028</b>	18,731	4,520	(33.5)	(33.0)
<b>Gasoil</b> <sup>3</sup>	<b>13,954</b>	<b>3,579</b>	40,830	10,473	(65.8)	(65.8)
<b>District Heating</b>	-	-	-	-	-	-
<b>Other fuel (Diesel)</b>	<b>34,197</b>	<b>8,617</b>	-	-	-	-
<b>Total energy purchased</b>	<b>36,031,628</b>	<b>3,292,004</b>	36,427,219	3,360,239	(1.1)	(2.0)
<b>Renewable electricity produced onsite</b> <sup>4</sup>	<b>125,401</b>	-	117,505	-	6.7	-
<b>LSE total gross internal area</b> (square metre)		<b>226,193</b>		<b>214,146</b>		
<b>Intensity measure</b> per square metre	<b>159.3 kWh/m<sup>2</sup></b>	<b>14.6 kgCO<sub>2</sub>e/m<sup>2</sup></b>	170.1 kWh/m <sup>2</sup>	15.7 kgCO <sub>2</sub> e/m <sup>2</sup>	(6.3)	(7.3)
<b>LSE student FTE</b>		<b>11,887</b>		<b>11,884</b>		
<b>Intensity measure</b> per enrolled student	<b>3,031.2 kWh/student</b>	<b>276.9 kgCO<sub>2</sub>e/student</b>	3,065.2 kWh/student	282.8 kgCO <sub>2</sub> e/student	(1.1)	(2.1)

<sup>1</sup> Location-based electricity purchased is excluded from the calculation of LSE's footprint because we purchase Renewable Energy Guarantees of Origin (REGOs) and therefore account for emissions on the basis of the contractual energy we procure, not the average carbon intensity of the UK grid

<sup>2</sup> Transport emissions from business mileage remain very low due to our central London location and availability of public transport options, meaning that even small changes in travel activity can result in relatively large year-on-year variations.

<sup>3</sup> Gas oil consumption fluctuates significantly from year to year, as it is ordered only when required for operations at the Sports Ground.

<sup>4</sup> Photovoltaic (PV) generation increased this year due to favourable solar conditions.

## SECR Statement Methodology:

**Organisational boundary:** We use the operational control approach. This excludes halls of residences that we do not operate in-house from our calculations, while the following halls of residence are included: Bankside House, Butlers Wharf, Carr-Saunders Hall, High Holborn, Passfield Hall, and Rosebery Hall.

**Operational scopes:** We have measured our scopes 1, 2 and certain scope 3 emissions. Our reporting year is 1 August to 31 July, in line with the financial year.

**Quantification & reporting methodology:** The figures above are based on primary data wherever possible, such as meter readings, or invoices when readings are not available. We utilise the latest Defra carbon conversion factors, in line with the GHG Reporting Protocol. Estimations, when required, are based on pro-rata extrapolation. Approximately 99% of our utilities data by consumption is derived from actual meter readings. We report on a market-based approach for our scope 2 emissions.

We have also used the GHG Protocol Value Chain (Scope 3) Standard, but we are not as yet able to report on all categories that may be relevant. The figures above relate to the required elements of each scope category rather than the operational elements.

**Base Year:** LSE's baseline year is 2005-06 in line with best sector practice (GHG Protocol, OfS). Our base year recalculations policy is defined in our ISO 50001 Energy Baseline and Review process.

**Targets:** Achieve net-zero carbon emissions by 2030 for our most direct emissions (scope 1 and 2) and by 2050 at the latest for our indirect emissions (scope 3).

**Intensity metrics:** We have chosen the metric gross scope 1 and 2 emissions in kilograms of CO<sub>2</sub>e per square metre and kWh per square metre as these are common business metrics for our sector. We have also, for the first time this year, included a metric of gross scope 1 and 2 emissions in kilograms of CO<sub>2</sub>e per student FTE.





# Independent auditors' report to the Council of London School of Economics and Political Science (the "School")

## Opinion on the financial statements

In our opinion, 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 2025 and of the Group's and the School's income and expenditure, gains and losses, changes in reserves and of the Group's and the School's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of London School Of Economics and Political Science (the "School") and its subsidiaries ("the Group") for the year ended 31 July 2025 which comprise the Consolidated and School Statement of Comprehensive Income and Expenditure, the Consolidated and School Balance Sheet, the Consolidated and School Statement of Changes in Reserves the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

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

### Independence

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

## Conclusions relating to going concern

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

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

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

## Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

## Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the School and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

## Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England)

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 managed in accordance with relevant legislation.

- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency (now part of the Department for Education) and the Department for Education have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The School's grant and fee income, as disclosed in note 3 to the accounts, has been materially misstated.
- The School's expenditure on access and participation activities for the financial year, as has been disclosed in note 8 to the accounts, has been materially misstated.

## Responsibilities of the Council members

As explained more fully in the Responsibilities of Council, the Members of Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.<sup>1</sup>

In preparing the financial statements, the Members of Council are responsible for assessing the Group and the 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 Members of Council either intends to liquidate the Group or the School or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

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:

### Non-compliance with laws and regulations

Based on:

- Our understanding of the Group, School and the sector in which it operates;

- Discussion with management and those charged with governance (including the Audit and Risk Committee and internal audit provision);
- Obtaining and understanding of the Group and School's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer

we considered the significant laws and regulations to be The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, Corporate and VAT legislation and Employment Taxes.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit and Risk Committee and internal audit provision) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Considered management's incentives and opportunities for fraudulent manipulation of the financial statements;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition in relation to other income and donations, posting inappropriate journal entries to manipulate financial results and management bias in significant judgements and estimates.

*Our procedures in respect of the above included:*

- Testing a sample of income transactions in relation to other income and donations to ensure that income recognition is in accordance with the supporting documentation, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, the Financial Reporting Standard (FRS 102) and stated accounting policies;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted by individuals outside of their expected job roles, and others deemed unusual based on our expectations;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the valuation of land and buildings and the impairment of property plant and equipment;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Direct enquiry of the Accountable Officer.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

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

**James Aston MBE (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK**

Date: 1st December 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Accounting Policies

The School is an exempt charity within the meaning of Part Three of the Charities Act 2011 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 2010. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 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 receives partial exemption in respect of Value Added Tax (VAT) and is unable to recover most of VAT paid to suppliers. VAT recovered from HMRC is recorded under Other Income. The School is incorporated under the Companies Act as a company limited by guarantee. The following accounting policies have been applied consistently across the financial statements set out on pages 54 to 81.

## Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 Edition), the OfS Accounts Direction and in accordance with Financial Reporting Standards (FRS 102). The School is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of investments and derivative financial instruments).

## Going concern

The directors have assessed the School's ability to continue as a going concern by reviewing financial forecasts for the 12-month period from the date of signing these financial statements. Sensitivity analysis is undertaken against several scenarios reflecting the key risks identified by the School and based on latest available assumptions. The School's Financial Plan, taking account of reasonably possible changes in performance, shows that the School will be able to operate within the level of its current facilities and comply with bank covenants over the planning period.

Consequently, the directors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

## Basis of consolidation

The consolidated financial statements include the School and all its subsidiaries together with the share of the results of jointly controlled operations for the financial year to 31st July 2025. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as it is a separate entity in which the School has, under existing arrangements, no financial interest and no control or significant influence over policy decisions. Associated companies and joint ventures are accounted for using the equity method. The School acts as agent for the jointly controlled operation therefore the assets of the operation are included within the School's balance sheet and the balances due to other parties are recorded as creditors. A proportion of the income and expenditure of the jointly controlled operation is recognised in the School's Statement of Comprehensive Income and Expenditure in accordance with the control the School holds.

## Income recognition

### Tuition fee income

Tuition Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students register. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross of expenditure and not deducted from income.

Summer School income and teaching costs are apportioned between financial years based on teaching days.

The School's share of surplus from the participation in the University of London International Programme is recognised on an accruals basis.

### Grant funded income

Grant funding, including Funding Council (OfS/UKRI), research grants and capital grants, is recognised as income when the School is entitled to the income and when relevant 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. This is usually recognised as income in line with expenditure related to the grant; spend on appropriate grant related costs being the performance condition.

Income is classified as 'Research Grants and Contracts' when it meets the Frascati definition of research as set out by the Organisation for Economic Co-operation and Development (OECD), and which is generally accepted within the Higher Education sector as the standard by which work is determined to be research.

### Other income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Funds the School receives and disburses as paying agent on behalf of a funding body are excluded from the Statement of Comprehensive Income and Expenditure of the School where the School is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

### Investment income

Investment income from deposit accounts, short-term deposits and money market funds is credited to the Statement of Comprehensive Income and Expenditure in the period it is earned.

Endowment investment income and gains/losses (both realised and unrealised) on investments are recorded in income in the period in which they arise and are classified as either restricted or unrestricted income according to the terms of the individual endowment fund.

The School adopts a total return endowment investment management policy. This implies that the total return of a permanent endowment; its investment income and gains (both realised and unrealised) can be spent on the purposes of that endowment. This income remains part of the permanent endowment fund until spent on its purpose.

## Donations and endowments

Donation and endowments (with or without donor-imposed restrictions) are non-exchange transactions without performance related conditions and are primarily recognised in income when received. For capital and building donations or endowments, these are recognised on delivery of specific milestones within the agreement or in line with expenditure incurred.

Donations with donor-imposed restrictions are retained within the restricted reserve until such time that it is utilised in line with such restrictions and the income is released to unrestricted reserves through a reserve transfer.

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

**Restricted donations** – the donor has specified that the donation must be used for a particular objective but not requested that the fund is to be invested.

**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.

**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.

**Restricted expendable endowments** – the donor has specified that the fund is to be invested to generate an income stream to be applied to a particular objective and the School has the power to utilise the fund's capital to meet that objective.

## Expenditure recognition

Expenditure incurred relates to the receipt of goods and services which are recognised in the period in which they are incurred.

A provision is made for debts that are not likely to be collected completely. This provision is calculated based on age, value, jurisdiction of the debtor and our experience from previous years of the collectability of differing types of debt.

## Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

## Accounting for retirement benefits

The two principal pension schemes for the School's staff are the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL).

### USS:

The assets of the USS 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 Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provision basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The institution recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement.

The March 2023 valuation identified the scheme was in surplus on a technical provision basis with no requirement for employer deficit contributions or a Recovery Plan. Accordingly, there is no provision on the balance sheet. Further information can be found in Notes 20 and 25.

## SAUL:

SAUL is a scheme providing both a Defined Benefit and a Defined Contribution section, depending on the individual members' eligibility criteria, that is independently managed. It is not possible to identify an individual employer's share of the underlying assets and liabilities of SAUL. The School accounts for its participation as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e., cash amounts) in accordance with paragraphs 28.11 of FRS 102. The School is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation. The fund is valued every three years by professionally qualified independent actuaries.

At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis. As SAUL was in surplus on its Technical Provisions basis, no deficit contributions were required, and there is no defined benefit liability (i.e., the present value of any deficit contributions due to SAUL) to be recognised by the School.

## 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.

A liability is recognised for the unused benefit of holiday entitlements earned but not taken at the reporting date, with the expense being recognised as staff costs in the Consolidated Statement of Comprehensive Income.

## Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where a fixed asset comprises of two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL.

## Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their useful economic lives which range over the following periods:

- Buildings – 3-95 years

- Roofs – 25 years
- Refurbishments including lifts, mechanical and electrical services – 10 to 20 years
- Leasehold land and buildings are depreciated over the period of the lease.

Capital projects which are still under construction and buildings held for redevelopment are capitalised but not depreciated.

All buildings in the Estate are treated as Tangible fixed assets at group level as LSE is the majority occupier.

## Equipment

Equipment, including computers, costing less than £30,000 per individual item or group of related items is expensed in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- Fixtures & fittings – 7 years
- Computer equipment – 3 to 5 years
- Other equipment – 5 years

## Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Consolidated Statement of Comprehensive Income and Expenditure.

## Intangible assets

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment.

These assets primarily consist of computer and network software as well as software development projects. Costs in relation to purchased software as well as the development phase of an internal software project (including staff costs) are capitalised if over a £30,000 threshold and the project is expected to generate future economic benefit through use. Intangible assets are amortised over 5 years representing the estimated economic life of the assets. Costs associated with the research phase of software development projects are expensed as incurred.

Intangible assets also include goodwill on the acquisition of a subsidiary company. This is capitalised at the difference between consideration paid and fair value of net assets at acquisition less any intercompany debt. Goodwill is amortised over 10 years.

## 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 minimum lease term.

## Foreign currency

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

## Non-current and current asset Investment valuation

All investments including investments in listed shares, private equity and corporate bonds are initially measured at cost which is typically the transaction price. These assets are subsequently measured at fair value at each reporting date, with changes in fair value recognised in the Statement of Comprehensive Income.

The School's investments in property (via its shared equity housing loan scheme for staff) are revalued using a London housing price index to estimate the fair value of the property held. Any changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income.

Investments in subsidiary and associate undertakings are carried at cost less impairment in the School's financial statements.

## Jointly controlled operations

The School accounts for its share of transactions from joint operations in the Consolidated Statement of Comprehensive Income and Expenditure.

## Stocks

Stocks, which are primarily catering supplies, are valued at the lower of cost and net realisable value.

## Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. These include investments held as part of the School's treasury management practices such as term deposits (with a maturity of three months or less from the date of acquisition) and money market funds.

## Financial Instruments

The School has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments.

## Financial Assets

Basic financial assets include trade and other receivables and cash and cash equivalents. These assets are initially recognised at transaction price less attributable transaction costs. If the arrangement constitutes a financing transaction, then the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 plus attributable transaction costs. They are subsequently carried at amortised cost using the effective interest rate method. If the arrangement constitutes a financing transaction, the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Derivatives 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.

## Service Concession Arrangements

The School has one service concession arrangement. In December 2021, the School entered a 50-year contract with Spark Living (LSE Glengall Road) LLP for the design, build and operation of a hall of residence at a site purchased at Glengall Road by LSE. At the end of the contract, the School will retain the beneficial ownership of the halls of residence.

The hall opened in September 2025. Each year the School will have the right but not the obligation to nominate rooms for the following academic year and once nominated, the School will be required to underwrite that rental income. This arrangement is deemed to be a Service Concession Arrangement under the terms of Section 34 of FRS 102 and the School will recognise assets and liabilities to the extent that it is required to fulfil nomination commitments at each year-end once the hall has opened.

The School (via intermediary subsidiary companies) holds a 19.9 per cent share of Spark Living (LSE Glengall Road) LLP. This investment is accounted for within non-current investments (refer to note 13) under the cost method for the purposes of the consolidated financial statements.

## Reserves

Reserves are classified as restricted or unrestricted and reflect the accumulated net comprehensive income of the School. They are classified as restricted or unrestricted depending on whether restrictions were placed on how the income was to be spent.

Endowment reserves are classified as restricted reserves. Additional information in their reserve classification is provided in the Donations and Endowments accounting policy above.

Income with restrictions remains in the restricted reserves until it is spent in line with the restriction, at which point it is transferred to the unrestricted reserve via a reserve transfer.

## Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- The School has a present obligation (legal or constructive) because of a past event;
- It is probable that an outflow of economic benefits will be required to settle the obligation; and
- A 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 asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly with the control of the School.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in note 28.

## Critical accounting estimates and judgements

The preparation of the School's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

## Critical accounting estimates

### Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the School's total assets. Therefore, 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 12.

### Impairment of assets

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 and previous collection rates. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. The provision for doubtful debts is netted off against trade receivables in Note 17.

## Valuation of property acquisitions

Property acquisitions are initially valued at fair value and follow the accounting treatment for Tangible fixed assets. Where material to the group, the valuation of the property is verified by an expert. The valuation is reviewed for impairment periodically. Any impairment is recognised through the Statement of Comprehensive Income and Expenditure.

## Significant judgements

### Income recognition

Judgement is applied in determining the value and timing of recognition in the financial statements of certain material income items such as large gifts and research grants. This includes determining when performance related conditions have been met and determining the revenues associated with partially delivered courses.



# Consolidated Statement of Comprehensive Income and Expenditure

Year end 31 July 2025

	Notes	Group 2024-25	Group 2023-24	School 2024-25	School 2023-24
		£'000	£'000	£'000	£'000
<b>INCOME</b>					
Tuition fees and education contracts	1	336,082	316,438	336,082	316,438
Funding body grants	2	27,715	26,818	27,715	26,818
Research grants and contracts	3	40,672	42,732	39,195	41,375
Other income	4	95,815	83,793	88,962	80,070
Investment income	5	12,585	11,680	16,225	11,592
<b>Total income before endowments and donations</b>		512,869	481,461	508,179	476,293
Donations and endowments	6	40,438	49,261	40,008	49,261
<b>Total income</b>		553,307	530,722	548,187	525,554
<b>EXPENDITURE</b>					
Staff costs (excluding USS provision movement)	7	294,210	269,794	291,606	268,024
Movement in USS Pension Provision	7	-	(113,503)	-	(113,503)
Staff costs	7	294,210	156,291	291,606	154,521
Other operating expenses	9	175,071	163,356	170,932	159,972
Depreciation	11, 12	20,766	17,483	18,478	17,469
Interest and other finance costs	10	12,550	12,432	12,550	12,432
<b>Total expenditure</b>	9	502,597	349,562	493,566	344,394
<b>Surplus before other gains</b>		50,710	181,160	54,621	41,216
Gain on investments		32,231	36,736	23,352	36,736
Change in fair value of hedging financial instruments	19	710	(2,272)	710	(2,272)
<b>Surplus before tax</b>		83,651	215,624	78,683	75,680
Taxation		-	-	-	-
<b>Surplus for the year</b>		83,651	215,624	78,683	75,680
<b>Total comprehensive income for the year</b>		83,651	215,624	78,683	75,680
Represented by:					
Endowment comprehensive income for the year	21	21,032	26,169	20,602	26,169
Restricted comprehensive income for the year	22	16,634	21,229	16,634	21,229
Unrestricted comprehensive income for the year		45,985	168,226	41,447	168,226
		83,651	215,624	78,683	215,624

All items of income and expenditure relate to continuing activities.

# Consolidated and School Balance Sheet

	Notes	Group 2024-25	Group 2023-24	School 2024-25	School 2023-24
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Intangible assets	11	30,671	15,267	24,153	15,267
Fixed assets	12	924,780	743,136	758,380	742,774
Non-current investments	13	413,164	375,873	577,619	373,258
Trade and other receivables	17	114	154	114	154
		1,368,729	1,134,430	1,360,266	1,131,453
<b>Current assets</b>					
Current asset investments	15	145,456	193,424	145,456	193,424
Stock	16	780	483	780	483
Trade and other receivables	17	61,078	53,179	59,169	52,972
Cash and cash equivalents	23	83,418	61,325	79,044	60,077
		290,732	308,411	284,449	306,956
<b>Less Creditors: amounts falling due within one year</b>	18	(123,103)	(115,713)	(115,155)	(111,281)
<b>Net current assets</b>		167,629	192,698	169,294	195,675
<b>Total assets less current liabilities</b>		1,536,358	1,327,128	1,529,560	1,327,128
<b>Creditors: amounts falling due after more than one year</b>	18	(443,852)	(318,273)	(442,021)	(318,273)
<b>Pension provisions</b>	20	(9)	(9)	(9)	(9)
<b>Total net assets</b>		1,092,497	1,008,846	1,087,530	1,008,846
<b>Restricted reserves</b>					
Income and expenditure reserve-endowment reserves	21	276,504	255,472	276,074	255,472
Income and expenditure reserve-restricted reserves	22	67,642	51,008	67,642	51,008
		344,146	306,480	343,716	306,480
<b>Unrestricted reserves</b>					
Income and expenditure reserve-unrestricted		748,351	702,366	743,814	702,366
<b>Total reserves</b>		1,092,497	1,008,846	1,087,530	1,008,846

The financial statements on pages 54 - 81 were approved by Council on 25 November 2025 and were signed on their behalf on that date by:

**Dr Susan Lioutaud**  
Chair of Council

**Professor Larry Kramer**  
President and Vice Chancellor

# Consolidated and School Statement of Changes in Reserves

Group	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
<b>Balance at 1 August 2024</b>	255,472	51,008	702,366	1,008,846
Surplus from the income and expenditure statement	21,032	16,634	45,275	82,941
Other comprehensive loss	-	-	710	710
<b>Total comprehensive income for the year</b>	21,032	16,634	45,985	83,651
<b>Balance at 31 July 2025</b>	<b>276,504</b>	<b>67,642</b>	<b>748,351</b>	<b>1,092,497</b>
<b>Balance at 1 August 2023</b>	229,303	29,779	534,140	793,222
(Deficit)/Surplus from the income and expenditure statement	26,169	21,229	170,498	217,896
Other comprehensive income	-	-	(2,272)	(2,272)
<b>Total comprehensive income for the year</b>	26,169	21,229	168,226	215,624
<b>Balance at 31 July 2024</b>	<b>255,472</b>	<b>51,008</b>	<b>702,366</b>	<b>1,008,846</b>
School	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
<b>Balance at 1 August 2024</b>	255,472	51,008	702,366	1,008,846
Surplus from the income and expenditure statement	20,602	16,634	40,738	77,974
Other comprehensive loss	-	-	710	710
<b>Total comprehensive income for the year</b>	20,602	16,634	41,448	78,684
<b>Balance at 31 July 2025</b>	<b>276,074</b>	<b>67,642</b>	<b>743,814</b>	<b>1,087,530</b>
<b>Balance at 1 August 2023</b>	229,303	29,779	534,140	793,222
(Deficit)/Surplus from the income and expenditure statement	26,169	21,229	170,498	217,896
Other comprehensive income	-	-	(2,272)	(2,272)
<b>Total comprehensive income for the year</b>	26,169	21,229	168,226	215,624
<b>Balance at 31 July 2024</b>	<b>255,472</b>	<b>51,008</b>	<b>702,366</b>	<b>1,008,846</b>

# Consolidated Cash Flow Statement

Year end 31 July 2025

	Group 2024-25 £'000	Group 2023-24 £'000
<b>Surplus for the year</b>	83,651	215,624
<b>Adjustment for non-cash items</b>		
Depreciation and amortisation	11, 12	20,766
(Gain) on investments	13, 15	(32,913)
(Decrease)/increase in fair value of hedging financial instrument	19	(710)
(Increase) in stock	16	(297)
(Increase) in debtors	17	(7,859)
Increase/(decrease) in creditors	18	8,336
(Decrease) in pension provision	20	-
		(110,966)
<b>Adjustment for investing or financing activities</b>		
Investment income	5	(12,585)
Interest payable	10	12,550
Endowment income	6	(6,386)
Loss on the sale of tangible fixed assets		-
Capital grant income	2	(3,521)
<b>Net cash inflow from operating activities</b>	61,032	64,832
<b>Cash flows from investing activities</b>		
Capital grants received	2	3,521
Investment income received		3,465
Payments made to acquire fixed assets	12	(200,501)
Payments made to acquire intangible assets	11	(17,313)
Purchase of non-current asset investments		(843)
Sale/(Purchase) of current asset investments		53,553
	(158,118)	(63,663)
<b>Cash flows from financing activities</b>		
Interest paid	10	(12,550)
Endowment cash received	6	6,386
New loans	24	130,000
Repayments of amounts borrowed	24	(4,657)
	119,179	1,331
<b>Increase in cash and cash equivalents in the year</b>	22,093	2,500
Cash and cash equivalents at beginning of the year	23	61,325
Cash and cash equivalents at end of the year	23	83,418

# Notes to the Financial Statements

**Year ended 31 July 2025**

<b>1 TUITION FEES AND EDUCATION CONTRACTS</b>	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
Tuition fees:				
Home/EU students	69,223	67,426	69,223	67,426
Overseas students	213,221	198,335	213,221	198,335
Other courses	50,534	47,723	50,534	47,723
Examination and other fees	3,104	2,954	3,104	2,954
	<b>336,082</b>	<b>316,438</b>	<b>336,082</b>	<b>316,438</b>

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<b>2 FUNDING BODY GRANTS</b>	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
Block recurrent				
Block recurrent	17,229	18,001	17,229	18,001
Capital grant	3,521	1,476	3,521	1,476
Higher Education Innovations Fund	5,448	5,349	5,448	5,349
Other specific grants	1,517	1,992	1,517	1,992
	<b>27,715</b>	<b>26,818</b>	<b>27,715</b>	<b>26,818</b>

<b>3 RESEARCH GRANTS AND CONTRACTS</b>	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
Research Councils				
Research Councils	14,205	13,717	14,205	13,717
UK Government departments	8,196	10,581	7,763	10,145
UK Charities	2,659	3,315	2,647	3,075
European Commission and other EU based funders	4,946	5,219	4,685	5,219
Other outside bodies	10,666	9,900	9,895	9,219
	<b>40,672</b>	<b>42,732</b>	<b>39,195</b>	<b>41,375</b>

	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
The source of grant and fee income, excluding VAT, included in notes 1, 2 & 3 above is as follows:				
Grant income from the Office for Students	339	516	339	516
Grant income from other bodies	68,046	69,031	66,570	67,674
Fee income for taught awards	284,901	267,041	284,901	267,041
Fee income for research awards	8,809	8,535	8,809	8,535
Fee income from non-qualifying courses	42,373	40,865	42,373	40,865
	<b>404,468</b>	<b>385,988</b>	<b>402,992</b>	<b>384,631</b>

## Notes to the Financial Statements continued...

<b>4 OTHER INCOME</b>	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
Residences and catering	44,265	40,266	36,876	32,719
Academic department income attributable to other activities	377	1,167	377	1,167
University of London International Programmes (ULIP)	9,632	10,256	9,632	10,256
Consultancy services and executive education (LSE Enterprise Limited)	8,708	6,371	70	-
Other services rendered	19,705	17,832	28,965	28,031
Other revenue grants	5,765	2,519	5,765	2,519
VAT recovery	2,080	1,869	2,080	1,869
Staff and student facilities	48	66	48	66
Sundry	5,235	3,447	5,149	3,443
	<b>95,815</b>	<b>83,793</b>	<b>88,962</b>	<b>80,070</b>

<b>5 INVESTMENT INCOME</b>	<b>Notes</b>	<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
Investment income on endowments	21	3,218	2,890	3,218	2,890
Other investment income		9,367	8,790	13,007	8,702
		<b>12,585</b>	<b>11,680</b>	<b>16,225</b>	<b>11,592</b>

<b>6 DONATIONS AND ENDOWMENTS</b>		<b>Group 2024-25 £'000</b>	<b>Group 2023-24 £'000</b>	<b>School 2024-25 £'000</b>	<b>School 2023-24 £'000</b>
New endowments	21	6,386	15,882	5,956	15,882
Donations with restrictions	22	31,182	30,306	31,182	30,306
Unrestricted donations		2,870	3,073	2,870	3,073
		<b>40,438</b>	<b>49,261</b>	<b>40,008</b>	<b>49,261</b>

## Notes to the Financial Statements continued...

<b>7 STAFF COSTS</b>	<b>Group</b>	<b>Group</b>	<b>School</b>	<b>School</b>
	<b>2024-25</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2023-24</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	236,617	214,451	234,307	212,906
Social Security costs	27,865	23,841	27,651	23,683
Other pension costs	29,728	31,502	29,648	31,435
Staff costs (excluding USS provision movement)	294,210	269,794	291,606	268,024
 Movement on USS pension provision	20	- (113,503)	-	(113,503)
 Total staff costs	294,210	156,291	291,606	154,521

The School acts as an agent for its subsidiaries. In the current year, the School made a management charge of £4,754k (2023-24: £4,265k) to LSE Enterprise Limited and £241k to GFP Limited (2023-24: £0). These include staff costs.

Payment of compensation for loss of office totalling £798k was made to 58 staff in 2024-25 (2023-24: £743k; 47 staff).

<b>The average monthly number of persons employed by the group during the year expressed as full-time equivalent was:</b>	<b>Group</b>	<b>Group</b>
	<b>2024-25</b>	<b>2023-24</b>
	<b>Number</b>	<b>Number</b>
Research and teaching	1,970	1,892
Operational services	1,599	1,460
	3,569	3,352

## Notes to the Financial Statements continued...

### 7 STAFF COSTS CONTINUED...

DIRECTORS' REMUNERATION	Group 2024-25 £'000	Group 2023-24 £'000
Emoluments (2024-25: 6 directors, 2023-24: 7 directors)	1,398	1,283

Salaries are stated gross, before deductions of pension contributions made under the School's salary sacrifice scheme.

Included in the above are emoluments of the Vice Chancellors of the School:

#### Determination of President and Vice Chancellor Remuneration

LSE is one of the foremost universities in the world specialising across the full range of social, political and economic sciences and remains a unique forum for research and learning of the highest quality in an evolving higher education sector. A member of the Russell Group, LSE has the highest proportion of world-leading research (across multiple submissions), of any UK university based on the most recent Research Excellence Framework review (undertaken in 2021). The Times and Sunday Times Good University Guide 2025 ranked LSE the top university in the UK and named LSE University of the Year 2025.

The Vice Chancellor's salary is decided by a remuneration committee, which considers a number of issues to ensure the salary is appropriate, including looking at remuneration at comparable universities in the UK and globally, and the need to attract and retain world-class leadership with wider breadth than academia.

The Vice Chancellor's complex set of responsibilities include contribution to global political and economic questions and calls for a particular combination of qualities. The profile of the role and the internationally competitive position of the School are factors in determining their remuneration.

The Vice Chancellor's performance objectives for the year are set by the Chair of Council on the advice of the Remuneration Committee at the beginning of the academic year. The Chair of Council undertakes an annual performance review of the Vice Chancellor against the objectives, the results of which are reported to the Remuneration Committee and the Committee uses this information as the basis for assessing progress against agreed outcomes at the end of the year.

Salaries are stated gross, before deductions of pension contributions made under the School's salary sacrifice scheme.

Professor Larry Kramer- Vice Chancellor	Group 2024-25 1st August 2024 - 31st July 2025 £'000	Group 2023-24 1st April 2024 - 31st July 2024 £'000
Basic salary	395	132
Other remuneration	30	47
Payments made in lieu of pension	-	10
	425	189
<b>Other taxable benefits:</b>		
Taxable benefit of accommodation	29	9
Taxable benefit of utilities & other expenses	27	9
Taxable benefit of private medical insurance	2	-
Contribution to relocation costs	-	17
Tax equalisation payments for taxable benefits	47	26
	105	61
<b>Non-taxable benefits</b>		
Contribution to relocation costs	-	8
	530	258

The figures disclosed for 2023-24 relate only to the months of April to July 2024, as Larry Kramer started his post in April 2024, whereas the figures disclosed for 2024-25 relate to the full year. Prior to joining LSE in April 2024, Larry Kramer was the President of the William and Flora Hewlett Foundation for over 10 years. He has held a variety of positions within academia throughout his career, serving as the Dean of Stanford Law School and as the Associate Dean for Research and Academics & Russell D. Niles Professor of Law at New York University. He has also held research & teaching positions at the University of Chicago and University of Michigan.

The Vice Chancellor's Other remuneration in 2024-25 related to an annual review contribution award (2023-24: joining fee).

In accordance with their contract of employment, the Vice Chancellor is required live in School provided accommodation for more effective performance of their duties. The property is funded from a historic legacy gifted for this purpose so does not represent a cost to the School's general funds. In April 2019, HMRC wrote to all universities to warn that changes to its interpretation of the relevant legislation would result in the provision of any accommodation associated with employment becoming a taxable benefit from 6 April 2021. The taxable benefit in respect of the accommodation for the year is derived from the market value of the accommodation in line with HMRC's 'cost of providing living accommodation' rules. The Remuneration Committee approved a tax equalisation arrangement for the Vice Chancellor to ensure that the Vice Chancellor's financial position remained the same as that of an individual paid their basic salary. The tax equalisation payments are reflected in the financial year they are paid.

The Vice Chancellor's pay ratio, based on basic pay as a ratio of the median basic salary of all staff, was 9.6 (2023-24: 10.2). The total remuneration ratio was 11.4 (2023-24: 12.5). Basic salary and total remuneration are based on full-time equivalent pay for permanent and contract staff employed during 2024-25.

## Notes to the Financial Statements continued...

### 7 STAFF COSTS CONTINUED...

Professor Eric Neumayer- Interim Vice Chancellor (to 31st March 2024)	Group 2024-25 £'000	Group 2023-24 1st August 2023 to 31st March 2024 £'000
Basic salary	-	195
Pension contributions	-	28
Other remuneration	-	47
		270

In 2023-24, until 31st March 2024, Eric Neumayer acted as Interim Vice Chancellor and President. From 1st April 2024 onwards, when Larry Kramer started his role as Vice Chancellor and President, Eric returned to his role as Pro-Vice Chancellor (Planning and Resources) and as such, his remuneration is no longer disclosed under Vice Chancellor Remuneration from 1st April 2024 onwards.

#### Key management personnel

Key management personnel (excluding the Vice Chancellor) are those persons having authority and responsibility for planning, directing and controlling the activities of the School and are members of the School Management Committee. Staff costs include compensation paid to key management personnel.

Vice Presidents and Pro-Vice Chancellors, Chief Financial Officer, Chief Operating Officer, Chief Philanthropy & Global Engagement Officer, General Counsel, and School Secretary.

	Group 2024-25 £'000	Group 2023-24 £'000
Key management personnel compensation	1,980	1,453

## Notes to the Financial Statements continued...

### 7 STAFF COSTS CONTINUED...

#### Remuneration of higher paid staff

	2024-25	2023-24		2024-25	2023-24
£100,001-£105,000	55	39	£215,001-£220,000	5	6
£105,001-£110,000	57	38	£220,001-£225,000	2	2
£110,001-£115,000	38	17	£225,001-£230,000	6	2
£115,001-£120,000	32	20	£230,001-£235,000	1	1
£120,001-£125,000	20	28	£235,001-£240,000	5	2
£125,001-£130,000	21	38	£240,001-£245,000	1	2
£130,001-£135,000	30	16	£245,001-£250,000	2	4
£135,001-£140,000	24	13	£250,001-£255,000	5	1
£140,001-£145,000	13	16	£255,001-£260,000	3	1
£145,001-£150,000	18	10	£260,001-£265,000	3	1
£150,001-£155,000	7	5	£265,001-£270,000	1	-
£155,001-£160,000	9	7	£270,001-£275,000	2	-
£160,001-£165,000	4	11	£275,001-£280,000	-	1
£165,001-£170,000	9	3	£280,001-£285,000	1	2
£170,001-£175,000	3	3	£285,001-£290,000	1	-
£175,001-£180,000	5	8	£290,001-£295,000	5	-
£180,001-£185,000	5	7	£295,001-£300,000	-	1
£185,001-£190,000	6	5	£305,001-£310,000	1	-
£190,001-£195,000	7	6	£310,001-£315,000	-	1
£195,001-£200,000	6	7	£315,001-£320,000	-	1
£200,001-£205,000	1	5	£325,001-£330,000	2	-
£205,001-£210,000	4	3	£395,001-£400,000	1	-
£210,001-£215,000	6	8		427	341

In accordance with the OfS Accounts Direction, the table above includes the number of staff with a full-time equivalent basic salary of over £100,000 per annum. Basic salary includes market supplements but excludes bonus payments, allowances and other such payments. As per the guidance it also does not include any staff who joined or left during the financial year.

## Notes to the Financial Statements continued...

	Group 2024-25 £'000	Group 2023-24 £'000
<b>8 ACCESS AND PARTICIPATION</b>		
Access Investment	1,281	1,442
Financial Support	4,215	4,451
Disability Support (excluding expenditure included in the two categories above)	423	505
Research and Evaluation	294	272
	6,213	6,670

The Access and Participation costs include £1.6m (2023-24: £1.7m) of staff costs which are reported in Note 7.

The School's Access and Participation plan is published at  
<https://www.lse.ac.uk/study-at-lse/Undergraduate/widening-participation/about/lse-access-and-participation-plan>

<b>9 ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY</b>	Group 2024-25 Staff costs £'000	Group 2024-25 Non pay costs £'000	Group 2024-25 Total £'000	Group 2023-24 Total £'000	School 2024-25 Total £'000	School 2023-24 Total £'000
Academic departments and other academic activities	175,259	33,875	209,134	195,502	207,815	194,449
Library and data and technology services	16,722	17,815	34,537	28,772	34,537	28,771
Research grants and contracts	19,078	6,583	25,661	29,808	25,660	29,807
Scholarships	65	35,990	36,055	33,839	36,055	33,839
General education expenditure	13,635	3,851	17,486	13,179	17,486	13,179
Estates	13,641	19,416	33,057	30,834	34,297	30,834
Administration and central services	21,267	9,018	30,285	26,055	30,286	26,055
Staff and student facilities	11,778	4,624	16,402	16,314	16,402	16,314
Residences and catering	9,025	23,431	32,456	33,375	32,456	33,343
Consultancy services, executive education & other services rendered	6,734	17,529	24,263	17,787	17,649	13,764
USS pension provisions utilised in year	-	-	-	(3,467)	-	(3,467)
	287,204	172,132	459,336	421,998	452,643	416,888
Movement on USS provision	-	-	-	(110,036)	-	(110,036)
Miscellaneous	7,006	2,939	9,945	7,685	9,895	7,641
Depreciation						
• Estates and IT	-	19,462	19,462	16,144	17,174	16,130
• Residences and catering	-	1,304	1,304	1,339	1,304	1,339
Interest and other finance costs	-	12,550	12,550	12,432	12,550	12,432
	294,210	208,387	502,597	349,562	493,566	344,394

### Other operating expenses include:

Fees payable to the School's auditors for the audit of the financial statements	185	149	185	149
Fees payable to the School's auditors for other services:				
Audit of the financial statements of the School's subsidiaries	9	8	-	-
Other services relating to taxation	4	5	-	-
All other services	13	8	13	8
	211	170	198	157

### Operating lease rentals

Land and buildings	4,631	4,503	4,631	4,503
Other	909	823	909	823
	5,540	5,326	5,540	5,326

## Notes to the Financial Statements continued...

10 INTEREST AND OTHER FINANCE COSTS	Note	Group	Group	School	School
		2024-25 £'000	2023-24 £'000	2024-25 £'000	2023-24 £'000
Loan interest		12,550	9,894	12,550	9,894
Net charge on pension scheme (unwinding of discount)	20	-	2,538	-	2,538
		12,550	12,432	12,550	12,432

11 INTANGIBLE ASSETS		Software	Goodwill	Assets Under Construction	Total	
		£'000	£'000	£'000	£'000	
<b>GROUP</b>						
<b>Cost</b>						
As at 1 August 2024		5,362	-	14,542	19,904	
Additions in year		800	6,819	9,694	17,313	
Transfer		13,250	-	(13,250)	-	
Disposals in year		-	-	-	-	
As at 31 July 2025		19,412	6,819	10,986	37,217	
<b>Accumulated amortisation</b>						
As at 1 August 2024		4,637	-	-	4,637	
Charge for year		1,608	301	-	1,909	
Disposals in year		-	-	-	-	
Impairment losses in year		-	-	-	-	
As at 31 July 2025		6,245	301	-	6,546	
<b>Net book value</b>						
As at 1 August 2024		725	-	14,542	15,267	
As at 31 July 2025		13,167	6,518	10,986	30,671	
<b>SCHOOL</b>						
<b>Cost</b>						
As at 1 August 2024		5,362	-	14,542	19,904	
Additions in year		800	-	9,694	10,494	
Transfer		13,250	-	(13,250)	-	
Disposals in year		-	-	-	-	
As at 31 July 2025		19,412	-	10,986	30,398	
<b>Accumulated amortisation</b>						
As at 1 August 2024		4,637	-	-	4,637	
Charge for year		1,608	-	-	1,608	
Disposals in year		-	-	-	-	
Impairment losses in year		-	-	-	-	
As at 31 July 2025		6,245	-	-	6,245	
<b>Net book value</b>						
As at 1 August 2024		725	-	14,542	725	
As at 31 July 2025		13,167	-	10,986	24,153	

Intangible assets consists of software and goodwill on acquisition of a subsidiary company.

## Notes to the Financial Statements continued...

	Land and Buildings £'000	Equipment £'000	Assets Under Construction £'000	Total £'000
<b>12 TANGIBLE FIXED ASSETS</b>				
<b>GROUP Cost</b>				
As at 1 August 2024				
Additions in year	167,396	48	33,057	200,501
Transfer	2,344	1,210	(3,554)	-
Disposals in year	-	(1,544)	-	(1,544)
As at 31 July 2025	1,036,239	23,560	69,862	1,129,661
<b>Accumulated depreciation</b>				
As at 1 August 2024				
Charge for year	16,537	2,320	-	18,857
Disposals in year	-	(1,544)	-	(1,544)
As at 31 July 2025	187,291	17,590	-	204,881
<b>Net book value</b>				
As at 1 August 2024	695,745	7,032	40,359	743,136
As at 31 July 2025	848,948	5,970	69,862	924,780
<b>SCHOOL Cost</b>				
As at 1 August 2024				
Additions in year	326	42	32,108	32,476
Transfer	1,395	1,210	(2,605)	-
Disposals in year	-	(1,544)	-	(1,544)
As at 31 July 2025	867,550	23,574	69,862	960,986
<b>Accumulated depreciation</b>				
As at 1 August 2024				
Charge for year	14,555	2,315	-	16,870
Disposals in year	-	(1,544)	-	(1,544)
As at 31 July 2025	185,001	17,605	-	202,606
<b>Net book value</b>				
As at 1 August 2024	695,383	7,032	40,359	742,774
As at 31 July 2025	682,549	5,969	69,862	758,380

**Group and School**

Fixed assets acquired by the School are funded mainly by retained surplus. Many assets have conditions attached in the case of disposal and the proceeds may therefore not be available to the School. The School has manuscripts of historic value stored in the Library archive and works of art. These assets are not included within the tangible fixed assets and no market value is ascribed to them. It is not practical to determine the market value of the heritage assets. The cost associated with the custodianship would materially reduce their market value. In 2024-25, the Library's contents and works of art are insured for £165.2 million and £2.6 million respectively (2023-24: £199.5 million and £1.8 million respectively).

Land and Buildings includes land at Glengall Road acquired in 2021-22 for £27.4m in relation to the School's service concession arrangement, and 61 Aldwych acquired in 2024-25 at a value of £167.1m. 61 Aldwych has some commercial tenants but the property is treated as a Fixed asset as the School is the majority occupier and the property was acquired to provide floorspace to facilitate the School's teaching and research activities. 61 Aldwych is owned by one of the School's subsidiary companies so is only included in the consolidated figures.

## Notes to the Financial Statements continued...

13 NON-CURRENT INVESTMENTS	Other fixed assets investments £'000	Subsidiary Undertakings £'000	Participating Undertakings £'000	Total £'000
<b>Group</b>				
As at 1 August 2024	373,108	-	2,765	375,873
Additions	104,952	-	-	104,952
Disposals	(89,969)	-	-	(89,969)
Increase in market value of investments	28,750	-	-	28,750
Decrease in investment cash	(6,442)	-	-	(6,442)
As at 31 July 2025	410,399	-	2,765	413,164

<b>School</b>				
As at 1 August 2024	373,108	150	-	373,258
Additions	104,952	175,949	-	280,901
Disposals	(89,969)	-	-	(89,969)
Increase/(decrease) in market value of investments	28,750	(8,879)	-	19,871
Decrease in investment cash	(6,442)	-	-	(6,442)
As at 31 July 2025	410,399	167,220	-	577,619

Other fixed assets investments consist of:	2025 £'000	2024 £'000
<b>Group and School</b>		

<b>Analysis of closing balance</b>				
UK equities	4,906	6,604		
Overseas equities	331,885	289,773		
UK corporate bonds	22,702	24,360		
Investment in property funds	21,027	20,368		
Money market funds	-	-		
Cash on account	3,817	10,263		
Property and other investments	3,523	2,997		
Private Equity	22,539	18,743		
	410,399	373,108		

<b>Made up of the following portfolios:</b>				
School Fund	126,541	111,427		
Growth	223,699	206,598		
Gift matching	16,315	15,426		
FER	40,321	36,660		
Property and other investments	3,523	2,997		
	410,399	373,108		

<b>Subsidiary and Participating Undertakings</b>				
Name	Nature of Business	Country of registration	Shareholding	Number of Shares
LSE Enterprise Limited, Houghton Street, London, WC2A 2AE	Consultancy, Custom Programs & Vacation Lettings	England	100%	150,000
LSE LETS Limited, Houghton Street, London, WC2A 2AE	Dormant Company	England	100%	2
LSE GGR Holding Company Limited, Houghton Street, London, WC2A 2AE	Holding Company	England	100%	1
LSE GGR Intermediate Company Limited, Houghton Street, London, WC2A 2AE	Holding Company	England	100%	1
Spark Living (LSE Glengall Road) LLP, 3-5 Charlotte Street, Manchester, M1 4HB	Construction and operation of Hall of Residence	England	19.90%	N/A
GFP Limited, 3rd Floor 44 Esplanade, St Helier, Jersey, JE4 9WG	Owner of property let to LSE and other tenants	Jersey	100%	48,100,000
LSE Foundation Inc, 31 Hudson Yards, 11th Floor, New York, NY 10001	Charitable fundraising activities in the United States	United States	100%	No share capital
LSE Research & Education Foundation India, The Capital, Level 7, Plot C-70, G Block, Bandra Kurla Complex, Bandra East, Mumbai, 400051	Facilitation of scholarships funded by a philanthropic gift	India	100%	No share capital

**Participating undertakings**  
The School has a 19.9% shareholding in Spark Living (LSE Glengall Road) LLP through two wholly owned subsidiaries; LSE GGR Holding Company Limited and LSE GGR Intermediate Company Limited. The principal activity of the company is to build and operate a hall of residence on land owned by the School.

## Notes to the Financial Statements continued...

### 14 JOINTLY CONTROLLED OPERATIONS

The School has a one third share in the TRIUM MBA course with NYU Stern and HEC Paris. As the School acts as agent in this regard, one third of the income and expenditure of the jointly controlled operation is recognised in the School's Statement of Comprehensive Income and Expenditure whilst the assets and liabilities of the operation are included within the School's balance sheet. The total cash held by the School as an administrator as at 31 July 2025 was \$6.54 million (2024: \$8.14 million).

The jointly controlled operation is included in the financial statements as follows:

	Group and School 2025 £'000	Group and School 2024 £'000
<b>Income and Expenditure</b>		
Share of income	1,723	2,172
Share of expenditure	(1,584)	(1,718)
Share of surplus	139	454
<b>Balance sheet</b>		
Gross assets	10,528	8,309
Gross liabilities	(9,727)	(8,309)
Share of reserves	801	-
Balances due to other partners (within Other Creditors)	610	1,581

### 15 CURRENT ASSET INVESTMENTS

#### Current Asset Investments £'000

Group	
As at 1 August 2024	193,424
Additions	74,528
Disposals	(121,229)
Increase in market value of investments	4,163
Decrease in investment cash	(5,430)
As at 31 July 2025	145,456

#### School

As at 1 August 2024	193,424
Additions	74,528
Disposals	(121,229)
Increase in market value of investments	4,163
Decrease in investment cash	(5,430)
As at 31 July 2025	145,456

#### Other current asset investments consist of:

#### 2025 £'000      2024 £'000

Group and School	
<b>Analysis of closing balance</b>	
UK corporate bonds	144,696
Money market funds	-
Cash on account	760
Term Deposit	-
	145,456
	193,424

#### Made up of the following portfolio:

#### £'000      £'000

Capital Projects	145,456	185,825
School working capital	-	7,599
	145,456	193,424

### 16 STOCK

#### Group 2025 £'000      Group 2024 £'000      School 2025 £'000      School 2024 £'000

Food, beverages and consumables	780	483	780	483
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## Notes to the Financial Statements continued...

	Group 2025 £'000	Group 2024 £'000	School 2025 £'000	School 2024 £'000
<b>17 TRADE AND OTHER RECEIVABLES</b>				
<b>Amounts falling due within one year:</b>				
Trade and other receivables	32,207	32,536	29,228	30,625
Research grants receivable	10,530	7,892	10,530	7,892
Amounts due from group undertakings	-	-	5,181	3,511
Taxation and Social Security	403	-	607	-
Staff loans for housing	40	40	40	40
Other receivables	541	531	541	531
Prepayments and accrued income	17,357	12,180	13,042	10,373
	<b>61,078</b>	<b>53,179</b>	<b>59,168</b>	<b>52,972</b>
<b>Amounts falling due after more than one year:</b>				
Staff loans for housing	114	154	114	154
	<b>114</b>	<b>154</b>	<b>114</b>	<b>154</b>

Other trade receivables are shown net of a provision for debts considered not to be recoverable at the Balance Sheet date.

	Group 2025 £'000	Group 2024 £'000	School 2025 £'000	School 2024 £'000
<b>18 CREDITORS</b>				
<b>Amounts falling due within one year:</b>				
Bank loans	4,657	4,657	4,657	4,657
Trade payables	8,346	8,349	6,944	8,233
Research creditors and grants received on account	21,504	22,545	21,504	22,545
Taxation and Social Security	-	748	-	750
Other creditors	8,625	9,071	8,623	9,063
Accruals	28,401	31,149	24,660	27,532
Provision for dilapidations	-	-	-	-
Receipts in advance and deferred income	51,570	39,194	48,767	38,501
	<b>123,103</b>	<b>115,713</b>	<b>115,155</b>	<b>111,281</b>
<b>Amounts falling due after one year:</b>				
Bank loans and loan notes	391,643	266,300	391,643	266,300
Derivatives	3,605	4,315	3,605	4,315
Other creditors	1,926	9	95	9
Deferred income	46,678	47,649	46,678	47,649
	<b>443,852</b>	<b>318,273</b>	<b>442,021</b>	<b>318,273</b>

The balance within Deferred Income (falling due after one year) relates to funds received for a 50 year lease of the land purchased at the Glengall Road site. The minimum payments in relation to the Glengall Road service concession arrangement at July 2025 due within 1 year, 2-5 years and over 5 years are £nil.

The increase in Bank loans and loan notes falling due after one year is due to a new loan of £130m arranged in February 2025 and fully drawn by 31 July 2025, to fund the construction of 35 Lincoln's Inn Fields.

Included in research creditors and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Group 2025 £'000	Group 2024 £'000	School 2025 £'000	School 2024 £'000
Donations	6,772	3,042	6,772	3,042
Research grants received on account	21,504	22,545	21,504	22,545
Grant income	1,917	2,003	1,917	2,003
	<b>30,193</b>	<b>27,590</b>	<b>30,193</b>	<b>27,590</b>

## Notes to the Financial Statements continued...

<b>19 BORROWINGS</b>	<b>Group</b>	<b>Group</b>	<b>School</b>	<b>School</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Bank loans and loan notes are repayable as follows:</b>				
In one year or less	4,657	4,657	4,657	4,657
Between one and two years	4,657	4,657	4,657	4,657
Between two and five years	56,986	11,643	56,986	11,643
In five years or more	330,000	250,000	330,000	250,000
	<b>396,300</b>	<b>270,957</b>	<b>396,300</b>	<b>270,957</b>

The School has a £75.0 million amortising loan repayable by December 2028 secured over School property, of which £16.3 million was outstanding at 31 July 2025 (2024: £21.0m). The School entered into a facility agreement for a £130.0m green loan in February 2025. The loan was fully drawn down at 31 July 2025 and is repayable in 5 unequal capital instalments by February 2032. The School has entered into interest rate swap agreements (derivatives) with a nominal value totalling £160.0 million. The effective fixed rate costs of the loans and swaps taken together is between 4.0 per cent and 5.9 per cent. The swap agreements are shown at market value at the balance sheet date.

<b>Lender</b>	<b>£m</b>	<b>Maturity</b>	<b>Interest Rate</b>	<b>Borrower</b>
Bank loan	16.3	22 December 2028	Variable	School
Bank loan	130.0	23 February 2032	Variable	School
Private placement	30.0	27 November 2028		School
Private placement	55.0	27 November 2043		School
Private placement	40.0	27 November 2053		School
Private placement	10.0	13 March 2058	2.70% to 4.15%	School
Private placement	40.0	13 March 2063		School
Private placement	75.0	11 July 2063		School
<b>Total</b>	<b>396.3</b>			

<b>Derivatives</b>	<b>Group</b>	<b>Group</b>	<b>School</b>	<b>School</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value at 1 August 2024	4,315	2,043	4,315	2,043
Change in fair value	(710)	2,272	(710)	2,272
<b>Fair value at 31 July 2025</b>	<b>3,605</b>	<b>4,315</b>	<b>3,605</b>	<b>4,315</b>

<b>20 PENSION PROVISIONS</b>	<b>Notes</b>	<b>Obligation to fund deficit on USS Pension £'000</b>	<b>Pension enhancement on termination £'000</b>	<b>Total Pensions Provisions £'000</b>
<b>Group and School</b>				
As at 1 August 2024		-	9	9
Contributions to the provision	7	-	-	-
Net charge on pension scheme (unwinding of discount)	10	-	-	-
Reversal of provision at 31 December 2023	7	-	-	-
<b>As at 31 July 2025</b>		-	9	9

## Notes to the Financial Statements continued...

21 ENDOWMENT RESERVES	Expendable £'000	Restricted permanent £'000	Unrestricted permanent £'000	2025 Total £'000	2024 Total £'000
<b>GROUP</b>					
Capital value	109,132	135,432	6,633	251,197	225,231
Accumulated income	2,864	739	672	4,275	4,072
As at 1 August 2024	111,996	136,171	7,305	255,472	229,303
New endowments	2,139	3,958	289	6,386	15,882
Investment income	1,181	1,816	221	3,218	2,890
Expenditure for the year	(6,322)	(1,282)	(3)	(7,607)	(11,644)
Increase/(decrease) in market value of investments	7,679	10,742	614	19,035	19,041
Transfers between reserves	-	-	-	-	-
Total endowment comprehensive income for the year	4,677	15,234	1,121	21,032	26,169
<b>As at 31 July 2025</b>	<b>116,673</b>	<b>151,405</b>	<b>8,426</b>	<b>276,504</b>	<b>255,472</b>
<b>Represented by:</b>					
Capital value	113,557	148,227	7,536	269,320	251,197
Accumulated income	3,116	3,178	890	7,184	4,275
	<b>116,673</b>	<b>151,405</b>	<b>8,426</b>	<b>276,504</b>	<b>255,472</b>
<b>Analysis by type of purpose:</b>					
Named chairs and lectureships	12,586	46,289	-	58,875	56,188
Scholarships and bursaries	18,345	38,033	-	56,378	49,703
Research support	6,742	63,590	-	70,332	64,099
Library	104	2,781	-	2,885	2,796
Widening participation	428	80	-	508	441
Support for academic activities	73,130	632	232	73,994	69,882
General	5,338	-	8,194	13,532	12,363
	<b>116,673</b>	<b>151,405</b>	<b>8,426</b>	<b>276,504</b>	<b>255,472</b>
<b>Analysis by asset</b>					
Non current asset investments	116,673	151,405	8,426	276,504	255,472
	<b>116,673</b>	<b>151,405</b>	<b>8,426</b>	<b>276,504</b>	<b>255,472</b>
<b>SCHOOL</b>					
Capital value	109,132	135,432	6,633	251,197	225,231
Accumulated income	2,864	739	672	4,275	4,072
As at 1 August 2024	111,996	136,171	7,305	255,472	229,303
New endowments	2,139	3,528	289	5,956	15,882
Investment income	1,181	1,816	221	3,218	2,890
Expenditure for the year	(6,322)	(1,282)	(3)	(7,607)	(11,644)
Increase/(decrease) in market value of investments	7,679	10,742	614	19,035	19,041
Transfers between reserves	-	-	-	-	-
Total endowment comprehensive income for the year	4,677	14,804	1,121	20,602	26,169
<b>As at 31 July 2025</b>	<b>116,673</b>	<b>150,975</b>	<b>8,426</b>	<b>276,074</b>	<b>255,472</b>
<b>Represented by:</b>					
Capital value	113,557	147,797	7,536	268,890	251,197
Accumulated income	3,116	3,178	890	7,184	4,275
	<b>116,673</b>	<b>150,975</b>	<b>8,426</b>	<b>276,074</b>	<b>255,472</b>
<b>Analysis by type of purpose:</b>					
Named chairs and lectureships	12,586	46,289	-	58,875	56,188
Scholarships and bursaries	18,345	37,603	-	55,948	49,703
Research support	6,742	63,590	-	70,332	64,099
Library	104	2,781	-	2,885	2,796
Widening participation	428	80	-	508	441
Support for academic activities	73,130	632	232	73,994	69,882
General	5,338	-	8,194	13,532	12,363
	<b>116,673</b>	<b>150,975</b>	<b>8,426</b>	<b>276,074</b>	<b>255,472</b>
<b>Analysis by asset</b>					
Non current asset investments	116,673	150,975	8,426	276,074	255,472
	<b>116,673</b>	<b>150,975</b>	<b>8,426</b>	<b>276,074</b>	<b>255,472</b>

## Notes to the Financial Statements continued...

	2025 Total £'000	2024 Total £'000
<b>22 RESTRICTED RESERVES</b>		
<b>Group and School</b>		
Reserves with restrictions are as follows:		
As at 1 August 2024	51,008	29,779
New donations	31,182	30,306
Other income	807	875
Expenditure for the year	(15,355)	(9,952)
Total restricted comprehensive income for the year	16,634	21,229
As at 31 July 2025	<u>67,642</u>	<u>51,008</u>

	2025 Total £'000	2024 Total £'000
<b>Analysis of other restricted funds /donations by type of purpose:</b>		
<b>Research support</b>		
Research support	2,402	3,387
<b>Support for academic activities</b>		
Support for academic activities	60,070	41,695
<b>Support for facilities</b>		
Support for facilities	490	534
<b>Capital development</b>		
Capital development	509	509
<b>Student support</b>		
Student support	4,171	4,883
	<u>67,642</u>	<u>51,008</u>

## Notes to the Financial Statements continued...

	At 1 August 2024 £'000	Cash flows	At 31 July 2025 £'000
<b>23 CASH AND CASH EQUIVALENTS</b>			
<b>Group</b>			
Cash and cash equivalents	33,923	14,443	48,366
Bank deposits and money market funds	27,402	7,650	35,052
	61,325	22,093	83,418

	2025 £'000
<b>24 CONSOLIDATED RECONCILIATION OF NET DEBT</b>	
<b>Net debt 1 August 2024</b>	213,947
Movement in cash and cash equivalents	(22,093)
New loans obtained in year	130,000
Loan repayments	(4,657)
Changes in market value and exchange rates	(710)
<b>Net debt 31 July 2025</b>	316,487
<b>Change in net debt</b>	102,540

	2025 £'000	2024 £'000
<b>Analysis of net debt:</b>		
<b>Cash and cash equivalents</b>	83,418	61,325
<b>Borrowings: amounts falling due within one year</b>		
Secured loans	4,657	4,657
	4,657	4,657
<b>Borrowings: amounts falling due after more than one year</b>		
Derivatives	3,605	4,315
Secured loans	11,643	16,300
Unsecured loans	380,000	250,000
	395,248	270,615
<b>Net debt</b>	316,487	213,947

### 25 PENSION COMMITMENTS

The School participates in the Universities' Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL). The USS and SAUL pension schemes are both a combination of defined benefit (DB) and defined contribution (DC).

<b>Pension Scheme</b>	<b>USS</b>		<b>SAUL</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Active members	2,414	2,301	1,733	1,620
Contribution made (in £'000)	22,145	23,541	8,173	8,357

The employer contribution rate for the USS DB and DC pension schemes was 14.5% from 1st August 2024 to 31st July 2025 (2023-24: 21.6% from 1st August to 31st December 2023 and 14.5% from 1st January 2024 to 31st July 2024).

The employer contribution rate for the SAUL DB pension scheme was 21% from 1st August to 31st August 2024 and 19% from 1st September 2024 to 31st July 2025 (2023-24: 21% from 1st August 2023 to 31st July 2024). The employer contribution rate for the SAUL DC pension scheme was 16% from 1st August 2024 to 31st July 2025 (2023-24: 16% from 1st August 2023 to 31st July 2024).

## Notes to the Financial Statements continued...

### (i) USS

#### General description of the scheme

The School participates in the Universities Superannuation Scheme and is available to staff members on or above Salary Band 6; the scheme requires exclusivity of memberships for these grades. USS is a UK wide scheme with more than 350 Higher Education Institutions as members and is a not-for-profit corporate trustee. It 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. Due to the mutual nature of the scheme, the School is unable to identify its share of the underlying assets and liability of the scheme on a consistent and reasonable basis. The following disclosures reflect those relevant for the scheme assets and liabilities as a whole.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

The 2023 valuation was the seventh 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 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](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Consumer Prices Index (CPI) assumption	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps  Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% 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 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

#### 2023 Valuation

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

## Notes to the Financial Statements continued...

The current life expectancies on retirement at age 65 are:	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.4
Males currently aged 45 (years)	25.7	25.6
Females currently aged 45 (years)	27.2	27.2

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

### (ii) SAUL

#### General description of the pension scheme

The School participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom. The Scheme is available to staff members on salary bands 1 to 5.

SAUL is an independently managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

The School is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

#### Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations; the most recent available funding check undertaken as of 31 March 2024 showed an increased surplus of £243 million (109 per cent funded) at that date.

The funding principles were agreed by the Trustee and the Employers in June 2024 and will be reviewed at SAUL's next formal valuation in 2026. At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis. As SAUL was in surplus on its Technical Provisions basis, no deficit contributions were required.

### (iii) FSSU

The pensions of ex-members of staff who retired under the previous superannuation scheme for academic and related staff (FSSU) are supplemented as of right under the National Scheme for Supplementation of Superannuation Benefits. This supplementation is payable during the lifetime of the ex-member of staff and is increased each year by comparison with increases in public service pensions authorised under the Pensions (Increase) Act 1971. At the year-end a provision has been established to meet the future obligations, see note 20.

## Notes to the Financial Statements continued...

	Group 2025 £'000	Group 2024 £'000	School 2025 £'000	School 2024 £'000
<b>26 CAPITAL AND OTHER COMMITMENTS</b>				
Provision has not been made for the following capital commitments at 31 July:				
Commitments contracted for:				
Capital development projects	1,045	12,742	1,045	12,742
Refurbishments	5,072	3,600	5,072	3,600
Equipment and IT software	3,557	9,222	3,557	9,222
	9,674	25,564	9,674	25,564

Capital commitments will be met through a mixture of general School funds and donations.

	Land and buildings £'000	Other leases £'000	Group 2025 £'000	Group 2024 £'000
<b>27 LEASE OBLIGATIONS</b>				
Total rentals payable under operating leases:				
<b>Payable during the year</b>	4,631	909	5,540	5,326
<b>Future minimum lease payments due:</b>				
Within one year	4,763	734	5,497	5,296
Between two and five years	16,098	1,797	17,895	21,327
Five years or more	4,401	-	4,401	5,300
<b>Total lease payments due</b>	25,262	2,531	27,793	31,923

Space within some of the School's land and buildings as disclosed in note 12 tangible assets is let to third parties. These non-cancellable leases have remaining terms of between one and 20 years. The majority of leases include a provision for upward rent reviews, according to prevailing market conditions.

	Group 2025 £'000	Group 2024 £'000
<b>Future minimum lease payments receivable:</b>		
Within one year	5,790	2,118
Between two and five years	12,159	6,346
Five years or more	2,545	2,293
<b>Total lease payments receivable</b>	20,494	10,757

### 28 CONTINGENT LIABILITIES

The School has entered into rental guarantees with Sanctuary Students, Spark Living LLP, the University of London and Urbanest UK Minories Limited. As at 31st July 2025, the School has financial commitments relating to 2,063 beds with a potential liability estimated at £25.2 million per year, from 2025-26 to 2030-31. A liability has not been recognised in the financial statements for these commitments as the School expects to fulfill its obligations in ensuring these halls are sufficiently occupied in line with its guarantees.

## Notes to the Financial Statements continued...

### 29 RELATED PARTY TRANSACTIONS

The School has maintained a Register of Interests. Written assurances have been obtained from all Council members and senior management in respect of themselves and their close family that for the year ended 31 July 2025, they have not unduly influenced any transaction between the School and a related party.

During the year ended 31 July 2025, LSE had transactions with several organisations which fall within the definition of related parties under FRS 102 Section 33 'Related Party Disclosures'. Due to the nature of School's operations and the composition of Council (being drawn from a range of public and private sector organisations), it is inevitable that transactions in the normal course of business will take place with entities in which members of Council (or indeed other key management personnel) may have an interest. All such transactions, including those identified below, are carried out on normal commercial terms and in accordance with the School's Financial Regulations and procurement procedures.

The School has taken advantage of the exemption within FRS 102 Section 33 and not disclosed transactions with wholly-owned subsidiaries.

Included in the financial statements are the following transactions between the School and related parties.

<b>Organisations with relationships with Council members and senior management</b>	<b>Income/ Receipts £</b>	<b>Expenditure/ Payments £</b>	<b>Balance due (to)/from at 31 July 2025 £</b>
2U	6,307,858	428,149	809,924
CASE (Council for the Advancement & Support of Education)	0	14,479	0
Central Bank of Ireland	0	2,250	0
Centre for Economic Policy Research	3,385	0	0
Council & SMC members	769,571	0	0
Elsevier	49,836	136,584	23,787
Houghton Street Ventures	740	579,750	250,000
Institut Louis Bachelier	0	13,350	0
King's College Hospitals NHS Foundation Trust	19,428	0	0
Kortext	0	200,000	0
London School of Hygiene & Tropical Medicine	1,332,793	21,609	385,230
LSE Students' Union	856,925	2,958,986	345,995
Marshall Wace Ltd	288	0	0
Royal Economic Society (RES)	3,597	0	3,637
Standard Chartered Bank plc	350	0	350
Stanford University	41,265	10,059	21,252
The Conduit Holdco Ltd	0	24,000	0
The Russell Group of Universities	37,670	95,500	5,719
University of Chicago Booth School of Business	0	48,543	0

The School's Council members are the trustees for charitable law purposes. During 2024-25, the School covered expenses of £20,466 on behalf of 3 Council members in relation to their role as trustee (2023-24: £10,152; 2 Council members). This represents travel, accommodation and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity as a Council member. No payments were made to any trustee for serving as a trustee.

The activities of the LSE Students' Union have not been consolidated as the School does not have significant influence over its activities. The General Secretary of the Students' Union is a member of Council. During 2024-25, the Students' Union received financial support from the School. There were also transactions between the Students' Union and the School for services and goods provided by each party. The School has entered into rental agreements with the Students' Union for specific areas of the School, which it occupies.

The School has conducted a review of linked charities in 2024-25 and found no associated entities falling within the definition set out under Section 28 of Schedule 3 of the Charities Act 2016.

## Notes to the Financial Statements continued...

30 FINANCIAL INSTRUMENTS - GROUP	Notes	Available for sale £'000	Held to maturity £'000	Total £'000	Fair Value £'000
<b>Financial assets measured at fair value as at 31 July 2025</b>					
<b>Financial assets not measured at fair value as at 31 July 2025</b>					
Equity securities	13	357,818	-	357,818	357,818
Corporate debt securities	13, 15	167,397	-	167,397	167,398
Private Equity	13	22,539	-	22,539	18,743
Cash and cash equivalents	13, 15	4,577	-	4,577	4,577
Term Deposit	15	-	-	-	-
Shared equity housing loans and other investments	13	874	2,616	3,490	3,490
		553,205	2,616	555,821	552,026
<b>Financial liabilities measured at fair value as at 31 July 2025</b>					
Interest rate swaps associated with bank loans	19	3,605	-	3,605	3,605
<b>Financial assets measured at fair value as at 31 July 2024</b>					
Equity securities	13	316,743	-	316,743	316,743
Corporate debt securities	13, 15	198,127	-	198,127	198,127
Private Equity	13	18,743	-	18,743	18,743
Cash and cash equivalents	13	22,322	-	22,322	22,322
Term Deposit	15	7,599	-	7,599	7,599
Shared equity housing loans and other investments	13	394	2,570	2,964	2,964
		563,928	2,570	566,498	566,498
<b>Financial assets not measured at fair value as at 31 July 2024</b>					
Shared equity housing loans & freehold property	13	34	-	34	Not available
Investments in associates	13	-	2,765	2,765	Not available
		34	2,765	2,799	
<b>Financial liabilities measured at fair value as at 31 July 2024</b>					
Interest rate swaps associated with bank loans	19	4,315	-	4,315	4,315

The fair values of the assets and liabilities measured at fair value at the balance sheet date are determined using quoted prices in active markets.

Trade and other payables and receivables, amounts due to and from subsidiary companies and long term borrowings are held at amortised cost. Details can be found at notes 17, 18 and 19 to these financial statements.

## Notes to the Financial Statements continued...

31 STATEMENT OF COMPREHENSIVE RESTRICTED AND UNRESTRICTED INCOME AND EXPENDITURE	Notes	Group 2024-25			Group 2023-24		
		Unrestricted and designated £'000	Restricted £'000	Total £'000	Unrestricted and designated £'000	Restricted £'000	Total £'000
<b>INCOME</b>							
Tuition fees and education contracts	1	336,082	-	336,082	316,438	-	316,438
Funding body grants	2	27,715	-	27,715	26,818	-	26,818
Research grants and contracts	3	40,672	-	40,672	42,732	-	42,732
Other income	4	95,008	807	95,815	82,918	875	83,793
Investment income	5	9,367	3,218	12,585	8,790	2,890	11,680
<b>Total income before donations and endowments</b>		508,844	4,025	512,869	477,696	3,765	481,461
Donations and endowments	6	2,870	37,568	40,438	3,073	46,188	49,261
<b>Total income</b>		511,714	41,593	553,307	480,769	49,953	530,722
<b>EXPENDITURE</b>							
Staff costs (excluding USS provision movement)	7	286,069	8,141	294,210	262,568	7,226	269,794
Movement in USS Pension Provision	7	-	-	-	(113,503)	-	(113,503)
Staff costs	7	286,069	8,141	294,210	149,065	7,226	156,291
Other operating expenses		160,250	14,821	175,071	148,986	14,370	163,356
Depreciation	11, 12	20,766	-	20,766	17,483	-	17,483
Interest and other finance costs	10	12,550	-	12,550	12,432	-	12,432
<b>Total expenditure</b>	9	479,635	22,962	502,597	327,966	21,596	349,562
<b>Surplus before other gains/losses</b>		32,079	18,631	50,710	152,803	28,357	181,160
Gain on investments	13	13,196	19,035	32,231	17,695	19,041	36,736
Change in fair value of hedging financial instruments	19	710	-	710	(2,272)	-	(2,272)
<b>Surplus before tax</b>		45,985	37,666	83,651	168,226	47,398	215,624
Taxation		-	-	-	-	-	-
<b>Surplus for the year/ Total comprehensive income for the year</b>		45,985	37,666	83,651	168,226	47,398	215,624
Represented by:							
Endowment comprehensive income for the year	21	-	21,032	21,032	-	26,169	26,169
Restricted comprehensive income for the year	22	-	16,634	16,634	-	21,229	21,229
Unrestricted comprehensive income for the year		45,985	-	45,985	168,226	-	168,226
		45,985	37,666	83,651	168,226	47,398	215,624

## Notes to the Financial Statements continued...

	Group 2024-25	Group 2023-24	School 2024-25	School 2023-24
<b>32 EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION</b>	<b>Total £'000</b>	<b>Total £'000</b>	<b>Total £'000</b>	<b>Total £'000</b>
Surplus before other gains/(losses)	50,710	181,160	54,621	181,160
Adjust for:				
Interest payable	12,550	9,894	12,550	9,894
Pension finance charge	-	2,538	-	2,538
Depreciation	20,766	17,483	18,478	17,469
Pension provision adjustments	-	(113,504)	-	(113,504)
Earnings before interest, tax, depreciation and amortisation	84,026	97,571	85,649	97,557

### 33 BUSINESS COMBINATIONS

#### Acquisition of GFP Limited

On 21 February 2025, the group acquired 100% of GFP Limited, a company which lets a property to LSE and other tenants, for £175m plus £0.95m acquisition costs, paid in cash. The registered address of GFP Limited is 3rd Floor 44 Esplanade, St Helier, Jersey, JE4 9WG.

Acquisition accounting has been used. In calculating the goodwill arising on acquisition, the fair value of net assets of GFP Limited have been assessed and adjustments from book value have been made where necessary.

	Book value £'000	Revaluation of fixed assets £'000	Fair value £'000
<b>Fixed assets</b>			
Tangible (Land & Buildings)	167,070	-	167,070
<b>Current assets</b>			
Trade and other receivables	1,242	-	1,242
Cash and cash equivalents	293	-	293
<b>Total assets</b>	<b>168,605</b>	-	<b>168,605</b>
<b>Creditors</b>			
Due within one year	424	-	424
<b>Net assets</b>	<b>168,181</b>	-	<b>168,181</b>
Goodwill (Note 11)			6,819
<b>Total purchase consideration (paid to seller)</b>			<b>175,000</b>
Acquisition costs			949
<b>Total purchase consideration (including capitalised acquisition costs of £0.95m)</b>			<b>175,949</b>
Purchase consideration settled in cash, as above			175,949
Cash and cash equivalents in subsidiary acquired			293
<b>Cash outflow on acquisition</b>			<b>175,656</b>

The uplift in tangible fixed assets is to the value of an externally verified valuation of acquisition plus legal and professional fees associated with acquisition. Included within goodwill are intangible assets that do not require separate recognition. These intangible assets relate to the relationships with existing tenants and the prime location of the property for the higher education sector.

The useful economic life of goodwill has been estimated to be 10 years. This is the maximum allowed under FRS 102 and is considered appropriate due to the long term nature of the group's plans with the property owned by GFP Limited.

Since the acquisition date, GFP Limited has contributed £1.96m to group income and £0.38m to group profit (excluding non-cash items of £1.97m of depreciation on the property and £0.30m of amortisation on goodwill).

## Notes to the Financial Statements continued...

### 34 FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION

The School participates in the US Department of Education's Federal Loan scheme and the inclusion of the supplemental schedule is a requirement of the scheme. The figures are prepared under UK Generally Accepted Accounting Practice (GAAP) and not US GAAP.

#### Primary Reserve Ratio

#### Expendable Net Assets

Statement/Note	Line item / related disclosure	2024-25 £000's	2023-24 £000's
Balance sheet	Statement of Financial Position - Unrestricted reserves	Net assets without donor restrictions	748,351
Balance sheet	Statement of Financial Position - Restricted reserves	Net assets with donor restrictions	344,146
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-
Note 12	Statement of Financial Position - Fixed assets	Property, plant and equipment, net (includes Construction in progress)	924,780
	Note of the Financial Statements - Statement of Financial Position - Fixed assets - pre-implementation	Property, plant and equipment - pre-implementation	-
	Note of the Financial Statements - Statement of Financial Position - Fixed assets - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase	42,880
	Note of the Financial Statements - Statement of Financial Position - Fixed assets - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	864,258
	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	17,642
N/A	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	-
Note 11	Statement of Financial Position - Intangible assets (Goodwill and other intangibles)	Intangible assets	30,671
Note 20	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	9
Note 18	Statement of Financial Position - Bank loans and loan notes for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	396,300
	Statement of Financial Position - Bank loans and loan notes for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	-
	Statement of Financial Position - Bank loans and loan notes for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	42,880
	Statement of Financial Position - Bank loans and loan notes for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	17,642
N/A	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-
	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases	-
N/A	Statement of Financial Position - Annuities	Annuities with donor restrictions	-
N/A	Statement of Financial Position - Term endowments	Term endowments with donor restrictions	-
N/A	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	-
Note 21	Statement of Financial Position - Permanent endowments	Net assets with donor restrictions: restricted in perpetuity	159,831
			143,476

#### Total Expenses and Losses

Statement/Note	Line item / related disclosure	2024-25 £000's	2023-24 £000's
Note 31	Statement of Activities - Total Unrestricted Expenditure (Staff costs (excluding USS provision movement), Other operating expenses, Depreciation, Interest and other finance costs)	Total expenses without donor restrictions - taken directly from Statement of Activities	479,635
Statement of Comprehensive Income and Expenditure	Statement of Activities - Non-Operating loss - Change in fair value of derivatives	Non-Operating and Net Investment (loss)	-
N/A	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses	-
N/A	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	-

#### Equity ratio

#### Modified Net Assets

Statement/Note	Line item / related disclosure	2024-25 £000's	2023-24 £000's
Balance sheet	Statement of Financial Position - Unrestricted reserves	Net assets without donor restrictions	748,351
Balance sheet	Statement of Financial Position - Restricted reserves	Net assets with donor restrictions	344,146
Note 11	Statement of Financial Position - Intangible assets (Goodwill and other intangibles)	Intangible assets	30,671
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-

#### Modified Assets

Statement/Note	Line item / related disclosure	2024-25 £000's	2023-24 £000's
Balance sheet	Statement of Financial Position - Total of non-current assets plus total of current assets	Total Assets	1,659,461
N/A	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	-
N/A	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	-
Note 11	Statement of Financial Position - Intangible assets (Goodwill and other intangibles)	Intangible assets	30,671
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-
N/A	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	-

#### Net Income Ratio

Statement/Note	Line item / related disclosure	2024-25 £000's	2023-24 £000's
Statement of Comprehensive Income and Expenditure	Statement of Activities - Unrestricted comprehensive income for the year	Change in Net Assets Without Donor Restrictions	45,985
Note 31	Statement of Activities - Total unrestricted income for the year plus unrestricted gains on investments plus unrestricted change in fair value of hedging financial instruments plus movement in USS pension provision	Total Revenue and Gains (includes gain in IR SWAP and reduction in pension provision)	525,620
			611,967

# Five Year Group Financial Summary (Unaudited)

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
<b>Income</b>					
Tuition fees and education contracts	336,082	316,438	294,994	265,772	250,749
Funding body grants	27,715	26,818	29,123	29,152	37,001
Research grants and contracts	40,672	42,732	40,599	36,886	34,932
Other income	95,815	83,793	76,045	64,687	54,437
Investment income	12,585	11,680	7,843	3,546	3,286
<b>Total income before endowments and donations</b>	<b>512,869</b>	<b>481,461</b>	<b>448,604</b>	<b>400,043</b>	<b>380,405</b>
Donations and endowments	40,438	49,261	22,703	41,330	14,400
<b>Total income</b>	<b>553,307</b>	<b>530,722</b>	<b>471,307</b>	<b>441,373</b>	<b>394,805</b>
<b>Expenditure</b>					
Staff costs	294,210	269,794	257,332	228,427	216,752
Change in USS pension provision	-	(113,503)	(9,044)	77,086	(12,954)
Other operating expenses	175,071	163,356	151,806	133,907	109,086
Depreciation	20,766	17,483	16,072	14,975	15,492
Interest and other finance costs	12,550	12,432	13,927	9,158	9,038
<b>Total expenditure</b>	<b>502,597</b>	<b>349,562</b>	<b>430,093</b>	<b>463,553</b>	<b>337,414</b>
<b>Surplus/(Deficit) before other gains</b>					
Gain/(loss) on Investments	32,231	36,736	5,037	(11,973)	49,072
Change in fair value of hedging financial instruments	710	(2,272)	11,883	11,521	6,640
<b>Surplus/(Deficit) before tax</b>	<b>83,651</b>	<b>215,624</b>	<b>58,134</b>	<b>(22,632)</b>	<b>113,103</b>
Taxation	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>83,651</b>	<b>215,624</b>	<b>58,134</b>	<b>(22,632)</b>	<b>113,103</b>
At July 31 year end:					
Endowment comprehensive income/(loss) for the year	21,032	26,169	(54)	(11,492)	42,434
Restricted comprehensive income for the year	16,634	21,229	8,613	9,481	1,566
Unrestricted comprehensive income/(loss) for the year	45,985	168,226	49,575	(20,621)	69,103
<b>Total</b>	<b>83,651</b>	<b>215,624</b>	<b>58,134</b>	<b>(22,632)</b>	<b>113,103</b>
Income and expenditure reserve - restricted endowment reserves	276,504	255,472	229,303	229,357	240,849
Income and expenditure reserve - restricted reserves	67,642	51,008	29,779	21,166	11,685
Income and expenditure reserve - unrestricted	748,351	702,366	534,140	484,565	505,186
<b>Total Reserves</b>	<b>1,092,497</b>	<b>1,008,846</b>	<b>793,222</b>	<b>735,088</b>	<b>757,720</b>
<b>Held as</b>					
Fixed assets	955,451	758,403	721,714	711,595	683,929
Investments	413,164	375,873	342,623	366,310	351,124
Non-current debtors	114	154	-	-	-
	1,368,729	1,134,430	1,064,337	1,077,905	1,035,053
Net working capital	167,629	192,698	166,211	68,901	(50,600)
Pension provisions	(9)	(9)	(110,975)	(116,151)	(38,720)
Other long term liabilities	(443,852)	(318,273)	(326,351)	(295,567)	(188,013)
	1,092,497	1,008,846	793,222	735,088	757,720
Adjusted cash flow*	70,883	84,046	40,664	124,506	68,868
Debt servicing costs	17,207	14,551	14,716	93,471	13,321
Debt service cover	4.1	5.8	2.8	1.3	5.2
Total borrowing including derivative	399,905	275,272	277,657	244,197	265,376
** Consolidated net assets	1,092,506	1,008,855	904,197	851,239	796,440
Total borrowing as % of consolidated net assets**	36.6	27.3	30.7	28.7	33.3

\*Adjusted cash flow = net cash inflow from operating activities, plus investment income and endowment cash received

\*\* Consolidated net assets = total net assets excluding pension provision

# Directors of the School and Members of Council

During the year and up to the date of signing of the Financial Statements were:

**Susan Liautaud**

Independent member  
Chair of Council  
Chair of the Governance Committee

**Ali Nikpay**

Independent member  
Vice Chair of Council & Senior Independent Director

**Masood Ahmed**

Independent member  
Chair of the Audit Committee

**Pauline Barrieu**

Ex Officio member as Vice Chair of the Academic Board  
(resigned 31 August 2025)

**Julia Biggane**

Professional Services Staff nominee

**Francesco Caselli**

Ex Officio member as Vice Chair of the Academic Board  
(appointed 01 September 2025)

**Suchad Chiaranussati**

Independent member (appointed 01 August 2025)

**Sonali De Rycker**

Independent member

**Marie Fuchs**

Students' Union nominee (resigned 30 June 2025)

**Tamar Gandler**

Independent member

**David Higgins**

Independent member (resigned 31 July 2025)  
Chair of the Finance and Estates Committee

**Johannes Huth**

Independent member  
Chair of the Finance and Estates Committee

**Musimbi Kanyoro**

Independent member  
Chair of the Ethics Committee

**David Kershaw**

Academic Board nominee

**Larry Kramer**

Ex Officio member as President and Vice Chancellor of the School

**Tito Molokwu**

Ex officio member as General Secretary of the Students' Union

**Niamh Moloney**

Academic Board nominee

**Gavin Patterson**

Independent member

**Saara Parijaat**

Students' Union nominee (appointed 07 October 2025)

**Stuart Roden**

Independent member  
Chair of the Remuneration Committee

**Angela Spatharou**

Independent member

**Wim Van der Stede**

Academic Board nominee

**José Viñals**

Independent member (appointed 24 June 2025)

## School Secretary/Company Secretary

**Louise Nadal**

Company Secretary

# Academic Departments, Research Centres, Institutes and Centres

## Academic Departments

Accounting  
Anthropology  
Economics  
Economic History  
Finance  
Gender Studies  
Geography and Environment  
Government  
Health Policy  
International Development  
International History  
International Relations  
Language Centre  
Law School  
Management  
Mathematics  
Media and Communications  
Methodology  
Philosophy, Logic and Scientific Method  
Psychological and Behavioural Science  
School of Public Policy  
Social Policy  
Sociology  
Statistics

## Institutes

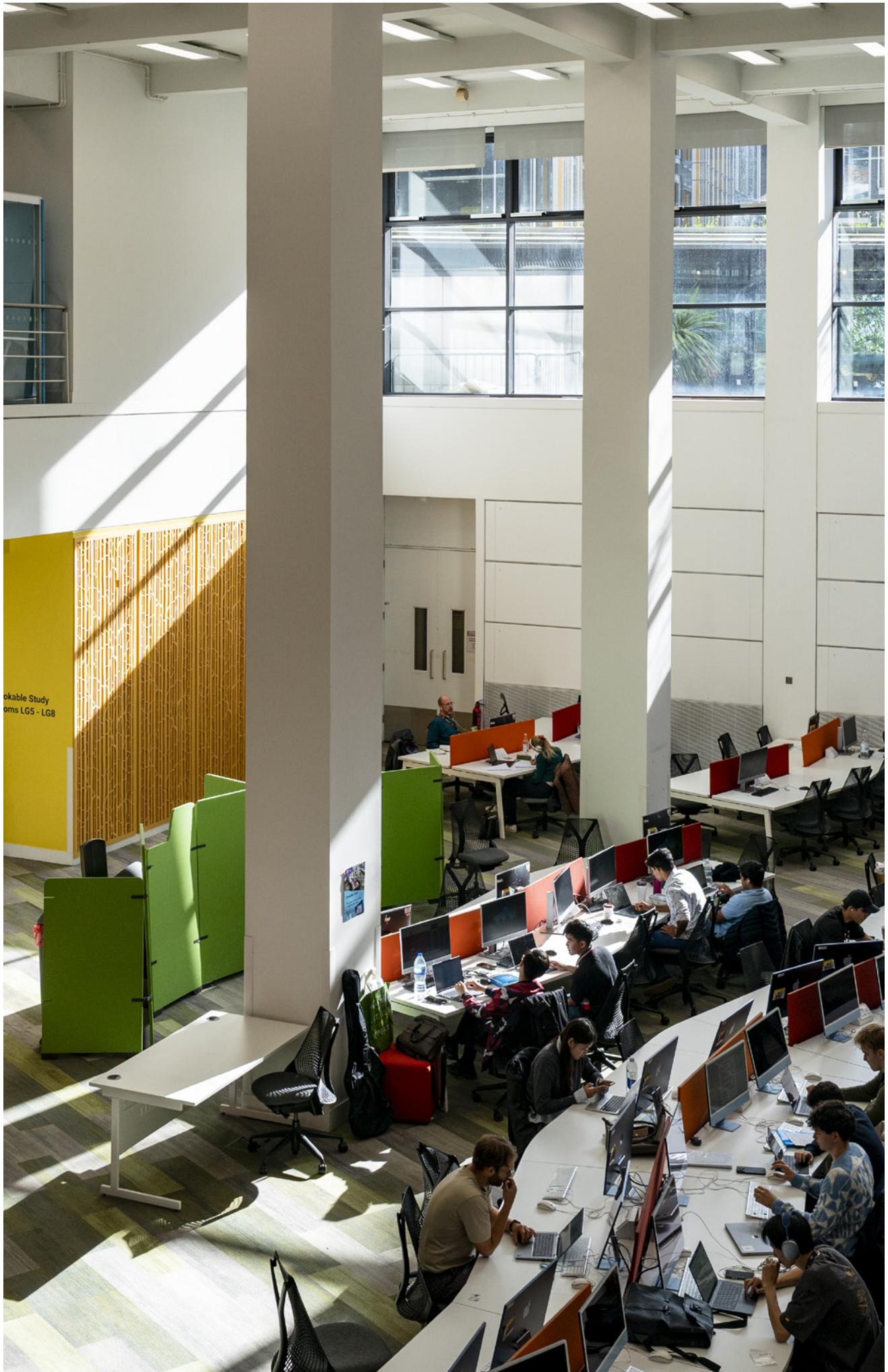
Data Science Institute  
European Institute  
Firoz Lalji Institute for Africa (FLIA)  
Global School of Sustainability (GSoS)  
International Inequalities Institute (III)  
Marshall Institute (MI)

<https://info.lse.ac.uk/staff/departments-and-institutes>

## Research Centres

Care Policy and Evaluation Centre (CPEC)  
Centre for Analysis of Social Exclusion (CASE)  
Centre for Economic Performance (CEP)  
Centre for Macroeconomics  
Centre for Philosophy of Natural and Social Sciences (CPNSS)  
Financial Markets Group (FMG)  
Grantham Research Institute on Climate Change and the Environment  
Hellenic Observatory  
International Growth Centre (IGC)  
LSE Cities  
LSE Health  
LSE IDEAS  
Middle East Centre  
Phelan US Centre  
Saw Swee Hock Southeast Asia Centre (SEAC)  
Suntory and Toyota International Centres for Economics and Related Disciplines (STICERD)  
Transition Pathway Initiative Global Climate Transition Centre (TPI Centre)  
What Works Centre for Local Economic Growth

<https://info.lse.ac.uk/staff/research-centres-and-groups>







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