

THE UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS

England & Wales · Charity number 1108516

Details

Other names	THE UNIVERSITY OF CHICAGO GRADUATE SCHOOL OF BUSINESS IN THE UK, THE UNIVERSITY OF CHICAGO USA GRADUATE SCHOOL OF BUSINESS IN THE UK
Status	Registered
Legal form	Charitable company
Company number	05356589
Registered	2005-03-09
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE ADVANCEMENT OF EDUCATION, IN PARTICULAR (WITHOUT PREJUDICE TO THE GENERALITY) THROUGH THE PROVISION OF EDUCATION PROVIDED IN THE UNITED KINGDOM.

Activities: Education / Training and Research

Classification

- **How:** Provides Human Resources, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM.
- City Of London

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£6,368,657	£14,875,356	£-72,086,100	22
2024-06-30	£7,120,155	£16,085,847	£-63,579,401	27
2023-06-30	£8,577,936	£16,091,328	£-54,613,709	26
2022-06-30	£7,209,211	£16,112,541	£-47,100,317	24
2021-06-30	£5,430,470	£11,214,897	£-38,196,987	21

Trustees

Name	Role	Appointed
Katherine Baicker		2023-03-20
Madhav Vasanth Rajan		2022-07-15
Robert Hochman		2025-08-01

Accounts

Company Registration No. 05356589
Charity Registration No. 1108516

**The University of Chicago Booth School
of Business**

Company limited by guarantee

Annual report and financial statements

for the year ended 30 June 2025

The University of Chicago Booth School of Business

Annual report and financial statements for the year ended 30 June 2025

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The University of Chicago Booth School of Business

Officers and professional advisers

Directors

K Baicker
R Hochman
M V Rajan

The Directors are the trustees of the Charity for Charities Act purposes.

Registered office

The University of Chicago Booth School of Business
One Bartholomew Close
Barts Square
London
EC1A 7BL

Website

www.chicagobooth.edu

Bankers

HSBC plc
8 Canada Square
London
E14 5DX

United Kingdom Solicitor / Company secretary

Pinsent Masons
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Company Registration: 05356589

Charity Registration: 1108516

The University of Chicago Booth School of Business

Strategic and Directors' Report

Reference and administrative information

The University of Chicago Booth School Of Business ("the Charity") is a subsidiary of the University of Chicago ("The University"). The College of Commerce and Politics, predecessor to The University of Chicago Booth School of Business, was originally founded by The University in 1898 to provide practical business instruction. The Charity is registered with the Charity Commission under Charity number 1108516. The registered office of the Charity is listed on page 1 together with the particulars of the Charity's professional advisers.

The Charity is a charitable company limited by guarantee and is more commonly known as "Chicago Booth".

Directors and Charity trustees

The Charity Directors are also the Charity trustees. They have served in office throughout the year, unless otherwise stated, and were as follows:

K Baicker

R Hochman (Appointed on 1 August 2025)

E Shanin (Appointed on 2 August 2024 and resigned on 1 August 2025)

K Taylor (Resigned on 2 August 2024)

M V Rajan

Deputy Dean, Chicago Booth MBA Programs

Starr Marcello

Structure, Governance and Management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 3 February 2005, amended 28 February 2026.

Recruitment and Training of Directors

The Memorandum and Articles of Association of the Charity provide for the appointment of Directors, who also act as trustees. The University, which is the sole "member" of the Charity, is empowered to appoint the Directors.

For the fiscal year ended June 30, 2025, the Charity has three Directors, Madhav Rajan, Katherine Baicker, and Kimberly P Taylor (replaced by Elizabeth Shanin on August 2, 2024). Professor Rajan is the George Pratt Shultz Professor of Accounting, and Dean of the University of Chicago Booth School of Business ("Chicago Booth"). In Professor Rajan's position as Dean of Chicago Booth, a part of his responsibilities is the oversight of the EMBA campuses in Chicago, London, and Hong Kong.

The second Director, Professor Katherine Baicker, the Emmett Dedmon Professor at the University's Harris School of Public Policy is Provost at The University. As Provost of The University, Professor Baicker oversees all aspects of The University's academic and research community. Professor Baicker's position as head of all of academic activities at The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be the University's Provost.

The third Director is Kimberly P Taylor, Vice President and General Counsel of The University. Ms. Taylor's position as head of all legal affairs for The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be a senior member of the University's legal staff. On August 2, 2024, Ms. Taylor resigned as Director, as well as the University's Vice President and General Counsel. Ms. Elizabeth Shanin was appointed Interim Vice President and General Counsel as well as appointed one of the Charity's Directors. On August 1, 2025 Robert Hochman replaced Ms Shanin as one of the Charity's Directors in connection with his appointment as Vice President and General Counsel of The University. On appointment each trustee receives a copy of the England and Wales Charity Commission's publication "The essential trustee: what you need to know, what you need to do" and agrees to follow it. Training needs are assessed and met as necessary

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Structure, governance and management (continued)

Organisational Management

The primary active decision maker for the Charity's activities is Professor Rajan, one of the Directors. The primary activity of the London Charity is as one of three worldwide Chicago Booth part-time Executive Master of Business Administration (EMBA) degree programs, specifically designed for experienced, accomplished, and working business executives. In his capacity as Dean of Chicago Booth, he has overall responsibility for both full-time and part-time MBA programs and oversight of the entire business school faculty as well. The Dean of Chicago Booth reports to the Provost, whose position is described above. The Provost reports to the President of The University. The President is responsible to a host of University Directors.

The Deputy Dean of Chicago Booth for MBA Programs is responsible for oversight of the affairs of the Charity. The Deputy Dean, Starr Marcello, and her delegates can negotiate and execute on behalf of the Charity contracts for the purchase of goods or services in the ordinary course of operations of the Charity subject to limitations imposed by the Directors on the value of these contracts. The Deputy Dean can hire employees, subject to the prior approval from the Directors for salaries, compensation and benefits, The Deputy Dean can make final decisions on applications to be admitted to the EMBA program.

The Directors consider key management personnel to be employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed within the report.

Object, aims, objectives and activities

Charitable objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education, in particular (without prejudice to the generality) through the provision of education provided in the United Kingdom.

Aims and intended impact

The aim of the Charity is to advance scholarship and research in the field of business and economics. The Charity is an integral part of the University whose innovations in business education and path breaking research have produced ideas and leaders that shape the world of business, bringing economic benefits to society. Ten Nobel laureates have been either current or former faculty members of Chicago Booth.

Objectives for the year

The main objectives of the Charity for the year ended 30 June 2025 were:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment has become even more challenging, and it will take years to rebuild to an average class size of 65-70. The region suffers from major concerns which impact recruiting: wars in Ukraine and Israel which impact those countries and their neighbouring airspace, currency fluctuations, inflation, and overall employment security. We continue to deploy creative recruiting tactics initiated in recent years, and we continue to make cosmetic changes to our offerings to increase their marketplace appeal.
- (2) Continue to provide an increased level of scholarship funding required to attract highly qualified students. The EMBA marketplace is becoming increasingly competitive on the scholarship front, with candidates opting to eschew Booth for business programs which appeal to them less, but which offer significantly more funding. Historically, we have been able to counter such potential losses with ROI arguments, but with the scholarship amounts increasing dramatically, that is becoming less viable.
- (3) Convene a faculty-led comprehensive curriculum review committee to assess multiple aspects of the current course program and make recommendations that will assure course work remains timely and relevant. This review process is conducted approximately every 5 years in keeping with Chicago Booth's leadership role in business education.
- (4) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Objectives for the year (continued)

- (5) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
- (6) Continue to expand the activities within the spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.
- (7) Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (8) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. The new Global Faculty in Residence Program that expands the faculty presence and accessibility in EMEA was successfully launched in late FY23. We plan to continue to build on this program.
- (9) Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
- (10) Explore the introduction of a global track option for Booth's new Master in Management program, whereby students can opt to spend an academic quarter in London as part of their program.

Strategies to achieve the period's objectives

- (1) The Charity seeks to enrol students in our Executive MBA Program. To that end, it carries out marketing and promotional activities throughout Europe, the Middle East, and Africa. It also targets students from Latin America. These activities are supported by advertising campaigns online (through LinkedIn, for example) and in leading publications, search engine optimization, and direct marketing and public relations. The EMBA Program also benefits from the plethora of activities held on the London campus which serve to boost awareness of Chicago Booth's presence in London. As tuition fees do not fully cover the operating costs of The University, The University employs staff in Chicago and the UK to develop relationships with alumni, including those with the financial means to donate funds to The University.
- (2) Our admissions criteria are set to support the achievement of the objectives. We seek applicants who display impressive professional and personal track records and demonstrate academic prowess which affirms their ability to navigate Booth's academic rigor. Applicants are required to submit detailed written applications, providing their academic credentials and assessment test results, and explaining their career experience and objectives. Applications must be accompanied by letters of recommendation from the applicant's manager and professional colleagues, and, when possible, at the time of application, a letter of support from the applicant's employer. Qualified applicants are also interviewed.
- (3) Given the ongoing state of the EMEA market, it is incumbent upon us to examine our EMBA offering and adjust to render it more flexible, resilient, and market appropriate. This entails close examination of program structure, curricular offerings, and career and leadership support.
- (4) We work closely with the Advancement team to be sure EMBA scholarships are on their fundraising agenda. This has yielded some recent success! Internally, we work with tight yield and funding targets, so as our yield improves so does our ability to offer scholarships.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Principal activities of the year

The Charity offers a part-time Executive MBA degree program for students. In addition, the Charity hosts select non-degree Chicago Booth business education courses covering finance, marketing, operations, strategy, and leadership. As part of its on-going support for graduates of the Charity's EMBA program, graduates are offered access to career and leadership development resources, coaching and opportunities to participate in networking events. (e.g., faculty, alumni and/or external speakers held at the Charity's facility).

In the United Kingdom, the Charity held events during the year which were open to people not currently students in our EMBA program, including the general public. These events included special lectures by faculty – including faculty-in-residence program - as well as conferences and roundtable events on topics of interest to the general public. Public lectures covered diverse topics including Global Economic Outlook; Marketing Analytics in the Age of AI; Private Equity – Past, Present, & Future; and US Exceptionalism, APAC Growth Optimism, and a European Rebound – Too Good to be True? These events were conducted primarily in-person with the opportunity for networking afterwards. All of these events were free for our students and, depending on the event may have included a nominal charge for catering to members of the general public. Other events were open to members of partner organizations including businesses and charities not directly affiliated with the University. The events provided access to our facilities, and in many cases the expertise of our faculty and staff. Events are promoted through partner organizations, on our website, and/or through direct emailing public relations social media campaigns.

We offered our campus facilities for use, at no cost to PTI, an educational charity, in support of a range of teacher training days focused on primary and secondary schools across the UK.

Going forward we plan to continue offering public access to key events throughout the year, leveraging faculty research and thought leadership and expanding the range of topics covered.

The University supports an active research agenda through 14 research centres and has a tenure policy for faculty that relies heavily on ground-breaking research. Research is conducted in disciplines such as economics, finance, and the behavioural sciences. Our faculty are recognized globally for their contributions to bodies of knowledge.

Since its inception, the University has been a distinctive intellectual and educational community, and the values that underpinned its establishment have been an important guide since that time.

In addition, the Charity published extensive information on its website and through other publications. This information includes the research undertaken by its faculty, comment and analysis of current topics, and media such as podcasts and videos sharing thought leadership on topics affecting companies and organizations around the globe. This information is free and available to the public.

Review of achievements and performance for the year

Operational performance of the Charity

During the year the EMBA program graduated its 19th London-based class of students. During FY25, Alumni of Chicago Booth, residing in the EMEA region, donated directly to the University of Chicago parent, in philanthropic support for faculty research, student scholarships, and alumni and University programming throughout our international community, helping enrich the business community to which Chicago Booth alumni belong. As direct donations to Chicago, these sums are not the responsibility of these trustees.

40 new Executive MBA EMEA students enrolled in September 2025. This class size represents a decrease from the September 2024 class of 45 students, remaining well below our target of 60-75 enrollees. This new class size was restricted by the impact of the current political and economic climate throughout EMEA as well as uncertain US government policies on entry visas. This included a pause on student visa insurance over key summer months during which our London based EMBA students start their program with an orientation week on our Chicago campus.

In FY25, we hosted and facilitated a multi-sessions open enrolment non-degree Chicago Booth Executive Education program.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year

The Charity financial results met expectations; however, continued to operate at a deficit. Both revenues and net income were as expected, albeit less than longer term targets, primarily due to lower EMBA student attendance. This is partially associated with the war in Ukraine, Israel, and other geo-political events.

The overall loss of £8,506,699 in 2024-2025 was less than the loss of £8,965,692 in 2023-2024 by £458,993, as revenues decreased, and expenses decreased.

Overall revenue decreased by £751,498 from £7,120,155 to £6,368,657 a decrease of 10.6%. This was mainly attributed to the following reasons;

- (1) EMBA program tuition revenue decreased by £516,485. Total students decreased from an average of 100 students in FY24 to an average of 88 students in FY25, with more students in the incoming cohort.
- (2) Conference Center revenue increased by a total of £38,785.
- (3) Executive Education revenue decreased by a total £340,118. All Executive Education programs held on the London campus are now managed entirely from Chicago, with revenues and expenses absorbed within the Chicago budgets. This is due to a significant reduction in the number of programs held in London.

Overall expenses decreased by £1,210,491 from £16,085,847 to £14,875,356, a decrease of 7.5%. Expenses were generally down in FY25 compared with FY24, along with a significant currency gain. The main reasons which accounted for this decrease are as follows;

- (1) A currency gain of £411,802 in FY25 compared with a currency gain of £8,173 in FY24 decreased expenses by £403,629.
- (2) Executive Education faculty, marketing, and other program costs decreased by approximately £257,000, as Executive Education programs hosted on the London campus are now managed from Chicago with expenses absorbed within the Chicago budgets.
- (3) A staff size reduction decreased staff costs by £210,053.
- (4) Marketing costs of £198,081 related to specific local public relations initiatives were eliminated in connection with the staff reduction. Chicago Booth public relations programs, including those that are global in scope are now centrally managed from Chicago and absorbed within the Chicago budget.
- (5) Depreciation expense declined by £113,137 due to certain assets being fully depreciated.
- (6) Teaching services and University overhead allocations increased by £135,779 primarily due to higher University overhead allocations. A change in the allocation methodology was prompted by the University's change in financial systems.

While the Charity continues to operate at a deficit, the University remains fully committed to its primary mission of being a worldwide leader of higher education and academic research and, more specifically, committed to continuing to provide the funding required to support the London Charity. The London EMBA program is an integral part of the business school's network of three campuses, worldwide, for experienced business professionals seeking an advanced business degree. The University and Chicago Booth believe that the level of financial loss incurred by the London Charity is well worthwhile considering its valuable contribution toward the mission of the global EMBA program, as well as The University's broader global educational mission. The University has provided a letter of support for the Charity.

The EMBA program is structured so that it consists of seven consecutive quarters of three months each. First year students complete the first three quarters during a single fiscal year cycle, September to June, during which three/sevenths of the tuition fees are collected. During the second fiscal year, the student completes the final four quarters, paying the remaining four/sevenths of the tuition fees.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

The Charity's financial position reflects a continued increase in accumulated deficit by £8,506,699 (2024: £8,965,692). This was funded by an increase in Amounts Payable to Group Companies of £8,206,200 (2024: £8,333,823) primarily due to £5,761,543 cash transfers from a group company in Hong Kong as well as services provided by the Chicago parent. As a result, the cash position of the Charity remains very stable.

Reserves policy

The Charity recognises the need to hold reserves to meet both its day-to-day and long-term obligations. Balanced against this is the need to deliver value to its students through the provision of education. Since inception in 2005 the Charity has operated at a loss as we are focused primarily on the educational mission as part of the mission of the University as a whole and only secondarily on the specific financial model of the London Charity as a standalone entity. Therefore, while the Charity's long term financial objective is to hold reserves sufficient to meet the education commitments of our students, annual operating losses have resulted in the reported £72,086,100 (2024: £63,579,401) accumulated deficit. The Charity is financially supported in its day-to-day obligations through its parent, The University.

The Directors recognize that the Charity operates at a significant deficit. It is important to note that London is one part of the international EMBA program. Students from Hong Kong and Chicago also study in London during special session weeks, while London students travel to Chicago and Hong Kong as well. During these sessions they interact with their international counterparts, which is a key component of enhancing the quality of their global EMBA education. The campuses are interrelated and interdependent. The finances of the programs are evaluated in combination. The London campus is a strategic part of the global mission of both Chicago Booth and The University of Chicago as a whole. Further, the University has a long-term view of the importance of global scholarly interaction that benefit the University and Chicago Booth in ways that are not necessarily quantifiable in the short term, nor directly financially identified with its specific activities in London. For example, overall fundraising may be enhanced indirectly by the global reputation of the University. Faculty exposure to a global community may enhance research opportunities and, in turn research grant opportunities. The University has both the mission and the resources to support the London Charity and is committed to doing so on an indefinite basis.

Future plans

Key objectives for the future are:

1. Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment has become even more challenging, and it will take years to rebuild to an average class size of 65-70. The region suffers from major concerns which impact recruiting: wars in Ukraine and Israel which impact those countries and their neighbouring airspace, currency fluctuations, inflation, and overall employment security. We continue to deploy creative recruiting tactics initiated in recent years, and we continue to make cosmetic changes to our offerings to increase their marketplace appeal.
2. Continue to provide an increased level of scholarship funding required to attract highly qualified students. The EMBA marketplace is becoming increasingly competitive on the scholarship front, with candidates opting to eschew Booth for business programs which appeal to them less, but which offer significantly more funding. Historically, we have been able to counter such potential losses with ROI arguments, but with the scholarship amounts increasing dramatically, that is becoming less viable.
3. Implement recommendations from the EMBA curriculum review committee which include, but are not limited to, creating optionality for certain aspects of the Global Leadership & Career Development program, expanding alumni programming during the degree (e.g. as guest speakers, mentors), and increasing flexibility on how students can validate core course requirements.
4. Launch the new Global Innovation & Impact: Study Abroad in London Program. This program is for Booth Specialized Masters students to spend the winter quarter 2026 studying on the London campus.
5. Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Future plans (continued)

6. Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
7. Continue to expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.
8. Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
9. Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. The Faculty-in-Residence Program that expands the faculty presence and accessibility in EMEA was successfully launched in late FY23. We plan to continue to build on this program.
10. Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.

Risk Management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of The University. The Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

Risk 1: Student class size falling below a level at which annual financial deficits become unacceptable for the programme. This risk is mitigated by maintaining a sufficient applicant pool to maintain class sizes between 65-70 students. The Charity is currently implementing strategies to meet the changing market environment, in order to return to enrolment class sizes within this target range.

Risk 2: There is always a risk of a change in the University's view of the strategic importance of an international presence. The risk is mitigated by regularly assessing the level of University support to assure long term funding of budget deficits.

Risk 3: Academic and staff losses that might erode the quality of instruction and/or the non-academic aspects of the student experience. The risk is mitigated by retaining and monitoring staff that are appropriately qualified and trained to deliver the highest level of scholarly instruction and to uphold The University's standing as an elite institution of higher learning in the UK and within the European community.

Risk 4: Fraudulent, inappropriate or inefficient use of resources. This risk is mitigated by establishing and monitoring appropriate internal controls, including staff oversight and training, engaging appropriate third party accountants and independent auditors to assist in safeguarding the Charity's assets, and maintaining appropriate levels of insurance coverage.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and guidance relating specifically to educational and fee-charging charities when reviewing our aims and objectives and in planning our future objectives. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Strategic and Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The auditor, Moore Kingston Smith LLP has indicated their willingness to continue in office in accordance with section 485 of the Companies Act 2006, a resolution concerning their appointment will be passed at the Annual General Meeting.

This report was approved by the Board of Directors on Feb 24 2026 and signed on its behalf by



M V Rajan
Director

The University of Chicago Booth School of Business

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The Directors are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinion

We have audited the financial statements of The University of Chicago Booth School of Business ('the company') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 course of 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 themselves. 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.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Use of our report

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

11 March 2026

The University of Chicago Booth School of Business

Statement of financial activities (including the income and expenditure account) for the year ended 30 June 2025

	Notes	Unrestricted	
		2025 £	2024 £
Income			
Charitable activities	3	<u>6,368,657</u>	<u>7,120,155</u>
<i>Total income</i>		<u><u>6,368,657</u></u>	<u><u>7,120,155</u></u>
Expenditure on:			
Charitable activities	4	<u>(14,875,356)</u>	<u>(16,085,847)</u>
<i>Total expenditure</i>	4	<u><u>(14,875,356)</u></u>	<u><u>(16,085,847)</u></u>
Net expenditure and net movement in funds for the year		(8,506,699)	(8,965,692)
Reconciliation of funds:			
Total deficit on funds brought forward	10	<u>(63,579,401)</u>	<u>(54,613,709)</u>
Total deficit of funds carried forward	10	<u><u>(72,086,100)</u></u>	<u><u>(63,579,401)</u></u>

All funds are unrestricted.

The notes on pages 18 to 26 form part of these financial statements.

The University of Chicago Booth School of Business

Company registration number: 05356589

Balance sheet

As at 30 June 2025

	Notes	2025 £	2024 £
Fixed assets			
Tangible assets	6	<u>6,257,245</u>	<u>7,244,994</u>
Current assets			
Debtors	7	3,079,097	2,655,530
Cash at bank and in hand		<u>796,251</u>	<u>1,056,208</u>
		3,875,348	3,711,738
Creditors: amounts falling due within one year	8	(82,218,693)	(74,536,133)
Net current liabilities		<u>(78,343,345)</u>	<u>(70,824,395)</u>
Total assets less current liabilities		<u>(72,086,100)</u>	<u>(63,579,401)</u>
Net liabilities		<u>(72,086,100)</u>	<u>(63,579,401)</u>
The funds of the Charity:			
Unrestricted deficit	10	<u>(72,086,100)</u>	<u>(63,579,401)</u>

Approved by the Board of Directors and authorised for issue on February 24 2026 and signed on its behalf by:



M V Rajan

All assets and liabilities relate to general unrestricted funds.

The notes on pages 18 to 26 form part of these financial statements

The University of Chicago Booth School of Business

Statement of cashflows For the year ended 30 June 2025

	Notes	2025 £	2024 £
Net cash (used in)/generated from operating activities			
Cash generated from operations	12	97,305	934,516
Interest paid		(292,703)	(317,425)
Net cash (used in)/generated from operating activities		<u>(195,398)</u>	<u>617,091</u>
(Decrease)/increase in cash		<u>(195,398)</u>	<u>617,091</u>
Cash and cash equivalents at beginning of year		1,056,208	440,196
Effect of foreign exchange rate changes		(64,559)	(1,079)
Cash and cash equivalents at the end of the year	13	<u>796,251</u>	<u>1,056,208</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2025

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in Pound Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The functional currency of The University of Chicago Booth School of Business is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Notwithstanding net liabilities of £72,086,100 as at 30 June 2025 and a loss for the year then ended of £8,506,699, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate as they have received written confirmation from the company's parent undertaking, the University of Chicago, that it will continue to provide financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and will not seek repayment of amounts owed to it (totalling £69,807,985 at 30 June 2025) during this period.

As with any charitable company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

Unrestricted funds are general funds that are available for use at the Directors' discretion in furtherance of the objectives of the Charity.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds on receipt, or if earlier, when the Charity is legally entitled to the income and the amount can be measured reliably.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

1. Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis. The Charity is VAT registered. The vast majority of its supplies are exempt from VAT being the provision of education and therefore there is no entitlement for the Charity to recover the VAT it incurs. The Charity generally posts all UK costs as gross so the VAT is an additional cost to the business. The Charity also monitors its UK supplies to ensure that they fall within the exemption under the relevant VAT legislation. In addition, the Charity occasionally receives supplies of services from non-UK suppliers and therefore has to account for the reverse charge output VAT on its VAT returns. As the Charity is generally making only exempt supplies it cannot recover this VAT and so is required, through its VAT return, to make a payment to HMRC.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Charity Directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term. The benefit of any rent free periods is spread evenly over the lease term.

Pension schemes

The Charity operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Fixed assets

Capitalisation and replacement

Cost relating to the fit out of the building, which includes both improvements and expenditure on furniture, fittings and equipment are capitalised and carried in the balance sheet at cost less depreciation. Assets are only capitalised where these are considered material or costs for enhancements to an existing asset.

Depreciation

Depreciation is provided on all tangible fixed assets from the time they are available for use at rates calculated to write off the cost in equal instalments over the estimated lives of the assets.

The rates of depreciation are as follows:

Leasehold improvements	-	over the term of the lease
Audio and visual equipment	-	20% per annum
Computer and telecommunications equipment	-	20% per annum
Furniture, fixtures and equipment	-	10% to 20% per annum

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Taxation

The University of Chicago Booth School of Business is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the year-end exchange rates. All differences are taken to the statement of financial activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's Balance Sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Income from charitable activities

Income from charitable activities comprises tuition fees received from students on the degree Executive MBA programs and non-degree Executive Education programs.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

4. Charitable activities

	2025 £	2024 £
Direct costs:		
University Education	2,038,023	2,572,627
Support costs:		
Operating lease rentals – on land and buildings	3,567,352	3,566,516
Interest on promissory loan note	292,703	317,425
Foreign exchange gains	(411,802)	(8,174)
Depreciation	987,749	1,100,886
Support staff costs	1,627,042	1,837,095
Other support costs (including governance costs)	6,774,289	6,699,472
Total expenditure	<u>14,875,356</u>	<u>16,085,847</u>
Governance costs		
Audit services	25,000	25,000
Accountancy services	9,270	8,825
	<u>34,270</u>	<u>33,825</u>

Moore Kingston Smith only received fees in respect of Audit services. Total fees exclusive of VAT amounted to £25,000 (2024: £25,000).

5. Staff costs

	2025 £	2024 £
Wages and salaries	1,342,130	1,494,787
Social security costs	182,420	229,476
Pension contributions	102,492	112,832
	<u>1,627,042</u>	<u>1,837,095</u>

The average number of employees in the period was 22 (2024: 27). No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity. Remuneration is received from the University of Chicago in the US. No recharges are received from the University of Chicago as the proportion of directors remuneration relating to the Charity is inconsequential. The Directors consider key management personnel to be the director Starr Marcello who is employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

5. Staff costs (continued)

The number of higher paid employees was:	2025	2024
	No.	No.
Employee benefits (excluding employer pension contributions):		
£60,000 - £70,000	1	2
£70,000 - £80,000	2	2
£80,000 - £90,000	1	1
£90,000 - £100,000	1	1
£100,000 - £110,000	2	2
£110,000 - £120,000	1	1
£120,000 - £130,000	1	2
£140,000 - £150,000	-	1
£170,000 - £180,000	-	1
£180,000 - £190,000	1	-
Total	<u>10</u>	<u>13</u>

6. Tangible fixed assets

	Leasehold improvements £	Audio visual equipment £	Computer and telecom- munications equipment £	Furniture, fixtures and equipment £	Total £
Cost					
At 1 July 2024	9,088,183	1,189,349	904,905	756,972	11,939,409
At 30 June 2025	9,088,183	1,189,349	904,905	756,972	11,939,409
Depreciation					
At 30 June 2024	2,589,585	1,016,320	763,177	325,333	4,694,415
Charge for the year	606,338	173,029	132,684	75,698	987,749
At 30 June 2025	3,195,923	1,189,349	895,861	401,031	5,682,164
Net book values					
At 30 June 2025	5,892,260	-	9,044	355,941	6,257,245
At 30 June 2024	6,498,598	173,029	143,902	429,465	7,244,994

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

7. Debtors

	2025	2024
	£	£
Trade debtors	113,969	285,206
Amounts receivable from group companies	1,620,686	1,058,612
Other debtors	144,973	22,322
Prepayments and accrued income	1,199,469	1,289,390
	<u>3,079,097</u>	<u>2,655,530</u>

8. Creditors: amounts falling due within one year

	2025	2024
	£	£
Fees received in advance (see note 9)	1,103,128	961,351
Other creditors and accruals	4,173,956	4,839,373
Amounts payable to group companies	76,941,609	68,735,409
	<u>82,218,693</u>	<u>74,536,133</u>

The intercompany balance due to the University of Chicago US which amounts to £69,807,985 (2024: £67,263,527) has been included in creditors due in less than one year. Included within this balance is a promissory loan note amounting to £4,878,377 (2024: £5,290,414), the loan is denominated in US dollars and the movement of £412,037 relates to a foreign exchange gain in the year. Interest is also accruing on the loan at 6%. The accrued interest included in the amounts payable to group companies is £928,043 (2024: £635,340). The loan note is repayable on demand and The University of Chicago US has indicated it is not intending to demand repayment in the foreseeable future. The remaining balance of £64,001,565 (2024: £61,337,773) relates primarily to the operations of the Europe Campus and payables arising from the ongoing teaching and services agreement and whilst the amount legally remains payable on demand it is considered that recovery is not expected by The University of Chicago US.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

9. Fees received in advance

Students are requested to make a sizeable deposit towards their tuition fees in the spring prior to their first quarter session, £3,846 per student. In addition, some students may have paid the remainder of the first quarter tuition, £15,698 by the end of June. Both amounts are taken into income with the commencement of the first quarterly session in September. Consequently, every year, at the end of the fiscal year, there will be an advance fee payment liability on the books.

In addition, many students are subsidised by their employers. Occasionally, we receive more than four quarters of tuition fees paid at one time. This results in a few advance fee payments that may not be applied within a year. Also, on occasion, a student will take a leave from the program, after having paid, with the intent of continuing at a later date. This may also lead to advance fee payments applicable to more than one year in advance.

	2025 £	2024 £
Within 1 year	1,103,128	961,351

The balance represents the accrued liability under the contracts. The movements during the year were:

	2025 £	2024 £
Balance at 1 July	961,351	1,088,910
Fees received in the year	936,690	760,259
Amounts recognised in the current year	(794,913)	(887,818)
Balance at 30 June	1,103,128	961,351

10. Analysis of charitable deficit

	30 June 2024 £	Income £	Expenditure £	30 June 2025 £
Unrestricted general deficit	(63,579,401)	6,368,657	(14,875,356)	(72,086,100)

	30 June 2023 £	Income £	Expenditure £	30 June 2024 £
Unrestricted general deficit	(54,613,709)	7,120,155	(16,085,847)	(63,579,401)

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

11. Operating lease commitments

At 30 June, the Company had annual commitments under non-cancellable operating leases as follows:

	2025			2024		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Leases which expire:						
Within one year	4,018,283	1,425	4,019,708	3,974,654	1,425	3,976,079
Within two to five years	10,828,165	-	10,828,165	14,652,099	-	14,652,099
	<u>14,846,448</u>	<u>1,425</u>	<u>14,847,873</u>	<u>18,626,753</u>	<u>1,425</u>	<u>18,628,178</u>

During 2019, a lease was entered into for a new campus building. The initial lease term is 15 years, commencing 1st April 2019.

During 2023, a maintenance agreement was entered into in respect of a new copier. The agreement term is structured on a quarterly basis commencing 7th July 2023.

12 Reconciliation of net expenditure to net cash generated from operations

	2025 £	2024 £
Net expenditure for the reporting period	(8,506,699)	(8,965,692)
Adjustment for:		
Finance costs	292,703	317,425
Depreciation	987,749	1,100,886
Unrealised foreign currency gains	64,559	1,079
(Increase)/decrease in debtors	(423,567)	973,319
Increase in trade and other creditors	7,540,783	7,635,058
Increase/(decrease) in advance fee contracts	141,777	(127,559)
Net cash (used in)/generated from operations	<u>97,305</u>	<u>934,516</u>

13. Analysis of change in net funds

	1 July 2024	Cash Flows	Exchange rate movements	30 June 2025
Cash	1,056,208	(195,398)	(64,559)	796,251
Loans falling due within one year	(5,290,414)	-	412,037	(4,878,377)
	<u>(4,234,206)</u>	<u>(195,398)</u>	<u>347,478</u>	<u>(4,082,126)</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2025

14. Related party transactions

University of Chicago in the US is the parent of the Charity 'Chicago Booth' and, as such, is responsible for the appointment of all management/Directors of Chicago Booth's London Campus, as well as providing the necessary funding and a variety of support services.

	2025	2024
	£	£
Opening balance 1 July balance due (to)/from the University of Chicago Foundation in Hong Kong Limited	(1,471,882)	1,509,229
Repayment of prior campus funding from Hong Kong	(5,761,543)	(3,095,909)
Costs incurred on behalf of the Hong Kong campus and recharged	99,801	114,798
	<u>(7,133,624)</u>	<u>(1,471,882)</u>
Closing balance 30 June balance due (to)/from the University of Chicago Foundation in Hong Kong Limited	<u>(7,133,624)</u>	<u>(1,471,882)</u>
Opening balance 1 July owed to the University of Chicago	(67,263,527)	(60,401,586)
Costs incurred on behalf of Charity by the US and recharged	(434,846)	(469,141)
Costs incurred on behalf of the US by the Charity and recharged	675,686	-
Teaching and Administrative Support agreement	(3,517,183)	(3,381,404)
Accrued interest cost/(income) on build out loan	(292,703)	(317,425)
Tuition income received in the US	612,551	799,792
Foreign exchange restatement of build out loan due in USD as at 30 June	412,037	8,174
Campus funding in relation to One Bartholomew campus	-	(3,501,937)
	<u>(69,807,985)</u>	<u>(67,263,527)</u>
Closing balance 30 June owed to the University of Chicago	<u>(69,807,985)</u>	<u>(67,263,527)</u>

Amounts due from group undertakings also includes a balance of £1,620,686 (2024: £1,058,612) amount due to group undertakings) due from the University of Chicago Booth School of Business in Singapore.

15. Ultimate controlling undertaking

The Directors consider The University of Chicago, a company registered in The United States of America to be the ultimate controlling undertaking and is the smallest group consolidating the results of this company. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.

The Charity's accounts are consolidated into the parent financial statements as part of the Booth School of Business figures.

THE UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS

England & Wales - Charity number 1108516

Accounts

Company Registration No. 05356589

Charity Registration No. 1108516

**The University of Chicago Booth School
of Business**

Company limited by guarantee

Annual report and financial statements

for the year ended 30 June 2024

The University of Chicago Booth School of Business

Annual report and financial statements for the year ended 30 June 2024

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The University of Chicago Booth School of Business

Officers and professional advisers

Directors

K Baicker
M V Rajan
E Shanin

The Directors are the trustees of the Charity for Charities Act purposes.

Registered office

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One Bartholomew Close
Barts Square
London
EC1A 7BL

Website

www.chicagobooth.edu

Bankers

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1 Canada Square
London
E14 5DX

United Kingdom Solicitor / Company secretary

Pinsent Masons
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Charity Registration: 1108516

Company Registration: 05356589

The University of Chicago Booth School of Business

Strategic and Directors' Report

Reference and administrative information

The University of Chicago Booth School Of Business ("the Charity") is a subsidiary of the University of Chicago ("The University"). The College of Commerce and Politics, predecessor to The University of Chicago Booth School of Business, was originally founded by The University in 1898 to provide practical business instruction. The Charity is registered with the Charity Commission under Charity number 1108516. The registered office of the Charity is listed on page 1 together with the particulars of the Charity's professional advisers.

The Charity is a charitable company limited by guarantee and is more commonly known as "Chicago Booth".

Directors and Charity trustees

The Charity Directors are also the Charity trustees. They have served in office throughout the year, unless otherwise stated, and were as follows:

K Baicker
K Taylor (Resigned August 2, 2024)
E Shanin (Appointed on August 2, 2024)
M V Rajan

Associate Dean for Booth Global Degree Programs and Executive Director, The Robert Rothman. '77 London Campus

Elizabeth O'Neill

Structure, Governance and Management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 3 February 2005, amended 28 February 2026.

Recruitment and Training of Directors

The Memorandum and Articles of Association of the Charity provide for the appointment of Directors, who also act as trustees. The University, which is the sole "member" of the Charity, is empowered to appoint the Directors.

For the fiscal year ended June 30, 2024, the Charity has three Directors, Madhav Rajan, Katherine Baicker, and Kimberly P Taylor. Professor Rajan is the George Pratt Shultz Professor of Accounting, and Dean of the University of Chicago Booth School of Business ("Chicago Booth"). In Professor Rajan's position as Dean of Chicago Booth, a part of his responsibilities is the oversight of the EMBA campuses in Chicago, London, and Hong Kong.

The second Director, Professor Katherine Baicker, the Emmett Dedmon Professor at the University's Harris School of Public Policy is Provost at The University. As Provost of The University, Professor Baicker oversees all aspects of The University's academic and research community. Professor Baicker's position as head of all of academic activities at The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be the University's Provost.

The third Director is Kimberly P Taylor, Vice President and General Counsel of The University. Ms. Taylor's position as head of all legal affairs for The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be a senior member of the University's legal staff. On August 2, 2024, Ms. Taylor resigned as Director, as well as the University's Vice President and General Counsel. Ms. Elizabeth Shanin was appointed Interim Vice President and General Counsel as well as appointed one of the Charity's Directors. On appointment each trustee receives a copy of the England and Wales Charity Commission's publication "The essential trustee: what you need to know, what you need to do" and agrees to follow it. Training needs are assessed and met as necessary.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Structure, governance and management (continued)

Organisational Management

The primary active decision maker for the Charity's activities is Professor Rajan, one of the Directors. The primary activity of the London Charity is as one of three worldwide Chicago Booth part-time Executive Masters of Business Administration (EMBA) degree programs, specifically designed for experienced, accomplished, and working business executives. In his capacity as Dean of Chicago Booth, he has overall responsibility for both full-time and part-time MBA programs and oversight of the entire business school faculty as well. The Dean of Chicago Booth reports to the Provost, whose position is described above. The Provost reports to the President of The University. The President is responsible to a host of University Directors.

The Associate Dean of the Global Executive MBA Program is responsible for carrying out the day-to-day affairs of the Charity. The Associate Dean and her delegates can negotiate and execute on behalf of the Charity contracts for the purchase of goods or services in the ordinary course of operations of the Charity subject to limitations imposed by the Directors on the value of these contracts. The Associate Dean can hire employees, subject to the prior approval from the Directors for salaries, compensation and benefits, The Associate Dean can make final decisions on applications to be admitted to the EMBA program.

The Directors consider key management personnel to be employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed within the report.

Object, aims, objectives and activities

Charitable objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education, in particular (without prejudice to the generality) through the provision of education provided in the United Kingdom.

Aims and intended impact

The aim of the Charity is to advance scholarship and research in the field of business and economics. The Charity is an integral part of the University whose innovations in business education and path breaking research have produced ideas and leaders that shape the world of business, bringing economic benefits to society. Ten Nobel laureates have been either current or former faculty members of Chicago Booth.

Objectives for the year

The main objectives of the Charity for the year ended 30 June 2024 were:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment has become even more challenging and it will take several years to rebuild to a goal of an average class size of 65-70. The region suffers from concerns which impact recruiting: wars in Ukraine and Israel, currency fluctuations, inflation, and overall employment security. We continue to deploy creative recruiting tactics initiated in recent years, and we continue to make cosmetic changes to our offerings to increase their marketplace appeal.
- (2) Continue to provide an increased level of scholarship funding required to attract highly qualified students. The EMBA marketplace is becoming increasingly competitive on the scholarship front, with candidates opting to eschew Booth for business programs which appeal to them less, but which offer significantly more funding. Historically, we have been able to counter such potential losses with ROI arguments, but with the scholarship amounts increasing dramatically, that is becoming less viable.
- (3) Increase the quantity of, and registrations for, non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty.
- (4) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Objectives for the year (continued)

- (5) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (6) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
- (7) Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (8) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. The new Global Faculty in Residence Program that expands the faculty presence and accessibility in EMEA. We plan to continue to build on this program.
- (9) Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
- (10) Expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Strategies to achieve the period's objectives

- (1) The Charity seeks to enrol students in our Executive MBA Program. To that end, it carries out marketing and promotional activities throughout Europe, the Middle East, and Africa. It also targets students from Latin America. These activities are supported by advertising campaigns online (through LinkedIn, for example) and in leading publications, search engine optimization, and direct marketing and public relations. The EMBA Program also benefits from the plethora of activities held on the London campus which serve to boost awareness of Chicago Booth's presence in London. As tuition fees do not fully cover the operating costs of The University, The University employs staff in Chicago and the UK to develop relationships with alumni, including those with the financial means to donate funds to The University.
- (2) Our admissions criteria are set to support the achievement of the objectives. We seek applicants who display impressive professional and personal track records and demonstrate academic prowess which affirms their ability to navigate Booth's academic rigor. Applicants are required to submit detailed written applications, providing their academic credentials, their career experience and objectives and, in some cases, assessment test results. Applications must be accompanied by letters of recommendation from the applicant's manager and professional colleagues, and, when possible at the time of application, a letter of support from the applicant's employer. Qualified applicants are also interviewed.
- (3) Given the ongoing state of the EMEA market, it is incumbent upon us to examine our EMBA offering and adjust to render it more flexible, resilient, and market appropriate. This entails close examination of program structure, curricular offerings, and career and leadership support.
- (4) We work closely with the Advancement team to be sure EMBA scholarships are on their fundraising agenda. This has yielded some recent success! Internally, we work with tight yield and funding targets, so as our yield improves so does our ability to offer scholarships.
- (5) We secure customized, company specific non-degree programs through a direct sales strategy. We offer open enrolment programs on topics of interest to the business community through advertising and a variety of direct marketing tools.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Principal activities of the year

The Charity offers a part-time Executive MBA degree program for students. In addition, the Charity offers non-degree business education courses covering finance, marketing, operations, strategy, and leadership. As part of its on-going support for graduates of the Charity's EMBA program, graduates are offered access to career and leadership development resources, coaching and opportunities to participate in networking events. (e.g., faculty, alumni and/or external speakers held at the Charity's facility).

In the United Kingdom, the Charity held events during the year which were open to people not currently students in our EMBA program, including the general public. These events included special lectures by faculty – including faculty-in-residence program - as well as conferences and roundtable events on topics of interest to the general public. Public lectures covered diverse topics including the global economy, reimagining India's economic future, propelling growth and impact in Africa, and an economic outlook for the EMEA region. These events were conducted primarily in-person with the opportunity for networking afterwards. All of these events were free for our students and members of the general public. Other events were open to members of partner organizations including businesses and charities not directly affiliated with the University. The events provided access to our facilities, and in many cases the expertise of our faculty and staff. Events are promoted through partner organizations, on our website, and/or through direct emailing public relations social media campaigns.

We offered our campus facilities for use, at no cost to PTI, an educational charity, in support of a range of teacher training days focused on primary and secondary schools across the UK

Going forward we plan to continue offering public access to key events throughout the year, leveraging faculty research and thought leadership and expanding the range of topics covered.

The University supports an active research agenda through 14 research centres and has a tenure policy for faculty that relies heavily on ground-breaking research. Research is conducted in disciplines such as economics, finance, and the behavioural sciences. Our faculty are recognized globally for their contributions to bodies of knowledge.

Since its inception, the University has been a distinctive intellectual and educational community, and the values that underpinned its establishment have been an important guide since that time.

In addition, the Charity published extensive information on its website and through other publications. This information includes the research undertaken by its faculty, comment and analysis of current topics, and media such as podcasts and videos sharing thought leadership on topics affecting companies and organizations around the globe. This information is free and available to the public.

Review of achievements and performance for the year

Operational performance of the Charity

During the year the EMBA program graduated its 18th London-based class of students. During FY24, Alumni of Chicago Booth, residing in the EMEA region, donated directly to the University of Chicago parent, in philanthropic support for faculty research, student scholarships, and alumni and University programming throughout our international community, helping enrich the business community to which Chicago Booth alumni belong. As direct donations to Chicago, these sums are not the responsibility of these trustees.

45 new Executive MBA EMEA students enrolled in September 2024. This class size represents a decrease from the September 2023 class of 46 students, remaining well below our target of 60-75 enrollees. This new class size was restricted by the impact of the current political and economic climate throughout EMEA.

In FY24, we delivered a multi-session non-degree Executive Education program.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year

The Charity financial results met expectations; however, continued to operate at a deficit. Both revenues and net income were as expected, albeit less than longer term targets, primarily due to lower EMBA student attendance. This is partially associated with the war in Ukraine, Israel, and other geo-political events.

The overall loss of £8,965,692 in 2023-2024 was more than the loss of £7,513,392 in 2022-2023 by £1,452,300, as revenues decreased, and expenses decreased.

Overall revenue decreased by £1,457,781 from £8,577,936 to £7,120,155, a decrease of 17%.

- (1) EMBA program tuition revenue decreased by £1,161,188. Total students decreased from an average of 123 students in FY23 to an average of 100 students in FY24, with less students in the incoming cohort. This average does reflect a small component representing the return of some FY21 and FY22 students who deferred during the height of the pandemic and returned as in-person classes resumed for the FY23 and FY24 fiscal years.
- (2) Conference Center revenue increased by a total of £321,473 as a result of marketing efforts beginning in FY23.
- (3) Executive Education revenue decreased by a total £587,449 due to a few recurring contracts that ended in FY23 and were not renewed.

Overall expenses decreased by £5,481 from £16,091,328 to £16,085,847, a decrease of 3%. Expenses were generally down slightly in FY24 compared with FY23, however, currency gains in FY23, not repeated in FY24, mitigated the impact of the lower expenses.

- (1) A currency gain of £8,174 in FY24 compared with a currency gain of £514,979 in FY23 increased expenses by £506,805.
- (2) Building rent and services fees increased by £57,754 due to the first full year of the rental flat for the Faculty-in-Residence.
- (3) Executive Education faculty costs decreased by £261,151 due to holding fewer programs.
- (4) Teaching services and University overhead allocations decreased by £127,132 due to a combination of a generally lowered University allocation, plus the lower London student tuition which is one of the factors determining the allocation amount.
- (5) Two significant projects in FY23 were expensed. One for the construction of a donor wall and installation of classroom audio visual equipment. No such projects were completed in FY24. This resulted in £87,382 in expense savings.
- (6) In FY24, the Director of Academic Support Allocation was eliminated due to an organizational change. This resulted in £69,838 savings.

While the Charity continues to operate at a deficit, the University remains fully committed to its primary mission of being a worldwide leader of higher education and academic research and, more specifically, committed to continuing to provide the funding required to support the London Charity. The London EMBA program is an integral part of the business school's network of three campuses, worldwide, for experienced business professionals seeking an advanced business degree. The University and Chicago Booth believe that the level of financial loss incurred by the London Charity is well worthwhile considering its valuable contribution toward the mission of the global EMBA program, as well as The University's broader global educational mission. The University has provided a letter of support for the Charity.

The EMBA program is structured so that it consists of seven consecutive quarters of three months each. First year students complete the first three quarters during a single fiscal year cycle, September to June, during which three/sevenths of the tuition fees are collected. During the second fiscal year, the student completes the final four quarters, paying the remaining four/sevenths of the tuition fees.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

The Charity's financial position reflects a continued increase in accumulated deficit by £8,965,692 (2023: £7,513,392). This was funded by an increase in Amounts Payable to Group Companies of £8,333,823 (2023: £4,159,061) primarily due to services provided by the Chicago parent and a decrease in Amounts Receivable from Group Companies of £1,038,876 (2023: £2,468,141) primarily as repayment from previous cash transfers to a group company in Hong Kong. As a result, the cash position of the Charity remains very stable.

Reserves policy

The Charity recognises the need to hold reserves to meet both its day-to-day and long-term obligations. Balanced against this is the need to deliver value to its students through the provision of education. Since inception in 2005 the Charity has operated at a loss as we are focused primarily on the educational mission as part of the mission of the University as a whole and only secondarily on the specific financial model of the London Charity as a standalone entity. Therefore, while the Charity's long term financial objective is to hold reserves sufficient to meet the education commitments of our students, annual operating losses have resulted in the reported £63,579,401 (2023: £54,613,709) accumulated deficit. The Charity is financially supported in its day-to-day obligations through its parent, The University.

The Directors recognize that the Charity operates at a significant deficit. It is important to note that London is one part of the international EMBA program. Students from Hong Kong and Chicago also study in London during special session weeks, while London students travel to Chicago and Hong Kong as well. During these sessions they interact with their international counterparts, which is a key component of enhancing the quality of their global EMBA education. The campuses are interrelated and interdependent. The finances of the programs are evaluated in combination. The London campus is a strategic part of the global mission of both Chicago Booth and The University of Chicago as a whole. Further, the University has a long-term view of the importance of global scholarly interaction that benefit the University and Chicago Booth in ways that are not necessarily quantifiable in the short term, nor directly financially identified with its specific activities in London. For example, overall fundraising may be enhanced indirectly by the global reputation of the University. Faculty exposure to a global community may enhance research opportunities and, in turn research grant opportunities. The University has both the mission and the resources to support the London Charity and is committed to doing so on an indefinite basis.

Future plans

Key objectives for the future are:

1. Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment has become even more challenging, and it will take years to rebuild to an average class size of 65-70. The region suffers from major concerns which impact recruiting: wars in Ukraine and Israel which impact those countries and their neighbouring airspace, currency fluctuations, inflation, and overall employment security. We continue to deploy creative recruiting tactics initiated in recent years, and we continue to make cosmetic changes to our offerings to increase their marketplace appeal.
2. Continue to provide an increased level of scholarship funding required to attract highly qualified students. The FMBA marketplace is becoming increasingly competitive on the scholarship front, with candidates opting to eschew Booth for business programs which appeal to them less, but which offer significantly more funding. Historically, we have been able to counter such potential losses with ROI arguments, but with the scholarship amounts increasing dramatically, that is becoming less viable.
3. Convene a faculty-led comprehensive curriculum review committee to assess multiple aspects of the current course program and make recommendations that will assure course work remains timely and relevant. This review process is conducted approximately every 5 years in keeping with Chicago Booth's leadership role in business education.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Future plans (continued)

4. Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
5. Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
6. Continue to expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.
7. Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
8. Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. The new Global Faculty in Residence Program that expands the faculty presence and accessibility in EMEA was successfully launched in late FY23. We plan to continue to build on this program.
9. Increase engagement with corporates, strategic partners, and other stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
10. Explore the introduction of a global track option for Booth's new Master in Management program, whereby students can opt to spend an academic quarter in London as part of their program.

Risk Management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of The University. The Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

Risk 1: EMBA student class size falling below a level at which annual financial deficits become unacceptable for the programme. This risk is mitigated by maintaining a sufficient applicant pool to maintain class sizes between 65-70 students. The Charity is currently implementing strategies to meet the changing market environment, in order to return to enrolment class sizes within this target range.

Risk 2: There is always a risk of a change in the University's view of the strategic importance of an international presence. The risk is mitigated by regularly assessing the level of University support to assure long term funding of budget deficits.

Risk 3: Academic and staff losses that might erode the quality of instruction and/or the non-academic aspects of the student experience. The risk is mitigated by retaining and monitoring staff that are appropriately qualified and trained to deliver the highest level of scholarly instruction and to uphold The University's standing as an elite institution of higher learning in the UK and within the European community.

Risk 4: Fraudulent, inappropriate or inefficient use of resources. This risk is mitigated by establishing and monitoring appropriate internal controls, including staff oversight and training, engaging appropriate third party accountants and independent auditors to assist in safeguarding the Charity's assets, and maintaining appropriate levels of insurance coverage.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and guidance relating specifically to educational and fee-charging charities when reviewing our aims and objectives and in planning our future objectives. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Strategic and Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The auditor, Moore Kingston Smith LLP has indicated their willingness to continue in office in accordance with section 485 of the Companies Act 2006, a resolution concerning their appointment will be passed at the Annual General Meeting.

This report was approved by the Board of Directors on February 24 2025 and signed on its behalf by



M V Rajan
Director

The University of Chicago Booth School of Business

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The Directors are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinion

We have audited the financial statements of The University of Chicago Booth School of Business ('the company') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 course of 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 themselves. 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.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Use of our report

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

12 March 2025

The University of Chicago Booth School of Business

Statement of financial activities (including the income and expenditure account) for the year ended 30 June 2024

		Unrestricted	
	Notes	2024	2023
		£	£
Income			
Charitable activities	3	7,120,155	8,577,936
<i>Total income</i>		<u>7,120,155</u>	<u>8,577,936</u>
Expenditure on:			
Charitable activities	4	(16,085,847)	(16,091,328)
<i>Total expenditure</i>	4	<u>(16,085,847)</u>	<u>(16,091,328)</u>
Net expenditure and net movement in funds for the year		(8,965,692)	(7,513,392)
Reconciliation of funds:			
Total deficit on funds brought forward	10	<u>(54,613,709)</u>	<u>(47,100,317)</u>
Total deficit of funds carried forward	10	<u>(63,579,401)</u>	<u>(54,613,709)</u>

All funds are unrestricted.

The notes on pages 18 to 26 form part of these financial statements.

The University of Chicago Booth School of Business

Balance sheet As at 30 June 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	6	7,244,994	8,345,880
Current assets			
Debtors	7	2,655,530	3,628,849
Cash at bank and in hand		1,056,208	440,196
		3,711,738	4,069,045
Creditors: amounts falling due within one year	8	(74,536,133)	(67,028,634)
Net current liabilities		(70,824,395)	(62,959,589)
Total assets less current liabilities		(63,579,401)	(54,613,709)
Net liabilities		(63,579,401)	(54,613,709)
The funds of the Charity:			
Unrestricted deficit	10	(63,579,401)	(54,613,709)

All assets and liabilities relate to general unrestricted funds.

The notes on pages 18 to 26 form part of these financial statements.

Approved by the Board of Directors on February 24 2025 and signed on its behalf by:



M V Rajan

Company registration number: 05356589

The University of Chicago Booth School of Business

Statement of cashflows For the year ended 30 June 2024

	Notes	2024 £	2023 £
Net cash generated from operating activities			
Cash generated from operations	12	934,516	274,260
Interest paid		(317,425)	(317,915)
Net cash generated from/(used in) operating activities		<u>617,091</u>	<u>(43,655)</u>
Increase/(decrease) in cash		<u>617,091</u>	<u>(43,655)</u>
Cash and cash equivalents at beginning of year		440,196	486,677
Effect of foreign exchange rate changes		(1,079)	(2,826)
Cash and cash equivalents at the end of the year	13	<u>1,056,208</u>	<u>440,196</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The functional currency of The University of Chicago Booth School of Business is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Notwithstanding net liabilities of £63,579,401 as at 30 June 2024 and a loss for the year then ended of £8,965,692, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate as they have received written confirmation from the company's parent undertaking, the University of Chicago, that it will continue to provide financial support to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements and will not seek repayment of amounts owed to it (totalling £68,735,409 at 30 June 2024) during this period.

As with any charitable company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

Unrestricted funds are general funds that are available for use at the Directors' discretion in furtherance of the objectives of the Charity.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds on receipt, or if earlier, when the Charity is legally entitled to the income and the amount can be measured reliably.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

1. Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis. The Charity is VAT registered. The vast majority of its supplies are exempt from VAT being the provision of education and therefore there is no entitlement for the Charity to recover the VAT it incurs. The Charity generally posts all UK costs as gross so the VAT is an additional cost to the business. The Charity also monitors its UK supplies to ensure that they fall within the exemption under the relevant VAT legislation. In addition, the Charity occasionally receives supplies of services from non-UK suppliers and therefore has to account for the reverse charge output VAT on its VAT returns. As the Charity is generally making only exempt supplies it cannot recover this VAT and so is required, through its VAT return, to make a payment to HMRC.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Charity Directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term. The benefit of any rent free periods is spread evenly over the lease term.

Pension schemes

The Charity operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Fixed assets

Capitalisation and replacement

Cost relating to the fit out of the building, which includes both improvements and expenditure on furniture, fittings and equipment are capitalised and carried in the balance sheet at cost less depreciation. Assets are only capitalised where these are considered material or costs for enhancements to an existing asset.

Depreciation

Depreciation is provided on all tangible fixed assets from the time they are available for use at rates calculated to write off the cost in equal instalments over the estimated lives of the assets.

The rates of depreciation are as follows:

Leasehold improvements	-	over the term of the lease
Audio and visual equipment	-	20% per annum
Computer and telecommunications equipment	-	20% per annum
Furniture, fixtures and equipment	-	10% to 20% per annum

Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Taxation

The University of Chicago Booth School of Business is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the year-end exchange rates. All differences are taken to the statement of financial activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's Balance Sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Income from charitable activities

Income from charitable activities comprises tuition fees received from students on the degree Executive MBA programs and non-degree Executive Education programs.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

4. Charitable activities

	2024	2023
	£	£
Direct costs:		
University Education	2,572,627	3,105,708
Support costs:		
Operating lease rentals – on land and buildings	3,566,516	3,270,963
Interest on promissory loan note	317,425	317,915
Foreign exchange gains	(8,174)	(514,979)
Depreciation	1,100,886	1,100,886
Support staff costs	1,837,095	1,728,984
Other support costs (including governance costs)	6,699,472	7,081,851
Total expenditure	<u>16,085,847</u>	<u>16,091,328</u>
Governance costs		
Audit services	25,000	17,250
Accountancy	8,825	8,250
	<u>33,825</u>	<u>25,500</u>

Moore Kingston Smith only received fees in respect of Audit services. Total fees exclusive of VAT amounted to £25,000 (2023: £17,250).

5. Staff costs

	2024	2023
	£	£
Wages and salaries	1,494,787	1,374,567
Social security costs	229,476	231,230
Pension contributions	112,832	123,187
	<u>1,837,095</u>	<u>1,728,984</u>

The average number of employees in the period was 27 (2023: 26). No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity. Remuneration is received from the University of Chicago in the US. No recharges are received from the University of Chicago as the proportion of directors remuneration relating to the Charity is inconsequential. The Directors consider key management personnel to be the directors and Elizabeth O'Neill and Starr Marcello who are employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

5. Staff costs (continued)

The number of higher paid employees was:	2024	2023
	No.	No.
Employee benefits (excluding employer pension contributions):		
£60,000 - £70,000	2	1
£70,000 - £80,000	2	2
£80,000 - £90,000	1	1
£90,000 - £100,000	1	1
£100,000 - £110,000	2	1
£110,000 - £120,000	1	1
£120,000 - £130,000	2	-
£130,000 - £140,000	-	2
£140,000 - £150,000	1	-
£170,000 - £180,000	1	-
£190,000 - £200,000	-	1
Total	<u>13</u>	<u>10</u>

6. Tangible fixed assets

	Leasehold improvements £	Audio visual equipment £	Computer and telecom- munications equipment £	Furniture, fixtures and equipment £	Total £
Cost					
At 1 July 2023	9,088,183	1,189,349	904,905	756,972	11,939,409
At 30 June 2024	<u>9,088,183</u>	<u>1,189,349</u>	<u>904,905</u>	<u>756,972</u>	<u>11,939,409</u>
Depreciation					
At 30 June 2023	1,983,247	778,450	582,196	249,636	3,593,529
Charge for the year	606,338	237,870	180,981	75,697	1,100,886
At 30 June 2024	<u>2,589,585</u>	<u>1,016,320</u>	<u>763,177</u>	<u>325,333</u>	<u>4,694,415</u>
Net book values					
At 30 June 2024	<u>6,498,598</u>	<u>173,029</u>	<u>143,902</u>	<u>429,465</u>	<u>7,244,994</u>
At 30 June 2023	<u>7,104,936</u>	<u>410,899</u>	<u>322,709</u>	<u>507,336</u>	<u>8,345,880</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

7. Debtors

	2024	2023
	£	£
Trade debtors	285,206	286,574
Amounts receivable from group companies	1,058,612	2,097,488
Other debtors	22,322	15,450
Prepayments and accrued income	1,289,390	1,229,337
	<u>2,655,530</u>	<u>3,628,849</u>

8. Creditors: amounts falling due within one year

	2024	2023
	£	£
Fees received in advance (see note 9)	961,351	1,088,910
Other creditors and accruals	4,839,373	5,538,138
Amounts payable to group companies	68,735,409	60,401,586
	<u>74,536,133</u>	<u>67,028,634</u>

The intercompany balance due to the University of Chicago US which amounts to £67,263,527 (2023: £60,401,586) has been included in creditors due in less than one year. Included within this balance is a promissory loan note amounting to £5,290,414 (2023: £5,298,588), the loan is denominated in US dollars and the movement of £8,174 relates to a foreign exchange gain in the year. Interest is also accruing on the loan at 6%. The accrued interest included in amounts payable to group companies is £635,340 (2023: £317,915). The loan note is repayable on demand and The University of Chicago US has indicated it is not intending to demand repayment in the foreseeable future. The remaining balance of £61,337,773 (2023: £54,789,895) relates primarily to the operations of the Europe Campus and payables arising from the ongoing teaching and services agreement and whilst the amount legally remains payable on demand it is considered that recovery is not expected by The University of Chicago US.

The intercompany balance also includes amounts due to the University of Chicago Foundation in Hong Kong which amounts to £1,471,882 (2023: amount due from of £1,509,229).

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

9. Fees received in advance

Students are requested to make a sizeable deposit towards their tuition fees in the spring prior to their first quarter session, £3,800 per student. In addition, some students may have paid the remainder of the first quarter tuition, £16,220 by the end of June. Both amounts are taken into income with the commencement of the first quarterly session in September. Consequently, every year, at the end of the fiscal year, there will be an advance fee payment liability on the books.

In addition, many students are subsidised by their employers. Occasionally, we receive more than four quarters of tuition fees paid at one time. This results in a few advance fee payments that may not be applied within a year. Also, on occasion, a student will take a leave from the program, after having paid, with the intent of continuing at a later date. This may also lead to advance fee payments applicable to more than one year in advance.

	2024 £	2023 £
Within 1 year	961,351	1,088,910

The balance represents the accrued liability under the contracts. The movements during the year were:

	2024 £	2023 £
Balance at 1 July	1,088,910	1,191,549
Fees received in the year	760,259	785,863
Amounts recognised in the current year	(887,818)	(888,502)
Balance at 30 June	961,351	1,088,910

10. Analysis of charitable deficit

	30 June 2023 £	Income £	Expenditure £	30 June 2024 £
Unrestricted general deficit	(54,613,709)	7,120,155	(16,085,847)	(63,579,401)

	30 June 2022 £	Income £	Expenditure £	30 June 2023 £
Unrestricted general deficit	(47,100,317)	8,577,936	(16,091,328)	(54,613,709)

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

11. Operating lease commitments

At 30 June, the Company had annual commitments under non-cancellable operating leases as follows:

	2024			2023		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Leases which expire:						
Within one year	3,974,654	-	3,974,654	3,995,366	1,425	3,996,791
Within two to five years	14,652,099	-	14,652,099	15,695,011	-	15,695,011
More than five years	-	-	-	22,792,154	-	22,792,154
	<u>18,626,753</u>	<u>-</u>	<u>18,626,753</u>	<u>42,482,531</u>	<u>1,425</u>	<u>42,483,956</u>

During 2019, a lease was entered into for a new campus building. The initial lease term is 15 years, commencing 1st April 2019.

12. Reconciliation of net expenditure to net cash generated from operations

	2024 £	2023 £
Net expenditure	(8,965,692)	(7,513,392)
Non-operating cash flows eliminated:		
Finance costs	317,425	317,915
Depreciation charges added back	1,100,886	1,100,886
Unrealised foreign currency gains and losses	1,079	228,563
Decrease in debtors	973,319	2,957,394
Increase in trade and other creditors	7,635,058	3,285,533
Decrease in advance fee contracts	(127,559)	(102,639)
Net cash generated from operations	<u>934,516</u>	<u>274,260</u>

13. Analysis of change in net funds

	1 July 2023	Cash Flows	Exchange rate movements	30 June 2024
Cash	440,196	614,933	1,079	1,056,208
Loans falling due within one year	(5,298,588)	-	8,174	(5,290,414)
	<u>(4,858,392)</u>	<u>614,933</u>	<u>9,253</u>	<u>(4,234,206)</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2024

14. Related party transactions

University of Chicago in the US is the parent of the Charity 'Chicago Booth' and, as such, is responsible for the appointment of all management/Directors of Chicago Booth's London Campus, as well as providing the necessary funding and a variety of support services.

	2024	2023
	£	£
Opening balance 1 July balance due from the University of Chicago Foundation in Hong Kong Limited	1,509,229	4,565,629
Repayment of prior campus funding from Hong Kong	(3,095,909)	(3,024,222)
Costs incurred on behalf of the Hong Kong campus and recharged	114,798	(32,178)
	<hr/>	<hr/>
Closing balance 30 June balance due (to)/from the University of Chicago Foundation in Hong Kong Limited	(1,471,882)	1,509,229
	<hr/>	<hr/>
Opening balance 1 July owed to the University of Chicago	60,401,586	55,865,003
Costs incurred on behalf of Charity by the US and recharged	469,141	149,973
Teaching and services agreement	3,381,404	3,508,537
Accrued interest cost/(income) on build out loan	317,425	(12,795)
Tuition income received in the US	(799,792)	(1,078,187)
Foreign exchange restatement of build out loan due in USD as at 30 June	(8,174)	(203,249)
Campus funding in relation to One Bartholomew campus	3,501,937	2,171,704
	<hr/>	<hr/>
Closing balance 30 June owed to the University of Chicago	67,263,527	60,401,586
	<hr/>	<hr/>

Amounts due from group undertakings also includes a balance of £1,058,612 (2023: £589,371) amount due to group undertakings) due from the University of Chicago Booth School of Business in Singapore.

15. Ultimate controlling undertaking

The Directors consider The University of Chicago, a company registered in The United States of America to be the ultimate controlling undertaking and is the smallest group consolidating the results of this company. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.

The Charity's accounts are consolidated into the parent financial statements as part of the Booth School of Business figures.

THE UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS

England & Wales - Charity number 1108516

Accounts

Company Registration No. 05356589
Charity Registration No. 1108516

**The University of Chicago Booth School
of Business**

Company limited by guarantee

Annual report and financial statements

for the year ended 30 June 2023

The University of Chicago Booth School of Business

Annual report and financial statements for the year ended 30 June 2023

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The University of Chicago Booth School of Business

Officers and professional advisers

Directors

K Baicker
K Taylor
M V Rajan

The Directors are the trustees of the Charity for Charities Act purposes.

Registered office

The University of Chicago Booth School of Business
One Bartholomew Close
Barts Square
London
EC1A 7BL

Website

www.chicagobooth.edu

Bankers

HSBC plc
8 Canada Square
London
E14 6HQ

United Kingdom Solicitor / Company secretary

Pinsent Masons
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Auditor

Moore Kingston Smith LLP
Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Charity Registration: 1108516

Company Registration: 05356589

The University of Chicago Booth School of Business

Strategic and Directors' Report

Reference and administrative information

The University of Chicago Booth School Of Business ("the Charity") is a subsidiary of the University of Chicago ("The University"). The College of Commerce and Politics, predecessor to The University of Chicago Booth School of Business, was originally founded by The University in 1898 to provide practical business instruction. The Charity is registered with the Charity Commission under Charity number 1108516. The registered office of the Charity is listed on page 1 together with the particulars of the Charity's professional advisers.

The Charity is a charitable company limited by guarantee and is more commonly known as "Chicago Booth".

Directors and Charity trustees

The Charity Directors are also the Charity trustees. They have served in office throughout the year, unless otherwise stated, and were as follows:

R Kroszner (Resigned on 15 July 2022)
K Baicker (Appointed on 20 March 2023)
K Y Lee (Resigned on 20 March 2023)
K Taylor
M V Rajan (Appointed on 15 July 2022)

Associate Dean, Executive MBA Program

Julie Morton

Structure, Governance and Management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 3 February 2005.

Recruitment and Training of Directors

The Memorandum and Articles of Association of the Charity provide for the appointment of Directors, who also act as trustees. The University, which is the sole "member" of the Charity, is empowered to appoint the Directors.

For the fiscal year ended June 30, 2023, the Charity has three Directors, Madhav Rajan, Ka Yee C Lee, and Kimberly P Taylor with Kathrine Baicker replacing Ka Yee C Lee partway through the year, as discussed below. Professor Rajan is the George Pratt Shultz Professor of Accounting, and Dean of the University of Chicago Booth School of Business ("Chicago Booth"). In Professor Rajan's position as Dean of Chicago Booth, a part of his responsibilities is the oversight of the EMBA campuses in Chicago, London, and Hong Kong.

The second Director, Professor Ka Yee C Lee, is the David Lee Shillinglaw Distinguished Service Professor and is Provost at The University. As Provost of The University, Professor Lee oversees all aspects of The University's academic and research community. Professor Lee's position as head of all of academic activities at The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be the University's Provost. In March 2023 Professor Lee stepped down from her role as Provost and resigned as Director of the Charity.

Professor Katherine Baicker, the Emmett Dedmon Professor at the University's Harris School of Public Policy was appointed as the 15th Provost of the University and as a Director of The University of Chicago Booth School of Business - London.

The third Director is Kimberly P Taylor, Vice President and General Counsel of The University. Ms. Taylor's position as head of all legal affairs for The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be a senior member of the University's legal staff. On appointment each trustee receives a copy of the England and Wales Charity Commission's publication "The essential trustee: what you need to know, what you need to do" and agrees to follow it. Training needs are assessed and met as necessary.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Structure, governance and management (continued)

Organisational Management

The primary active decision maker for the Charity's activities is Professor Rajan, one of the Directors. The primary activity of the London Charity is as one of three worldwide Chicago Booth part-time Executive Masters of Business Administration (EMBA) degree programs, specifically designed for experienced, accomplished, and working business executives. In his capacity as Dean of Chicago Booth, he has overall responsibility for both full-time and part-time MBA programs and oversight of the entire business school faculty as well. The Dean of Chicago Booth reports to the Provost, whose position is described above. The Provost reports to the President of The University. The President is responsible to a host of University Directors.

The Associate Dean of the Executive MBA Program is responsible for carrying out the day-to-day affairs of the Charity. The Associate Dean and her delegates can negotiate and execute on behalf of the Charity contracts for the purchase of goods or services in the ordinary course of operations of the Charity subject to limitations imposed by the Directors on the value of these contracts. The Associate Dean can hire employees, subject to the prior approval from the Directors for salaries, compensation and benefits, The Associate Dean can make final decisions on applications to be admitted to the EMBA program.

The Directors consider key management personnel to be employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed within the report.

Object, aims, objectives and activities

Charitable objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education, in particular (without prejudice to the generality) through the provision of education provided in the United Kingdom.

Aims and intended impact

The aim of the Charity is to advance scholarship and research in the field of business and economics. The Charity is an integral part of the University whose innovations in business education and path breaking research have produced ideas and leaders that shape the world of business, bringing economic benefits to society. Ten Nobel laureates have been either current or former faculty members of Chicago Booth.

Objectives for the year

The main objectives of the Charity for the year ended 30 June 2023 were:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment remains challenging and it will take several years to rebuild to an average class size of 75. Recruitment in the region suffers from concerns which impact recruiting: the war in Ukraine, currency fluctuations, inflation, and overall employment security. However, we will continue to deploy additional creative recruiting tactics initiated in recent years, and we hope to grow the size of the entering class over the next few years. We will also continue examining the format of our offering and our longer-term marketing strategies to align with market conditions.
- (2) Increase the quantity of, and registrations for, non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty.
- (3) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
- (4) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (5) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Objectives for the year (continued)

- (6) Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (7) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. As part of these efforts, launch our new Global Faculty in Residence Program to expand faculty presence and accessibility in EMEA.
- (8) Deploy increased scholarship funds to continue to attract highly-qualified students. Provide support for recently-introduced fundraising programs for scholarships for EMBA Program Europe: for women, for underrepresented groups, and for the 75th anniversary award, in addition to regular merit scholarships.
- (9) Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
- (10) Expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Strategies to achieve the period's objectives

- (1) The Charity seeks to enrol students in our Executive MBA Program. To that end, it carries out marketing and promotional activities throughout Europe, the Middle East, and Africa. It also targets students from Latin America. These activities are supported by advertising campaigns online (through LinkedIn, for example) and in leading publications, search engine optimization, and direct marketing and public relations. The EMBA Program also benefits from the plethora of activities held on the London campus which serve to boost awareness of Chicago Booth's presence in London. As tuition fees do not fully cover the operating costs of The University, The University employs staff in Chicago and the UK to develop relationships with alumni, including those with the financial means to donate funds to The University.
- (2) Our admissions criteria are set to support the achievement of the objectives. We seek applicants who display impressive professional and personal track records and demonstrate academic prowess which affirms their ability to navigate Booth's academic rigor. Applicants are required to submit detailed written applications, providing their academic credentials and assessment test results, and explaining their career experience and objectives. Applications must be accompanied by letters of recommendation from the applicant's manager and professional colleagues, and, when possible at the time of application, a letter of support from the applicant's employer. Qualified applicants are also interviewed.
- (3) Given the ongoing state of the EMEA market, it is incumbent upon us to examine our EMBA offering and adjust to render it more flexible, resilient, and market appropriate. This entails close examination of program structure, curricular offerings, and career and leadership support.
- (4) We work closely with the Advancement team to be sure EMBA scholarships are on their fundraising agenda. This has yielded some recent success! Internally, we work with tight yield and funding targets, so as our yield improves so does our ability to offer scholarships.
- (5) We secure customized, company specific non-degree programs through a direct sales strategy. We offer open enrolment programs on topics of interest to the business community through advertising and a variety of direct marketing tools. In FY23, the non-degree market has yet to fully return; however, we were able to deliver two programs, one customized and one multi-session open enrolment program.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Principal activities of the year

The Charity offers a part-time Executive MBA degree program for students. In addition, the Charity offers non-degree business education courses covering finance, marketing, operations, strategy, and leadership. As part of its on-going support for graduates of the Charity's EMBA program, graduates are offered access to career and leadership development resources, coaching and opportunities to participate in networking events. (e.g., faculty, alumni and/or external speakers held at the Charity's facility).

In the United Kingdom, the Charity held events during the year which were open to people not currently students in our EMBA program, including the general public. These events included special lectures by faculty – including our newly launched faculty-in-residence program - as well as conferences and roundtable events on topics of interest to the general public. Public lectures covered diverse topics including ESG, an Economic Outlook for the EMEA region and Democratic Capitalism. These events were conducted primarily in-person with the opportunity for networking afterwards. All of these events were free for our students and, depending on the event may have included a nominal charge for catering to members of the general public. Other events were open to members of partner organizations including businesses and charities not directly affiliated with the University. The events provided access to our facilities, and in many cases the expertise of our faculty and staff. Events are promoted through partner organizations, on our website, and/or through direct emailing public relations social media campaigns.

Going forward we plan to continue offering public access to key events throughout the year, leveraging faculty research and thought leadership and expanding the range of topics covered.

The University supports an active research agenda through 13 research centres and has a tenure policy for faculty that relies heavily on ground-breaking research. Research is conducted in disciplines such as economics, finance, and the behavioural sciences. Our faculty are recognized globally for their contributions to bodies of knowledge.

Since its inception, the University has been a distinctive intellectual and educational community, and the values that underpinned its establishment have been an important guide since that time.

In addition, the Charity published extensive information on its website and through other publications. This information includes the research undertaken by its faculty, comment and analysis of current topics, and media such as podcasts and videos sharing thought leadership on topics affecting companies and organizations around the globe. This information is free and available to the public.

Review of achievements and performance for the year

Operational performance of the Charity

During the year the EMBA program graduated its 17th London-based class of students. During FY 23, Alumni of Chicago Booth, residing in the EMEA region, donated directly to the University of Chicago parent, in philanthropic support for faculty research, student scholarships, and alumni and University programming throughout our international community, helping enrich the business community to which Chicago Booth alumni belong. As direct donations to Chicago, these sums are not the responsibility of these trustees.

46 new Executive MBA EMEA students enrolled in September 2023. This class size represents a decrease from the September 2022 class of 53 students, remaining well below our target of 75 enrollees. This new class size was restricted by the impact of the current political and economic climate throughout EMEA.

In FY23, the non-degree program market has slowly returned and we were able to deliver several in-person customized programs.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year

The Charity financial results met expectations; however, continued to operate at a deficit. Both revenues and net income were as expected, albeit less than longer term targets, primarily due to lower EMBA student attendance. This is partially associated with the war in Ukraine and other geo-political events.

The overall loss of £7,513,392 in 2022-2023 was less than the loss of £8,903,330 in 2021-2022 by £1,389,938, as revenues increased and expenses decreased.

Overall revenue increased by £1,368,725 from £7,209,211 to £8,577,936, an increase of 19%.

- (1) EMBA program revenue increased by £746,308. Total students decreased from an average of 124 students in FY22 to an average of 123 students in FY23, with less students in the incoming cohort. This average does reflect a component representing the return of some FY21 and FY22 students who deferred during the height of the pandemic and returned as in-person classes resumed for most of the FY22 and FY23 fiscal years.
- (2) Executive Education and Conference Center revenue increased by a total of £622,406 as the campus returned to the ability to market and host more non-degree activities.

Overall expenses decreased by £21,213 from £16,112,541 to £16,091,328, a decrease of 0.1%. Currency gains from a stronger GBP to USD foreign exchange were offset by higher support staff and faculty compensation costs as well as increased catering and building costs.

- (1) A currency gain of £514,979 compared with a currency loss of £629,993 in FY22 reduced expenses by £1,144,972.
- (2) Staff additions increased support staff costs by £487,560.
- (3) Provision of meals and general catering for students, alumni events, and non-student programming, including Conference Center clients, increased £442,043 in a much more active, in-person post-pandemic environment.
- (4) Teaching services and parent overhead allocations increased by £179,464 as the roster of faculty traveling to teach in London was comprised of higher paid faculty members than in FY22. The increase was mitigated by the stronger £.
- (5) Building rent and services fees increased by £145,951 due to increased landlord charges for building overhead.

While the Charity continues to operate at a deficit, the University remains fully committed to its primary mission of being a worldwide leader of higher education and academic research and, more specifically, committed to continuing to provide the funding required to support the London Charity. The London EMBA program is an integral part of the business school's network of three campuses, worldwide, for experienced business professionals seeking an advanced business degree. The University and Chicago Booth believe that the level of financial loss incurred by the London Charity is well worthwhile considering its valuable contribution toward the mission of the global EMBA program, as well as The University's broader global educational mission. The University has provided a letter of support for the Charity.

In addition, there is significant support from our alumni base for the London program. In fiscal year 2023 in appreciation for his MBA education at the University of Chicago Booth School of Business, Robert Rothman, '77, made a substantial gift to the school to support its London campus operations and its Global Faculty in Residence Program. Rothman's esteemed career included spending significant time in the United Kingdom. In recognition of this generous gift, the campus has been renamed the Robert Rothman, '77, London Campus.

The EMBA program is structured so that it consists of seven consecutive quarters of three months each. First year students complete the first three quarters during a single fiscal year cycle, September to June, during which three/sevenths of the tuition fees are collected. During the second fiscal year, the student completes the final four quarters, paying the remaining four/sevenths of the tuition fees.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

A secondary activity of the Charity is to provide non-degree business related Executive Education programs. Some are available on an open enrolment basis, but most are provided as custom designed staff training for a variety of businesses and associations. These short, one-week (or more) programs, educate business professionals on a variety of business-related topics. These courses offer access to the Charity's first class teaching and facilities for significantly lower fees than those necessarily charged for the part-time degree program.

The Charity's financial position reflects a continued increase in accumulated deficit by £7,513,392 (2022: £8,903,330). This was funded by an increase in Amounts Payable to Group Companies of £4,159,061 (2022: £4,073,110) primarily due to services provided by the Chicago parent and a decrease in Amounts Receivable from Group Companies of £2,468,141 (2022: £4,035,559) primarily as repayment from previous cash transfers to a group company in Hong Kong. As a result, the cash position of the Charity remains very stable.

Reserves policy

The Charity recognises the need to hold reserves to meet both its day-to-day and long-term obligations. Balanced against this is the need to deliver value to its students through the provision of education. Since inception in 2005 the Charity has operated at a loss as we are focused primarily on the educational mission as part of the mission of the University as a whole and only secondarily on the specific financial model of the London Charity as a standalone entity. Therefore, while the Charity's long term financial objective is to hold reserves sufficient to meet the education commitments of our students, annual operating losses have resulted in the reported £54,613,709 (2022: 47,100,317) accumulated deficit. The Charity is financially supported in its day-to-day obligations through its parent, The University.

The Directors recognize that the Charity operates at a significant deficit. It is important to note that London is one part of the international EMBA program. Students from Hong Kong and Chicago also study in London during special session weeks, while London students travel to Chicago and Hong Kong as well. During these sessions they interact with their international counterparts, which is a key component of enhancing the quality of their global EMBA education. The campuses are interrelated and interdependent. The finances of the programs are evaluated in combination. The London campus is a strategic part of the global mission of both Chicago Booth and The University of Chicago as a whole. Further, the University has a long-term view of the importance of global scholarly interaction that benefit the University and Chicago Booth in ways that are not necessarily quantifiable in the short term, nor directly financially identified with its specific activities in London. For example, overall fundraising may be enhanced indirectly by the global reputation of the University. Faculty exposure to a global community may enhance research opportunities and, in turn research grant opportunities. The University has both the mission and the resources to support the London Charity and is committed to doing so on an indefinite basis.

Future plans

Key objectives for the future are:

1. Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment has become even more challenging, and it will take years to rebuild to an average class size of 75. The region suffers from major concerns which impact recruiting: wars in Ukraine and Israel which impact those countries and their neighbouring airspace, currency fluctuations, inflation, and overall employment security. We continue to deploy creative recruiting tactics initiated in recent years, and we continue to make cosmetic changes to our offerings to increase their marketplace appeal.
2. Continue to provide an increased level of scholarship funding required to attract highly qualified students. The EMBA marketplace is becoming increasingly competitive on the scholarship front, with candidates opting to eschew Booth for business programs which appeal to them less, but which offer significantly more funding. Historically, we have been able to counter such potential losses with ROI arguments, but with the scholarship amounts increasing dramatically, that is becoming less viable.
3. Increase the quantity of and registrations for non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Future plans (continued)

4. Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
5. Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
6. Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
7. Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
8. Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. The new Global Faculty in Residence Program that expands the faculty presence and accessibility in EMEA was successfully launched in late FY23. We plan to continue to build on this program.
9. Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
10. Expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Risk Management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of The University. The Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

Risk 1: Student class size falling below a level at which annual financial deficits become unacceptable for the programme. This risk is mitigated by maintaining a sufficient applicant pool to maintain class sizes between 75 and 88 students. The Charity is currently implementing strategies to meet the changing market environment, in order to return to enrolment class sizes within this target range.

Risk 2: There is always a risk of a change in the University's view of the strategic importance of an international presence. The risk is mitigated by regularly assessing the level of University support to assure long term funding of budget deficits. The University has affirmed its support as part of the lease commitment associated with the campus' presence.

Risk 3: Academic and staff losses that might erode the quality of instruction and/or the non-academic aspects of the student experience. The risk is mitigated by retaining and monitoring staff that are appropriately qualified and trained to deliver the highest level of scholarly instruction and to uphold The University's standing as an elite institution of higher learning in the UK and within the European community.

Risk 4: Fraudulent, inappropriate or inefficient use of resources. This risk is mitigated by establishing and monitoring appropriate internal controls, including staff oversight and training, engaging appropriate third party accountants and independent auditors to assist in safeguarding the Charity's assets, and maintaining appropriate levels of insurance coverage.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and guidance relating specifically to educational and fee-charging charities when reviewing our aims and objectives and in planning our future objectives. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Strategic and Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Moore Kingston Smith LLP were appointed as auditor to the Charity in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put forward at a General Meeting.

This report was approved by the Board of Directors on March 19, 2024 and signed on its behalf by



M V Rajan
1 Park Row
Leeds
West Yorkshire
LS1 5AB

The University of Chicago Booth School of Business

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The Directors are responsible for preparing the trustees' report and the financial statements in accordance with 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).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinion

We have audited the financial statements of The University of Chicago Booth School of Business ('the company') for the year ended 30 June 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered 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.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
9 Appold Street
London
EC2A 2AP

27 March 2024

The University of Chicago Booth School of Business

Statement of financial activities (including the income and expenditure account) for the year ended 30 June 2023

	Notes	Unrestricted	
		2023	2022
		£	£
Income			
Charitable activities	3	8,577,936	7,209,211
<i>Total income</i>		<u>8,577,936</u>	<u>7,209,211</u>
Expenditure on:			
Charitable activities	4	(16,091,328)	(16,112,541)
<i>Total expenditure</i>	4	<u>(16,091,328)</u>	<u>(16,112,541)</u>
Net expenditure for the year		(7,513,392)	(8,903,330)
Reconciliation of funds:			
Total deficit on funds brought forward	10	<u>(47,100,317)</u>	<u>(38,196,987)</u>
Total deficit of funds carried forward	10	<u>(54,613,709)</u>	<u>(47,100,317)</u>

All funds are unrestricted.

The notes on pages 18 to 26 form part of these financial statements.

The University of Chicago Booth School of Business

Balance sheet As at 30 June 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	6	<u>8,345,880</u>	<u>9,446,766</u>
Current assets			
Debtors	7	3,628,849	6,586,243
Cash at bank and in hand		<u>440,196</u>	<u>486,677</u>
		4,069,045	7,072,920
Creditors: amounts falling due within one year	8	<u>(67,028,634)</u>	<u>(63,620,003)</u>
Net current liabilities		<u>(62,959,589)</u>	<u>(56,547,083)</u>
Total assets less current liabilities		<u>(54,613,709)</u>	<u>(47,100,317)</u>
Net liabilities		<u>(54,613,709)</u>	<u>(47,100,317)</u>
The funds of the Charity:			
Unrestricted deficit	10	<u>(54,613,709)</u>	<u>(47,100,317)</u>

All assets and liabilities relate to general unrestricted funds/(deficit).
The notes on pages 18 to 26 form part of these financial statements.

Approved by the Board of Directors on March 19 2024 and signed on its behalf by:



M V Rajan

Company registration number: 05356589

The University of Chicago Booth School of Business

Statement of cashflows For the year ended 30 June 2023

	Notes	2023 £	2022 £
Net cash used in operating activities			
Cash generated from operations	12	274,260	168,669
Interest paid		(317,915)	(330,110)
		<u>(43,655)</u>	<u>(161,441)</u>
Net cash outflow from operating activities			
Net cash used in investing activities			
Purchase of tangible fixed assets	6	-	(25,072)
		<u>(43,655)</u>	<u>(186,513)</u>
Decrease in cash			
Cash and cash equivalents at beginning of year			
Effect of foreign exchange rate changes		486,677	673,190
		(2,826)	-
		<u>440,196</u>	<u>486,677</u>
Cash and cash equivalents at the end of the year			
	13	<u>440,196</u>	<u>486,677</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £1.

The functional currency of The University of Chicago Booth School of Business is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Notwithstanding net liabilities of £54,613,709 as at 30 June 2023 and a loss for the year then ended of £7,513,392, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the charitable company will have sufficient funds, through funding from its immediate parent, the University of Chicago, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the University of Chicago not seeking repayment of the amounts currently due to the group, which at 30 June 2023 amounted to £60.6 million, and providing additional financial support during that period if needed. The University of Chicago has indicated its intention to continue to make available such funds as are needed by the charitable company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any charitable company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

Unrestricted funds are general funds that are available for use at the Directors' discretion in furtherance of the objectives of the Charity.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Investment income represents amounts received in the year from bank interest. Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds on receipt, or if earlier, when the Charity is legally entitled to the income and the amount can be measured reliably.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

1. Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis. The Charity is VAT registered. The vast majority of its supplies are exempt from VAT being the provision of education and therefore there is no entitlement for the Charity to recover the VAT it incurs. The Charity generally posts all UK costs as gross so the VAT is an additional cost to the business. The Charity also monitors its UK supplies to ensure that they fall within the exemption under the relevant VAT legislation. In addition, the Charity occasionally receives supplies of services from non-UK suppliers and therefore has to account for the reverse charge output VAT on its VAT returns. As the Charity is generally making only exempt supplies it cannot recover this VAT and so is required, through its VAT return, to make a payment to HMRC.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Charity Directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term. The benefit of any rent free periods is spread evenly over the lease term.

Pension schemes

The Charity operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Fixed assets

Capitalisation and replacement

Cost relating to the fit out of the building, which includes both improvements and expenditure on furniture, fittings and equipment are capitalised and carried in the balance sheet at cost less depreciation. Assets are only capitalised where these are considered material or costs for enhancements to an existing asset.

Depreciation

Depreciation is provided on all tangible fixed assets from the time they are available for use at rates calculated to write off the cost in equal instalments over the estimated lives of the assets.

The rates of depreciation are as follows:

Leasehold improvements	-	over the term of the lease
Audio and visual equipment	-	20% per annum
Computer and telecommunications equipment	-	20% per annum
Furniture, fixtures and equipment	-	10% to 20% per annum

Taxation

The University of Chicago Booth School of Business is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the year-end exchange rates. All differences are taken to the statement of financial activities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's Balance Sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Income from charitable activities

Income from charitable activities comprises tuition fees received from students on the degree Executive MBA programs and non-degree Executive Education programs.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

4. Charitable activities

	2023 £	2022 £
Direct costs:		
University Education	3,105,708	6,269,962
Support costs:		
Operating lease rentals – on land and buildings	3,270,963	3,473,090
Interest on promissory loan note	317,915	330,110
Foreign exchange (gains)/losses	(514,979)	629,993
Depreciation	1,100,886	1,098,712
Support staff costs	1,728,984	1,241,414
Other support costs (including governance costs)	7,081,851	3,069,260
Total expenditure	<u>16,091,328</u>	<u>16,112,541</u>
Governance costs		
Audit services	17,250	27,750
Accountancy	8,250	16,200
	<u>25,500</u>	<u>43,950</u>

5. Staff costs

	2023 £	2022 £
Wages and salaries	1,374,567	1,036,242
Social security costs	231,230	124,443
Pension contributions	123,187	80,729
	<u>1,728,984</u>	<u>1,241,414</u>

Moore Kingston Smith only received fees in respect of Audit services. Total fees exclusive of VAT amounted to £17,250 (2022: RSM UK Audit LLP fees amounted to £27,750).

The average number of employees in the period was 26 (2022: 23). No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity. Remuneration is received from the University of Chicago in the US. The Directors consider key management personnel to be the directors and Julie Morton and Starr Marcello who are employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

5. Staff costs (continued)

The number of higher paid employees was:

	2023 No.	2022 No.
Taxable emoluments band:		
£60,000 - £70,000	1	-
£70,000 - £80,000	2	1
£80,000 - £90,000	1	1
£90,000 - £100,000	1	1
£100,000 - £110,000	1	2
£110,000 - £120,000	1	1
£130,000 - £140,000	2	-
£190,000 - £200,000	1	-
Total	10	6

6. Tangible fixed assets

	Leasehold improvements £	Audio visual equipment £	Computer and telecom- munications equipment £	Furniture, fixtures and equipment £	Total £
Cost					
At 1 July 2022	9,088,183	1,189,349	904,905	756,972	11,939,409
At 30 June 2023	9,088,183	1,189,349	904,905	756,972	11,939,409
Depreciation					
At 30 June 2022	1,376,909	540,580	403,389	171,765	2,492,643
Charge for the year	606,338	237,870	178,807	77,871	1,100,886
At 30 June 2023	1,983,247	778,450	582,196	249,636	3,593,529
Net book values					
At 30 June 2023	7,104,936	410,899	322,709	507,336	8,345,880
At 30 June 2022	7,711,274	648,769	501,516	585,207	9,446,766

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

7. Debtors

	2023	2022
	£	£
Trade debtors	286,574	761,640
Amounts receivable from group companies	2,097,488	4,565,629
Other debtors	15,450	4,999
Prepayments and accrued income	1,229,337	1,253,975
	<u>3,628,849</u>	<u>6,586,243</u>

8. Creditors: amounts falling due within one year

	2023	2022
	£	£
Fees received in advance (see note 9)	1,088,910	1,191,549
Trade creditors	-	8,694
Other creditors and accruals	5,538,138	6,177,235
Amounts payable to group companies	60,401,586	56,242,525
	<u>67,028,634</u>	<u>63,620,003</u>

The entire intercompany balance due to the University of Chicago US which amounts to £60,401,586 (2022: £56,242,525) has been included in creditors due in less than one year. Included within this balance is a promissory loan note amounting to £5,298,588 (2022: £5,501,836) on which interest is accruing at 6%. The accrued interest included in the balance is £317,915 (2022: £330,110). The loan note is repayable on demand and The University of Chicago US has indicated it is not intending to demand repayment in the foreseeable future. The remaining balance of £54,789,895 (2022: £50,033,056) relates primarily to the operations of the Europe Campus and payables arising from the ongoing teaching and services agreement and whilst the amount legally remains payable on demand it is considered that recovery is not expected by The University of Chicago US.

9. Fees received in advance

Students are requested to make a sizeable deposit towards their tuition fees in the spring prior to their first quarter session, £3,800 per student. In addition, some students may have paid the remainder of the first quarter tuition, £16,220 by the end of June. Both amounts are taken into income with the commencement of the first quarterly session in September. Consequently, every year, at the end of the fiscal year, there will be an advance fee payment liability on the books.

In addition, many students are subsidised by their employers. Occasionally, we receive more than four quarters of tuition fees paid at one time. This results in a few advance fee payments that may not be applied within a year. Also, on occasion, a student will take a leave from the program, after having paid, with the intent of continuing at a later date. This may also lead to advance fee payments applicable to more than one year in advance.

	2023	2022
	£	£
Within 1 year	<u>1,088,910</u>	<u>1,191,549</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

9. Fees received in advance (continued)

The balance represents the accrued liability under the contracts. The movements during the year were:

	2023 £	2022 £
Balance at 1 July	1,191,549	1,021,407
Fees received in the year	785,863	1,160,765
Amounts recognised in the current year	(888,502)	(990,623)
Balance at 30 June	<u>1,088,910</u>	<u>1,191,549</u>

10. Analysis of charitable deficit

	30 June 2022 £	Income £	Expenditure £	30 June 2023 £
Unrestricted general deficit	(47,100,317)	8,577,936	(16,091,328)	(54,613,709)
	30 June 2021 £	Income £	Expenditure £	30 June 2022 £
Unrestricted general deficit	(38,196,987)	7,209,211	(16,112,541)	(47,100,317)

11. Operating lease commitments

At 30 June, the Company had annual commitments under non-cancellable operating leases as follows:

	2023			2022		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Leases which expire:						
Within two to five years	3,995,366	1,425	3,996,791	3,907,226	14,790	3,922,016
More than five years	15,695,011	-	15,695,011	15,628,906	-	15,628,906
	22,792,154	-	22,792,154	26,373,778	-	26,373,778
	<u>42,482,531</u>	<u>1,425</u>	<u>42,483,956</u>	<u>45,909,910</u>	<u>14,790</u>	<u>45,924,700</u>

During 2019, a lease was entered into for a new campus building. The initial lease term is 15 years, commencing 1st April 2019.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

12. Reconciliation of net expenditure to net cash outflow/inflow from operations

	2023 £	2022 £
Net expenditure	(7,513,392)	(8,903,330)
Non-operating cash flows eliminated:		
Finance costs	317,915	330,110
Depreciation charges added back	1,100,886	1,098,712
Unrealised foreign currency gains and losses	228,563	-
Decrease in debtors	2,957,394	3,827,102
Increase in trade and other creditors	3,285,533	3,645,933
(Decrease)/increase in advance fee contracts	(102,639)	170,142
	<u>274,260</u>	<u>168,669</u>
Net cash outflow from operations	<u><u>274,260</u></u>	<u><u>168,669</u></u>

13. Analysis of change in net funds

	1 July 2022	Cash Flows	Other non- Cash Changes	Exchange rate movements	30 June 2023
Cash	486,677	(49,307)	-	2,826	440,196
Loans falling due within one year	(5,501,836)	(317,915)	302,155	219,008	(5,298,588)
	<u>(5,015,159)</u>	<u>(367,222)</u>	<u>302,155</u>	<u>221,834</u>	<u>(4,858,392)</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2023

14. Related party transactions

University of Chicago in the US is the parent of the Charity 'Chicago Booth' and, as such, is responsible for the appointment of all management/Directors of Chicago Booth's London Campus, as well as providing the necessary funding and a variety of support services.

	2023 £	2022 £
Opening balance 1 July balance due from the University of Chicago Foundation in Hong Kong Limited	4,565,629	8,609,188
Repayment of prior campus funding from Hong Kong	(3,024,222)	(3,992,977)
		(50,582)
	(32,178)	-
Costs incurred on behalf of the Hong Kong campus and recharged	<u> </u>	<u> </u>
Closing balance 30 June balance due from the University of Chicago Foundation in Hong Kong Limited	<u>1,509,229</u>	<u>4,565,629</u>
Opening balance 1 July owed to the University of Chicago	55,865,003	51,791,892
Costs incurred on behalf of Charity by the US and recharged	149,973	975,298
Teaching and services agreement	3,508,537	3,329,073
Accrued interest (income)/cost on build out loan	(12,795)	26,952
Tuition income received in the US	(1,078,187)	(929,719)
Foreign exchange restatement of build out loan due in USD as at 30 June	(203,249)	671,506
Campus funding in relation to One Bartholomew campus	2,171,704	-
Closing balance 30 June owed to the University of Chicago	<u>60,401,586</u>	<u>55,865,002</u>

Amounts due from group undertakings also includes a balance of £589,371 (2022: £377,522) amount due to group undertakings) due from the University of Chicago Booth School of Business in Singapore.

15. Ultimate controlling undertaking

The Directors consider The University of Chicago, a company registered in The United States of America to be the ultimate controlling undertaking and is the smallest group consolidating the results of this company. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.

The Charity's accounts are consolidated into the parent financial statements as part of the Booth School of Business.

Accounts

Company Registration No. 5356589

Charity Registration No. 1108516

**The University of Chicago Booth School
of Business**

Company limited by guarantee

Annual report and financial statements

for the year ended 30 June 2022

The University of Chicago Booth School of Business

Annual report and financial statements for the year ended 30 June 2022

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The University of Chicago Booth School of Business

Officers and professional advisers

Directors

K Taylor
K Y Lee
M V Rajan

The Directors are the trustees of the charity for Charities Act purposes.

Administrative address

The University of Chicago Booth School of Business
One Bartholomew Close
Barts Square
London
EC1A 7BL

Website

www.chicagobooth.edu

Registered office

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London
EC1A 7BL

Bankers

HSBC plc
8 Canada Square
London
E14 5HQ

United Kingdom Solicitor / Company secretary

Pinsent Masons
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Auditor

RSM UK Audit LLP
25 Farringdon Street
London EC4A 4AB

Charity Registration: 1108516

Company Registration: 5356589

The University of Chicago Booth School of Business

Strategic and Directors' Report

Reference and administrative information

The University of Chicago Booth School Of Business (“the Charity”) is a subsidiary of the University of Chicago (“The University”). The College of Commerce and Politics, predecessor to The University of Chicago Booth School of Business, was originally founded by The University in 1898 to provide practical business instruction. The Charity is registered with the Charity Commission under Charity number 1108516. The registered office of the Charity is listed on page 1 together with the particulars of the Charity’s professional advisers.

The Charity is a charitable company limited by guarantee and is more commonly known as “Chicago Booth”.

Directors and charity trustees

The Charity Directors are also the Charity trustees. They have served in office throughout the year, unless otherwise stated, and were as follows:

R Kroszner (Resigned on 15 July 2022)

K Y Lee

K Taylor

M V Rajan (Appointed on 15 July 2022)

Associate Dean, Executive MBA Program

Julie Morton

Structure, Governance and Management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 3 February 2005.

Recruitment and Training of Directors

The Memorandum and Articles of Association of the Charity provide for the appointment of Directors, who also act as trustees. The University, which is the sole “member” of the Charity, is empowered to appoint the Directors.

For the fiscal year ended June 30, 2022, the Charity has three Directors, Randall Kroszner, Ka Yee C Lee, and Kimberly P Taylor. Professor Kroszner is the Norman R. Bobbins Professor of Economics, and Deputy Dean of the University of Chicago Booth School of Business (“Chicago Booth”). In Professor Kroszner’s position as Deputy Dean of Chicago Booth, he oversees the EMBA campuses in Chicago, London, and Hong Kong.

Professor Kroszner’s extensive experience as Professor, at Chicago Booth, where he has been actively involved in Chicago Booth policy setting, provides the requisite qualifications to be a Director of the London Executive MBA Program, one of the programs for which he is responsible to The University. It is intended that one of the Directors of the Charity will be the Deputy Dean for Executive MBA (EMBA) programs of Chicago Booth.

The second Director, Professor Ka Yee C Lee, is the David Lee Shillinglaw Distinguished Service Professor and is Provost at The University. As Provost of The University, Professor Lee oversees all aspects of The University’s academic community. Professor Lee’s position as head of all of academic activities at The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be the University’s Provost.

The third Director is Kimberly P Taylor, Vice President and General Counsel of The University. Ms. Taylor’s position as head of all legal affairs for The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be a senior member of the University’s legal staff. On appointment each trustee receives a copy of the England and Wales Charity Commission’s publication “The essential trustee: what you need to know, what you need to do” and agrees to follow it. Training needs are assessed and met as necessary.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Structure, governance and management (continued)

Organisational Management

The primary active decision maker for the Charity's activities is Professor Kroszner, one of the Directors. The London Charity is one of three worldwide Chicago Booth part-time Executive MBA programs, specifically designed for experienced, accomplished, and working business executives. Professor Kroszner while primarily based in Chicago, was on assignment in London, completing a 28 month term, during the fiscal year ended June 30, 2022. Professor Kroszner reports to the Dean of Chicago Booth, who has overall responsibility for both full-time and part-time MBA programs and oversight of the entire business school faculty as well. The Dean of Chicago Booth reports to the Provost, whose position is described above. The Provost reports to the President of The University. The President is responsible to a host of University Directors.

The Associate Dean of the Executive MBA Program is responsible for carrying out the day-to-day affairs of the Charity. The Associate Dean and her delegates can negotiate and execute on behalf of the Charity contracts for the purchase of goods or services in the ordinary course of operations of the Charity subject to limitations imposed by the Directors on the value of these contracts. The Associate Dean can hire employees, subject to the prior approval from the Directors for salaries, compensation and benefits, The Associate Dean can make final decisions on applications to be admitted to the EMBA program.

Object, aims, objectives and activities

Charitable objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education, in particular (without prejudice to the generality) through the provision of education provided in the United Kingdom.

Aims and intended impact

The aim of the Charity is to advance scholarship and research in the field of business and economics. The Charity is an integral part of the University whose innovations in business education and path breaking research have produced ideas and leaders that shape the world of business, bringing economic benefits to society. Nine Nobel laureates have been either current or former faculty members of Chicago Booth.

Objectives for the year

The main objectives of the Charity for the year ended 30 June 2022 were:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment remains challenging and it will take several years to rebuild to a class size of 75. International travel for our staff and for potential candidates continues to be curtailed, which means recruiting continues to be largely via Zoom. Further, the pandemic has had an impact on many potential candidates career security. However, we will continue to deploy additional creative recruiting tactics initiated this past year, and we hope to grow the size of the entering class over the next few years. We will also continue examining the format of our offering and our longer-term marketing strategies to align with market conditions.
- (2) Increase the quantity of and registrations for non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty.
- (3) Accelerate the development and delivery of online Executive Education programs during the duration of the pandemic and beyond, as in-person programming and participant travel are currently not an option.
- (4) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
- (5) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (6) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Objectives for the year (continued)

- (7) Continue to monitor the percentage of students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (8) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget.
- (9) Deploy increased scholarship funds to continue to attract highly-qualified students. Provide support for recently-introduced fundraising programs for scholarships for EMBA Program Europe: two for women and one for underrepresented minority groups and the 75th Anniversary award, in addition to regular merit scholarships.
- (10) Increase engagement with corporates and stakeholders in the region.
- (11) Expand the activities within the new, more spacious campus space by offering conference center services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Strategies to achieve the period's objectives

The Charity seeks to enrol students in our educational programs. To that end, it carries out marketing and promotional activities throughout Europe, the Middle East, and Africa. These activities are supported by advertising campaigns online (through LinkedIn, for example), in leading publications and search engine optimization, in addition to direct marketing and public relations. These activities are expressly designed to introduce prospective students and local business leaders to the educational programs at the London campus. The Charity employs London-based staff, whose full-time jobs are to facilitate the delivery of academic programs. This is enabled by teams which support the academic programs, a campus-wide operations team, and also a team which provides support to approximately 3,300 alumni and 26 alumni organizations in Europe, Africa, and the Middle East. This support deepens the Charity's relationships with alumni in the region and local business communities to which our alumni belong. As tuition fees do not fully cover the operating costs of The University, The University employs staff in Chicago and the UK to develop relationships with alumni, including those with the financial means to donate funds to The University.

Recruiting students during the fiscal year ended June 30, 2022 recruiting cycle was challenging and required a unique approach. Returning to a class size of 75 is dependent not only on our recruiting efforts, but also on the long-term repercussions of the pandemic and the economic and political stability of the EMEA region. It is also incumbent upon us to examine our EMBA offering and adjust to render it more flexible and resilient. While rebuilding to a class size of 75 will take several years, we continue to examine the format of our offering and our longer-term marketing strategies to align with market conditions. This past year, while travel started to resume, we continued to offer many virtual events. As travel continues to "normalize," we will be better able to utilize the campus and class visits as recruiting tools – these are big draws. However, rising inflation throughout the region and vast currency fluctuations impact candidates' ability to fund their studies, and post-pandemic job insecurities render candidates nervous about taking time off of work to pursue an MBA. Ukraine and Russia have been strong markets for us in the past, but with the current war in Ukraine, enrolments from both countries have all but stopped, and even access to London for students who reside east of Russia or in neighbouring countries is now difficult and expensive due to restricted flight routes.

Chicago Booth Deputy Dean Randall Kroszner temporarily relocated to the UK in August 2019 in order to more directly oversee the school's move to the new, larger campus and to serve as an ambassador for the school in the EMEA region. To help expand the school's brand awareness in the region, Deputy Dean Kroszner speaks regularly with members of the news media to provide commentary on global markets and serves frequently as a moderator or speaker at media and industry events.

Professor Kroszner has taken an active role to work closely with the London staff to support recruitment and business development efforts aimed at recruiting high-potential candidates who will be additive to the Booth community and to all of the school's programs.

During the pandemic, we ensured the continued delivery of high-quality academic instruction and co-curricular engagement despite forced transition to remote instruction. This has served us well, even as we move back to the

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Strategies to achieve the period's objectives (continued)

physical classroom as our norm. We now are skilled at virtual instruction which allows us to offer programs with a global reach more readily.

Our admissions criteria are set to support the achievement of the objectives. We seek applicants who display impressive professional and/or personal track records and demonstrate academic prowess which affirms their ability to navigate Booth's academic rigor. Applicants are required to submit detailed written applications, providing their academic credentials and assessment test result, and explaining their career experience and objectives. Applications must be accompanied by letters of recommendation from the applicant's manager and professional colleagues, and, when possible at the time of application, a letter of support from the applicant's employer. Qualified applicants are also interviewed.

We have increased the pool of general scholarship funds to further expand the pool of potential applicants. In addition to merit scholarships, we provide scholarships targeted at women and underrepresented groups who would otherwise not be able to join the program, and a 75th anniversary award.

We secure customized, company specific non-degree programs through a direct sales strategy. We offer open enrolment programs, on topics of interest to the business community through advertising and a variety of direct marketing tools. In FY 22, the non-degree market slowly returned and we were able to deliver two programs, one customized and one multi-session open enrolment program.

Principal activities of the year

The Charity offers a part-time Executive MBA degree program for students. In addition, the Charity offers non-degree business education courses covering finance, marketing, operations, strategy, and leadership. As part of its on-going support for graduates of the Charity's EMBA program, graduates are offered access to career and leadership development resources, coaching and opportunities to participate in networking events. (e.g., faculty, alumni and/or external speakers held at the Charity's facility).

In the United Kingdom, the Charity-held events during the year which were open to people not currently students in our EMBA program, including the general public. These events included special lectures by faculty, as well as conferences and roundtable events on topics of interest to the general public. These events were conducted in-person, virtually, via Zoom, or in a blended format including both in-person and virtual access. All of these events were free for our students and, depending on the event, may have included a nominal charge for catering to members of the general public. Other events were open to members of partner organizations including businesses and charities not directly affiliated with the University. The events provided access to our facilities, and in many cases the expertise of our faculty and staff. Events are promoted through partner organizations, on our website, and/or through direct emailing public relations social media campaigns.

The University supports an active research agenda through 13 research centres and has a tenure policy for faculty that relies heavily on ground-breaking research. Research is conducted in disciplines such as economics, finance, and the behavioural sciences. Our faculty are recognized globally for their contributions to bodies of knowledge.

Since its inception, the University has been a distinctive intellectual and educational community, and the values that underpinned its establishment have been an important guide since that time.

In addition, the Charity published extensive information on its website and through other publications. This information includes the research undertaken by its faculty, comment and analysis of current topics, and media such as podcasts and videos sharing thought leadership on topics affecting companies and organizations around the globe. This information is free and available to the public.

Review of achievements and performance for the year

Operational performance of the university

During the year the EMBA program graduated its 16th London-based class of students. During FY 22, 219 Alumni of Chicago Booth, residing in the EMEA region, donated a total of \$1,438,395 directly to the University of Chicago parent, in philanthropic support for faculty research, student scholarships, and alumni and University programming throughout our international community, helping enrich the business community to which Chicago Booth alumni belong. As direct donations to Chicago, these sums are not the responsibility of these trustees.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Operational performance of the university (continued)

During the pandemic, we ensured the continued delivery of high-quality academic instruction and co-curricular engagement despite forced transition to remote instruction. This has served us well, even as we move back to the physical classroom as our norm. We now are skilled at virtual instruction which allows us to offer programs with a global reach more readily.

FY 22 efforts resulted in 53 highly-qualified new Executive MBA EMEA students enrolling in September 2022. This class size represents a considerable decrease from the August 2021 class of 65 students. This new class was particularly hard hit by the impact of the current political and economic climate throughout EMEA. The September 2022 class has strong academic credentials, with 58% holding an advanced degree. On average, these students have 12 years of work experience; 30 countries are represented; 20% of the class identify as female.

During FY 22, classes were taught in hybrid mode, with the faculty in-person in London. The number of students joining via zoom declined as the year progressed.

Career and leadership support are important components of the curriculum and students benefit from individual career and leadership coaching during their tenure as students and then for life, as alumni. This year, we increased student access to Distinguished Executives-in-Residence (alumni who supplement the guidance given by staff coaches), which was very well-received.

Corporate relations were strengthened by personally contacting companies to raise awareness of our EMBA and Executive Education programs and hosting educational events led by University faculty and staff on topics of interest to the business community. Press coverage of our students, alumni and faculty has continued to be a focus, and we have continued to be engaged with key corporates and stakeholders in this market.

We have maintained a number of corporate partnerships with companies as diverse as CIB Egypt, SOCAR, and Savannah Energy. We also continued our longstanding relationship with British American Business, the US Chamber of Commerce in the UK, and expanded our relationship with the British Swiss Chamber of Commerce. We partner to both sponsor and host a variety of informative events and programs throughout the year.

In FY 22, the non-degree program market slowly returned and we were able to deliver the first in-person customized program since the beginning of the pandemic. Our Executive Education staff did continue to cultivate the relationships with UK, European Union, and Middle Eastern companies in order to raise our visibility, connect with the market and share the considerable intellectual capital of our faculty with the business community.

We continued to offer our successful open enrolment program, the Accelerated Development Program, which continues to capture an international audience with modules taking place at the London, Hong Kong and Chicago campuses. Sessions were held in Chicago and London in FY22; however, no sessions were held in Hong Kong due to restrictive COVID regulations.

Financial review and results for the year

The Charity results fell short of its financial objectives for the year, relative to expectations, and continued to operate at a deficit. Both revenues and net income were less than expectations, primarily due to lower EMBA student attendance, and associated with the prolonged pandemic, limits on in-person teaching, and the difficulty of student travel to London.

The overall loss in 2021-2022 was greater than the loss in 2020-2021 by £3,117,010, as much higher expenses far exceeded the increase in revenue. In addition to an increase in expenses related to a partial return to in-person classes the entity recognized a £629,995 currency loss, which accounted for £1,079,278 of this increase due to the strong USD, primarily at the end of the year, compared with the GBP.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

Overall revenue increased by £1,778,741.

- (1) EMBA program revenue increased by £1,300,864. Total students increased from an average of 95 students in FY 21 to an average of 124 students in FY 22, with more students in both cohorts. In FY 22, some students in the program took leave until in-person teaching resumed. This average does reflect a component representing the return of some FY 21 students who deferred during the height of the pandemic and returned as in-person classes resumed for most of the FY 22 fiscal year.
- (2) Executive Education revenue increased by £477,877 with the resumption of a few select in-person programs.

Overall expenses increased by £4,895,751

- (1) Rent, Services Fees, and Facilities Expenses increased by £829,819. VAT on Rent increased by £495,521, as VAT on rent payments made in FY 22 compared with a free rent period for much of FY 21. Base rent for FY 22 compared with FY 21 was unaffected as free rent benefits are amortized over the life of the lease beginning in 2019; therefore FY 21 and FY 22 base rent expense is the same. Increased use of the facilities, including security, cleaning, and maintenance accounted for the remainder of the expense increase.
- (2) Executive Education expenses increased by £351,488 associated with the direct program costs of the resumed FY 22 in-person programs.
- (3) Currency loss of £629,995, compared with a currency gain of £449,283 in FY 21, caused a £1,079,278 increase in expenses.
- (4) EMBA instructor travel expenses increased by £304,965 as a result of the resumption of instructor travel from Chicago to London. Staff travel and business meal expenses increased by £240,627 due the resumption of both staff travel and business meals.
- (5) Student hotel and program session food catering expenses increased by £891,639 due to the resumption of in-person classes as well as international travel session weeks.
- (6) The Teaching and Services Allocation from the Charity's parent in Chicago increased by £941,910. The base currency of this expense is USD; and the entire allocation is assessed annually at year-end. The exchange rate at June 30, 2021 was \$1.38 per £1 compared with \$1.21 per £1 at June 30, 2022. In addition, the portion of the allocation representing the General University Services charge increased due to both an overall increase in the levy to Booth and an increase in the Charity's revenue, the factor used to allocate the levy by Booth unit.

While the Charity continues to operate at a loss, the University remains totally committed to its primary mission of being a worldwide leader of higher education and academic research and, more specifically, committed to continuing to provide the funding required to support the London Charity. The London EMBA program is an integral part of the business school's network of three campuses, worldwide, for experienced business professionals seeking an advanced business degree. The University and Chicago Booth believe that the level of financial loss incurred by the London Charity is well worthwhile considering its valuable contribution toward the mission of the global EMBA program, as well as The University's broader global educational mission. The University has provided a letter of support for the Charity.

As part of this commitment, as well as evidence of its ongoing support of the London Charity, the University committed to a 15 year lease (with an option to terminate in 10 years) to relocate the campus and committed substantial capital funds for a customized space build-out. Consequently, the nature of the program and the need for custom space has very long term implications for the University's presence in London. By these actions, the University has indicated its full financial support for a long term presence of the program in London.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

In addition, there is significant support from our alumni base for the London program. In October, 2022 and in appreciation for his MBA education at the University of Chicago Booth School of Business, Robert Rothman, '77, has made a substantial gift to the school to support its London campus operations and its Global Faculty in Residence Program. Rothman's esteemed career included spending significant time in the United Kingdom. In recognition of this generous gift, the campus will be renamed the Robert Rothman, '77, London Campus.

The EMBA program is structured so that it consists of seven consecutive quarters of three months each. First year students complete the first three quarters during a single fiscal year cycle, September to June, during which three/sevenths of the tuition fees are collected. During the second fiscal year, the student completes the final four quarters, paying the remaining four/sevenths of the tuition fees.

A secondary activity of the Charity is to provide non-degree business related Executive Education programs. Some are available on an open enrolment basis, but most are provided as custom designed staff training for a variety of businesses and associations. These short, one-week (or more) programs, educate business professionals on a variety of business-related topics. These courses offer access to the Charity's first class teaching and facilities for significantly lower fees than those necessarily charged for the part-time degree program. During FY 22, a select number of programs were resumed in person.

The Charities financial position reflects a continued increase in the accumulated deficit of £8,901,437. This was funded by an increase in the Amounts Payable to Group Companies of £4,073,110 primarily due to services provided by the Chicago parent and a decrease in Amounts Receivable from Group Companies of £4,035,559 primarily as repayment from previous cash transfers to a group company in Hong Kong. As a result, the cash position of the Charity remains very stable.

Reserves policy

The Charity recognises the need to hold reserves to meet both its day-to-day and long-term obligations. Balanced against this is the need to deliver value to its students through the provision of education. Since inception in 2005 the Charity has operated at a loss as we are focused primarily on the educational mission as part of the mission of the University as a whole and only secondarily on the specific financial model of the London Charity as a standalone entity. Therefore, while the Charity's long term financial objective is to hold reserves sufficient to meet the education commitments of our students, annual operating losses have resulted in the reported £47,098,424 accumulated deficit. The Charity is financially supported in its day-to-day obligations through its parent, The University.

The Directors recognize that the Charity operates at a significant deficit. It is important to note that London is one part of the international EMBA program. Students from Hong Kong and Chicago also study in London during special session weeks, while London students travel to Chicago and Hong Kong as well. During these sessions they interact with their international counterparts, which is a key component of enhancing the quality of their global EMBA education. The campuses are interrelated and interdependent. The finances of the programs are evaluated in combination. The London campus is a strategic part of the global mission of both Chicago Booth and The University of Chicago as a whole. Further, the University has a long-term view of the importance of global scholarly interaction that benefit the University and Chicago Booth in ways that are not necessarily quantifiable in the short term, nor directly financially identified with its specific activities in London. For example, overall fundraising may be enhanced indirectly by the global reputation of the University. Faculty exposure to a global community may enhance research opportunities and, in turn research grant opportunities. The University has both the mission and the resources to support the London Charity and is committed to doing so on an indefinite basis.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Future plans

Key objectives for the future are:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment remains challenging and it will take several years to rebuild to an average class size of 75. While international travel for our staff and for potential candidates is now only sporadically curtailed due to the pandemic, the region suffers from other concerns which impact recruiting: the war in Ukraine, currency fluctuations, inflation, and overall employment security. However, we will continue to deploy additional creative recruiting tactics initiated in recent years, and we hope to grow the size of the entering class over the next few years. We will also continue examining the format of our offering and our longer-term marketing strategies to align with market conditions.
- (2) Increase the quantity of and registrations for non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty
- (3) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
- (4) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (5) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
- (6) Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (7) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget. As part of these efforts, launch our new Global Faculty in Residence Program to expand faculty presence and accessibility in EMEA.
- (8) Deploy increased scholarship funds to continue to attract highly-qualified students. Provide support for recently-introduced fundraising programs for scholarships for EMBA Program Europe: for women, for underrepresented groups, and for the 75th anniversary award, in addition to regular merit scholarships.
- (9) Increase engagement with corporates and stakeholders in the region, with the intent of building the Booth brand in EMEA to support the dissemination of Booth knowledge and talent.
- (10) Expand the activities within the new, more spacious campus space by offering conference centre services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Risk Management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of The University. The Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

Risk 1: Student class size falling below a level at which annual financial deficits become unacceptable for the programme. This risk is mitigated by maintaining a sufficient applicant pool to maintain class sizes between 75 and 88 students. The Charity is currently implementing strategies to meet the changing market environment, in order to return to enrolment class sizes within this target range.

Risk 2: There is always a risk of a change in the University's view of the strategic importance of an international presence. The risk is mitigated by regularly assessing the level of University support to assure long term funding of budget deficits. The University has affirmed its support of the recent relocation of the campus and associated long-term lease commitment.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Risk Management (continued)

Risk 3: Academic and staff losses that might erode the quality of instruction and/or the non-academic aspects of the student experience. The risk is mitigated by retaining and monitoring staff that are appropriately qualified and trained to deliver the highest level of scholarly instruction and to uphold The University's standing as an elite institution of higher learning in the UK and within the European community.

Risk 4: Fraudulent, inappropriate or inefficient use of resources. This risk is mitigated by establishing and monitoring appropriate internal controls, including staff oversight and training, engaging appropriate third party accountants and independent auditors to assist in safeguarding the Charity's assets, and maintaining appropriate levels of insurance coverage.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and guidance relating specifically to educational and fee-charging charities when reviewing our aims and objectives and in planning our future objectives. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Strategic and Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

RSM UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



K Taylor
1 Park Row Leeds
West Yorkshire
LS1 5AB

March 1, 2022

The University of Chicago Booth School of Business

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinion

We have audited the financial statements of The University of Chicago Booth School of Business (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic and Directors' 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 Directors' Report and the Strategic Report included within the Strategic and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Strategic and Directors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

The extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates, performing analytical review over income, and performing substantive test of details over income and deferred income.

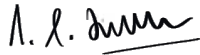
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Use of our report

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



NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street,

London,

EC4A 4AB

Date : 20 March 2023

The University of Chicago Booth School of Business

Statement of financial activities (including the income and expenditure account) for the year ended 30 June 2022

	Notes	2022 £	2021 £
Income			
Charitable activities	3	7,209,211	5,430,470
<i>Total income</i>		<u>7,209,211</u>	<u>5,430,470</u>
Expenditure on:			
Charitable activities	4	(16,112,541)	(11,214,897)
<i>Total expenditure</i>	4	<u>(16,112,541)</u>	<u>(11,214,897)</u>
Net expenditure for the year		(8,903,330)	(5,784,427)
Reconciliation of funds:			
Total deficit on funds brought forward		<u>(38,196,987)</u>	<u>(32,412,560)</u>
Total deficit of funds carried forward		<u>(47,100,317)</u>	<u>(38,196,987)</u>

All income and expenditure derive from continuing activities.

There were no recognised gains or losses other than those listed above and the net expenditure for the year.

All funds are unrestricted.

The notes on pages 19 to 26 form part of these financial statements.

The University of Chicago Booth School of Business

Balance sheet As at 30 June 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	6	9,446,766	10,520,406
Current assets			
Debtors	7	6,586,243	10,413,345
Cash at bank and in hand		486,677	673,190
		7,072,921	11,086,535
Creditors: amounts falling due within one year	8	(63,620,003)	(59,803,928)
Net current liabilities		(56,547,082)	(48,717,393)
Total assets less current liabilities		(47,100,317)	(38,196,987)
Net liabilities		(47,100,317)	(38,196,987)
The funds of the Charity:			
Unrestricted deficit	10	(47,100,317)	(38,196,987)

All assets and liabilities relate to general unrestricted funds/(deficit).

The notes on pages 19 to 26 form part of these financial statements.

Approved by the Board of Directors on March 1....., 2023 and signed on its behalf by:



K Taylor

Company registration number: 5356589

The University of Chicago Booth School of Business

Cash flow statement For the year ended 30 June 2022

	Notes	2022 £	2021 £
Net cash outflow from operating activities	13	(161,442)	(2,303,154)
Net cash outflow from investing activities			
Purchase of tangible fixed assets	6	(25,072)	(108,469)
Decrease in cash		<u>(186,514)</u>	<u>(2,411,623)</u>
Cash and cash equivalents at beginning of year		<u>673,191</u>	<u>3,084,813</u>
Cash and cash equivalents at the end of the year		<u>486,677</u>	<u>673,190</u>

The University of Chicago Booth School of Business

Notes to the financial statements Year ended 30 June 2022

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of The University of Chicago Booth School of Business is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Notwithstanding net liabilities of £47,100,317 as at 30 June 2022 and a loss for the year then ended of £8,903,330, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the charitable company will have sufficient funds, through funding from its immediate parent, the University of Chicago, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the University of Chicago not seeking repayment of the amounts currently due to the group, which at 30 June 2022 amounted to £56 million, and providing additional financial support during that period if needed. The University of Chicago has indicated its intention to continue to make available such funds as are needed by the charitable company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any charitable company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

Unrestricted funds are general funds that are available for use at the Directors' discretion in furtherance of the objectives of the Charity.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Investment income represents amounts received in the year from bank interest. Income is recognised when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds on receipt or if earlier when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

1. Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis. The Charity is VAT registered. The vast majority of its supplies are exempt from VAT being the provision of education and therefore there is no entitlement for the Charity to recover the VAT it incurs. The Charity generally posts all UK costs as gross so the VAT is an additional cost to the business. The Charity also monitors its UK supplies to ensure that they fall within the exemption under the relevant VAT legislation. In addition, the Charity occasionally receives supplies of services from non-UK suppliers and therefore has to account for the reverse charge output VAT on its VAT returns. As the Charity is generally making only exempt supplies it cannot recover this VAT and so is required, through its VAT return, to make a payment to HMRC.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Charity Directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term. The benefit of any rent free periods is spread evenly over the lease term.

Pension schemes

The Charity operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Fixed assets

Capitalisation and replacement

Cost relating to the fit out of the building, which includes both improvements and expenditure on furniture, fittings and equipment are capitalised and carried in the balance sheet at historical cost. All other expenditure is fully expensed in the period it is incurred.

Depreciation

Depreciation is provided on all tangible fixed assets from the time they are available for use at rates calculated to write off the cost in equal instalments over the estimated lives of the assets.

The rates of depreciation are as follows:

Leasehold improvements	-	over the term of the lease
Audio and visual equipment	-	20% per annum
Computer and telecommunications equipment	-	20% per annum
Furniture, fixtures and equipment	-	10% to 20% per annum

Taxation

The University of Chicago Booth School of Business is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the year-end exchange rates. All differences are taken to the SOFA.

Financial instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Provision against outstanding debtors

Accounts receivable are carried at estimated net realizable value. Management regularly assesses the adequacy of the allowance for doubtful accounts, and balances are written off when deemed uncollectible. For the financial year 2022 a provision of £207,218 has been offset against income on the basis that these amounts are potential fees expected to be returned to the students.

3. Income from charitable activities

Income from charitable activities comprises tuition fees received from students on the degree Executive MBA programs and non-degree Executive Education programs.

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

4. Expenditure

	2022 £	2021 £
Charitable activities		
University Education	9,295,270	5,904,662
Operating lease rentals – on land and buildings	3,473,090	2,977,569
Interest on promissory loan note	330,110	282,817
Foreign exchange losses/(gains)	629,995	(449,283)
Depreciation	1,098,712	1,096,031
	<u>14,827,177</u>	<u>9,811,796</u>
Governance costs		
Audit services	27,750	22,000
Accountancy	16,200	16,200
	<u>43,950</u>	<u>38,200</u>
Staff costs		
Wages and salaries	1,036,242	1,164,792
Social security costs	124,443	120,273
Pension contributions	80,729	79,836
	<u>1,241,414</u>	<u>1,364,901</u>
Total expenditure	<u><u>16,112,541</u></u>	<u><u>11,214,897</u></u>

The audit firm only received fees in respect of Audit services. Total fees exclusive of VAT amounted to £27,750 (2021: £22,000).

The average number of employees in the period was 23 (2021: 21). No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity. Remuneration is received from the University of Chicago in the US. The Directors consider key management personnel to be employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed.

The number of higher paid employees was:

	2022 No.	2021 No.
Taxable emoluments band:		
£60,000 - £70,000	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	2	2
£110,001 - £120,000	1	-
£130,001 - £140,000	-	-
£170,001 - £190,000	-	-
£200,001 - £300,000	-	1
	<u>6</u>	<u>6</u>
Total	<u><u>6</u></u>	<u><u>6</u></u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

5. Taxation

The Company is a Charity and as such is not liable to UK income or corporation tax on charitable activities.

6. Tangible fixed assets

	Leasehold improvements £	Audio visual equipment £	Computer and telecom- munications equipment £	Furniture, fixtures and equipment £	Total £
Cost or valuation					
At 1 July 2021	9,088,183	1,189,349	881,426	755,379	11,914,337
Additions	-	-	23,479	1,593	25,072
At 30 June 2022	9,088,183	1,189,349	904,905	756,972	11,939,409
Depreciation					
At 30 June 2021	770,571	302,710	224,582	96,068	1,393,931
Charge for the year	606,338	237,870	178,807	75,697	1,098,712
At 30 June 2022	1,376,909	540,580	403,389	171,765	2,492,643
Net book values					
At 30 June 2022	7,711,274	648,769	501,516	585,207	9,446,766
At 30 June 2021	8,317,612	886,639	656,844	659,311	10,520,406

7. Debtors

	2022 £	2021 £
Trade debtors	761,641	699,006
Amounts receivable from group companies	4,565,629	8,609,188
Other debtors	4,999	4,999
Prepayments and accrued income	1,253,975	1,100,152
	<u>6,586,243</u>	<u>10,413,345</u>

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Fees received in advance (see note 9)	1,191,549	1,021,407
Trade creditors	8,693	4,699
Other creditors and accruals	6,177,235	6,608,408
Amounts payable to group companies	56,242,525	52,169,414
	<u>63,620,003</u>	<u>59,803,928</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

8. Creditors: amounts falling due within one year (continued)

The entire intercompany balance due to the University of Chicago US which amounts to £55,865,002 (2021: £51,791,892). Included within this balance is a promissory loan note amounting to £5,501,836 (2021: £4,830,329) on which interest is accruing at 6%. The accrued interest included in the balance is £330,110 (2021: £303,157). The loan note is repayable on demand and The University of Chicago US has indicated it is not intending to demand repayment in the foreseeable future. The remaining balance of £50,033,056 (2021: £46,658,406) relates primarily to the operations of the Europe Campus and payables arising from the ongoing teaching and services agreement and whilst the amount legally remains payable on demand it is considered that recovery is not expected by The University of Chicago US.

9. Fees received in advance

Students are requested to make a sizeable deposit towards their tuition fees in the spring prior to their first quarter session, £3,800 per student. In addition, some students may have paid the remainder of the first quarter tuition, £16,220 by the end of June. Both amounts are taken into income with the commencement of the first quarterly session in September. Consequently, every year, at the end of the fiscal year, there will be an advance fee payment liability on the books.

In addition, many students are subsidized by their employers. Occasionally, we receive more than four quarters of tuition fees paid at one time. This results in a few advance fee payments that may not be applied within a year. Also, on occasion, a student will take a leave from the program, after having paid, with the intent of continuing at a later date. This may also lead to advance fee payments applicable to more than one year in advance.

	2022	2021
	£	£
Within 1 year	1,191,549	1,021,407

The balance represents the accrued liability under the contracts. The movements during the year were:

	2022	2021
	£	£
Balance at 1 July	1,021,407	414,698
Fees received in the year	1,160,765	916,966
Amounts recognised in the current year	(990,623)	(310,257)
Balance at 30 June	1,191,549	1,021,407

10. Analysis of charitable deficit

	30 June 2021	Income	Expenditure	30 June 2022
	£	£	£	£
General deficit	(38,196,987)	7,209,211	16,110,648	(47,098,424)

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

11. Operating lease commitments

At 30 June the Company had annual commitments under non-cancellable operating leases as follows:

	2022			2021		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Leases which expire:						
Within one year	3,907,226	14,790	3,922,016	3,907,226	14,790	3,922,016
Within two to five years	15,628,906	-	15,628,906	15,628,906	14,790	15,643,696
More than five years	26,373,778	-	26,373,778	30,281,005	-	30,281,005
	<u>45,909,910</u>	<u>14,790</u>	<u>45,924,700</u>	<u>49,817,137</u>	<u>29,580</u>	<u>49,846,717</u>

During 2019, a lease was entered into for a new campus building. The initial lease term is 15 years, commencing 1st April 2019.

12. Guarantees and contingent liabilities

The Charity has entered into no guarantee arrangements.

13. Reconciliation of net expenditure to net cash outflow from operations

	2022 £	2021 £
Net expenditure	(8,903,328)	(5,784,427)
Non-operating cash flows eliminated:		
Depreciation charges added back	1,098,712	1,096,031
Decrease/(increase) in debtors	3,827,101	(1,051,839)
Increase in trade and other creditors	3,645,932	2,830,372
Increase in advance fee contracts	170,142	606,709
Net cash outflow from operations	<u>(161,442)</u>	<u>(2,303,154)</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2022

14. Related party transactions

University of Chicago in the US is the parent of the Charity 'Chicago Booth' and, as such, is responsible for the appointment of all management/Directors of Chicago Booth's London Campus, as well as providing the necessary funding and a variety of support services.

	2022 £	2021 £
Opening balance 1 July balance due from the University of Chicago Foundation in Hong Kong Limited	8,609,188	8,615,649
Repayment of prior campus funding from Hong Kong	(3,992,977)	-
Costs incurred on behalf of the Hong Kong campus and recharged	(50,582)	(6,461)
	<u>4,565,629</u>	<u>8,609,188</u>
Closing balance 30 June balance due from the University of Chicago Foundation in Hong Kong Limited	<u>4,565,629</u>	<u>8,609,188</u>
Opening balance 1 July owed to the University of Chicago	51,791,892	51,240,432
Costs incurred on behalf of Charity by the US and recharged	975,298	(184,646)
Teaching and services agreement	3,329,073	2,387,163
Accrued interest cost/(income) on build out loan	26,952	1
Tuition income received in the US	(929,719)	(1,052,554)
Foreign exchange restatement of build out loan due in USD as at 30 June	671,506	(598,504)
Campus funding in relation to One Bartholomew campus	-	-
	<u>55,865,002</u>	<u>51,791,892</u>
Closing balance 30 June owed to the University of Chicago	<u>55,865,002</u>	<u>51,791,892</u>

Amounts due to group undertakings also includes a balance of £377,522 (2021: £377,521) due to the University of Chicago Booth School of Business in Singapore.

15. Ultimate controlling undertaking

The Directors consider The University of Chicago, a company registered in The United States of America to be the Ultimate controlling undertaking. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.

The Charity's accounts are consolidated into the parent financial statements as part of the Booth School of Business.

16. Subsequent events

There have been no adjusting or non-adjusting events after the reporting date.

Accounts

Company Registration No. 5356589
Charity Registration No. 1108516

**The University of Chicago Booth School
of Business**

Company limited by guarantee

Annual report and financial statements

for the year ended 30 June 2021

The University of Chicago Booth School of Business

Annual report and financial statements for the year ended 30 June 2021

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The University of Chicago Booth School of Business

Officers and professional advisers

Directors

K Taylor
K Y Lee
R Kroszner

The Directors are the trustees of the charity for Charities Act purposes.

Administrative address

The University of Chicago Booth School of Business
One Bartholomew Close
Barts Square
London
EC1A 7BL

Website

www.chicagobooth.edu

Registered office

1 Park Row
Leeds
LS1 5AB

Bankers

HSBC plc
60 Queen Victoria Street
London
EC2N 4TR

Solicitor / Company secretary

Pinsent Masons
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Charity Registration: 1108516

Company Registration: 5356589

The University of Chicago Booth School of Business

Strategic and Directors' Report

Reference and administrative information

The University of Chicago Booth School Of Business ("the Charity") is a subsidiary of the University of Chicago ("The University"). The College of Commerce and Politics, predecessor to The University of Chicago Booth School of Business, was originally founded by The University in 1898 to provide practical business instruction. The Charity is registered with the Charity Commission under Charity number 1108516. The registered office of the Charity is listed on page 1 together with the particulars of the Charity's professional advisers.

The Charity is a charitable company limited by guarantee and is more commonly known as "Chicago Booth".

Directors and charity trustees

The Charity Directors are also the Charity trustees. They have served in office throughout the year, unless otherwise stated, and were as follows:

R Kroszner
K Y Lee
K Taylor

Associate Dean, Executive MBA Program

Julie Morton

Structure, Governance and Management

Governing Document

The Charity is governed by its Memorandum and Articles of Association dated 3 February 2005.

Recruitment and Training of Directors

The Memorandum and Articles of Association of the Charity provide for the appointment of Directors, who also act as trustees. The University, which is the sole "member" of the Charity, is empowered to appoint the Directors.

For the fiscal year ended June 30, 2021, the Charity has three Directors, Randall Kroszner, Ka Yee C Lee, and Kimberly P Taylor. Professor Kroszner is the Norman R. Bobins Professor of Economics, and Deputy Dean of the University of Chicago Booth School of Business ("Chicago Booth"). In Professor Kroszner's position as Deputy Dean of Chicago Booth, he oversees the EMBA campuses in Chicago, London, and Hong Kong.

Professor Kroszner's extensive experience as Professor, at Chicago Booth, where he has been actively involved in Chicago Booth policy setting, provides the requisite qualifications to be a Director of the London Executive MBA Program, one of the programs for which he is responsible to The University. It is intended that one of the Directors of the Charity will be the Deputy Dean for Executive MBA (EMBA) programs of Chicago Booth.

The second Director, Professor Ka Yee C Lee, is the David Lee Shillinglaw Distinguished Service Professor and is Provost at The University. As Provost of The University, Professor Lee oversees all aspects of The University's academic community. Professor Lee's position as head of all of academic activities at The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be the University's Provost.

The third Director is Kimberly P Taylor, Vice President and General Counsel of The University. Ms. Taylor's position as head of all legal affairs for The University provides the requisite qualifications to be a Director of the London Charity. It is intended that one of the Directors of the Charity will be a senior member of the University's legal staff. On appointment each trustee receives a copy of the UK Charity Commission's publication "The essential trustee: what you need to know, what you need to do" and agrees to follow it. Training needs are assessed and met as necessary.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Structure, governance and management (continued)

Organisational Management

The primary active decision maker for the Charity's activities is Professor Kroszner, one of the Directors. The London Charity is one of three worldwide Chicago Booth part-time Executive MBA programs, specifically designed for experienced, accomplished, and working business executives. Professor Kroszner while primarily based in Chicago, is currently on assignment in London for an 24-30 month term. Professor Kroszner reports to the Dean of Chicago Booth, who has overall responsibility for both full-time and part-time MBA programs and oversight of the entire business school faculty as well. The Dean of Chicago Booth reports to the Provost, whose position is described above. The Provost reports to the President of The University. The President is responsible to a host of University Directors.

The Associate Dean of the Executive MBA Program is responsible for carrying out the day-to-day affairs of the Charity. The Associate Dean and her delegates can negotiate and execute on behalf of the Charity contracts for the purchase of goods or services in the ordinary course of operations of the Charity subject to limitations imposed by the Directors on the value of these contracts. The Associate Dean can hire employees, subject to the prior approval from the Directors for salaries, compensation and benefits, The Associate Dean can make final decisions on applications to be admitted to the EMBA program.

Object, aims, objectives and activities

Charitable objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education, in particular (without prejudice to the generality) through the provision of education provided in the United Kingdom.

Aims and intended impact

The aim of the Charity is to advance scholarship and research in the field of business and economics. The Charity is an integral part of the University whose innovations in business education and path breaking research have produced ideas and leaders that shape the world of business, bringing economic benefits to society. Nine Nobel laureates have been either current or former faculty members.

Objectives for the year

The main objectives of the Charity for the year ended 30 June 2021 were:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. Despite the difficulties of recruiting senior-level working professionals during a pandemic, strive for a larger class for the coming year. (Note that the start of the program has been shifted to August, so the recruiting cycle this year will not be curtailed.)
- (2) Increase the quantity of and registrations for non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty.
- (3) Accelerate the development and delivery of online Executive Education programs during the duration of the pandemic and beyond, as in-person programming and participant travel are currently not an option.
- (4) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
- (5) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (6) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
- (7) Continue to monitor the percentage of students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Objectives for the year (continued)

- (8) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget.
- (9) Provide support for recently-introduced fundraising programs for scholarships for EMBA Program Europe: two for women and one for underrepresented minority groups and the 75th Anniversary award, in addition to regular merit scholarships.
- (10) Increase engagement with corporates and stakeholders in the region

Strategies to achieve the period's objectives

The Charity seeks to enrol students in our educational programs. To that end, it carries out marketing and promotional activities throughout Europe, the Middle East, and Africa. These activities are supported by advertising campaigns in leading publications and search engine optimization, in addition to direct marketing and public relations. These activities are expressly designed to introduce prospective students and local business leaders to the educational programs at the London campus. The Charity employs London-based staff, whose full-time jobs are to facilitate the delivery of academic programs. This is enabled by teams which support the academic programs and also a team which provides support to approximately 3,200 alumni and 26 alumni organizations in Europe, Africa, and the Middle East. This support deepens the Charity's relationships with alumni in the region and local business communities to which our alumni belong. As tuition fees do not fully cover the operating costs of The University, The University employs staff in Chicago and the UK to develop relationships with alumni, including those with the financial means to donate funds to The University.

Recruiting students during the fiscal year ended June 30, 2021 recruiting cycle will require a challenging and unique approach. Returning to a class size of 75-88 is dependent not only on our recruiting efforts, but also on the long-term repercussions of the pandemic and the economic stability of the EMEA region. It is also incumbent upon us to examine our EMBA offering and adjust to render it more flexible and resilient. While rebuilding to a class size of 75 will take several years, we are examining the format of our offering and our longer-term marketing strategies to align with market conditions. Our recruitment tactics have shifted entirely online, and we are unable to offer the usual +/- 90 face-to-face events, meetings, interviews, class visits, or campus tours at the current time. Despite these challenges, we have recreated our recruiting activities online, including regional meet-and-greets, advising sessions, class visits, and alumni panels. We're seeing above average registration numbers for these online events and engagement is good. We're hosting Masterclasses with sought-after faculty including Raghuram Rajan and Randall Kroszner, as well as events in new markets including Greece, Cyprus, and Mexico. Virtual events mean that we can spread the net wider and target countries that we wouldn't usually travel to, including areas of central Asia and Africa. We are using our merit scholarship budget to target the best candidates and increase diversity in the cohort (this year we have 26% female students). A reduction in travel costs means that we can assign more budget to event promotion and program advertising.

Chicago Booth Deputy Dean Randall Kroszner temporarily relocated to the UK in August 2019 in order to more directly oversee the school's move to the new, larger campus and to serve as an ambassador for the school in the EMEA region. To help expand the school's brand awareness in the region, Deputy Dean Kroszner speaks regularly with members of the news media to provide commentary on global markets and serves frequently as a moderator or speaker at media and industry events.

Professor Kroszner has taken an active role to work closely with the London staff to support recruitment and business development efforts aimed at recruiting high-potential, diverse candidates to all of the schools programs.

During the pandemic, we have ensured the continued delivery of high-quality academic instruction and co-curricular engagement despite forced transition to remote instruction. This has put increased pressure on maintaining positive relations with students and alumni alike.

Our admissions criteria are set to support the achievement of the objectives. Applicants are required to submit detailed written applications, providing their academic credentials and assessment test result, and explaining their career experience and objectives. Applications must be accompanied by letters of recommendation from the applicant's manager and referees and, where possible at the time of application, a letter of support from the applicant's employer.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Object, aims, objectives and activities (continued)

Strategies to achieve the period's objectives (continued)

Qualified applicants are also interviewed. Although an applicant's academic credentials are of great importance to us, we are also looking for applicants who display impressive professional and/or personal track records.

We have increased the pool of general scholarship funds to further expand the pool of potential applicants and continued to offer two Deans' Initiative Scholarships for women and one targeting underrepresented groups who would otherwise not be able to join the program. We also offered a 75th Anniversary award, in addition to regular merit scholarships.

We secure customized, company specific non-degree programs through a direct sales strategy. We continue to run open enrolment, non-degree programs, albeit virtually, including new programs focused on topics unique to Chicago Booth.

Principal activities of the year

The Charity offers a part-time Executive MBA degree program for students. In addition, the Charity offers non-degree business education courses covering finance, marketing, operations, strategy, and leadership. As part of its on-going support for graduates of the Charity's EMBA program, graduates are offered access to career and leadership development resources, coaching and opportunities to participate in networking events. (e.g., external speakers held at the Charity's facility).

In the United Kingdom, the Charity-held events during the year which were open to people not currently students in our EMBA program, including the general public. These events included special lectures by members of our faculty, conferences and roundtable events on topics of interest to the general public, training events and general meetings. These events were all conducted virtually, via Zoom.

All of these events were free for our students and open to the general public for a nominal charge for catering. The rest were open to members of partner organizations including businesses and charities not directly affiliated with the University. The events provided access to our facilities, and in many cases the expertise of our faculty and staff. Events are promoted through partner organizations, on our website, and/or through direct emailing campaigns.

The University supports an active research agenda through 13 research centers and has a tenure policy for faculty that relies heavily on ground-breaking research. Research is conducted in disciplines such as economics, finance, and the behavioural sciences. Our faculty are recognized globally for their contributions to bodies of knowledge.

Since its inception, the University has been a distinctive intellectual and educational community, and the values that underpinned its establishment have been an important guide since that time.

In addition, the Charity published extensive information on its website and through other publications. This information includes the research undertaken by its faculty, comment and analysis of current topics, and media such as podcasts and videos sharing thought leadership on topics affecting companies and organizations around the globe. This information is free and available to the public.

Review of achievements and performance for the year

Operational performance of the university

During the year the EMBA program graduated its 15th London-based class of students. During FY21, 233 Alumni of Chicago Booth, residing in the EMEA region, donated a total of \$2,071,000 directly to the University of Chicago parent, in philanthropic support for faculty research, student scholarships, and alumni and University programming throughout our international community, helping enrich the business community to which Chicago Booth alumni belong. As direct donations to Chicago, these sums are not the responsibility of these trustees.

During the pandemic, we have insured the continued delivery of high-quality academic instruction and co-curricular engagement despite forced transition to remote instruction. This has put increased pressure on maintaining positive relations with students and alumni alike.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Operational performance of the university (continued)

Fiscal 21 efforts resulted in 65 highly-qualified new Executive MBA EMEA students being enrolled in September 2021. This class size represents a considerable increase from the August 2020 class of 55 students. That class was particularly hard hit by the pandemic and the uncertain implications of Brexit. The September 2021 class holds strong academic credentials, with 34 countries represented compared with 31 last year. 37% of the class identify as female, up from 27% last year.

During FY 21, the majority of courses were taught remotely by Zoom from Chicago, with a small number of students present at the London campus, while most logged in from other locations convenient for them, including, of course, from home.

Given the current state of the pandemic in EMEA, and a resumption of in-person instructors on campus, approximately 60% of the fall 2021 class has been attending in-person, so far, with the remainder on Zoom. As more countries come off the UK "red list" and the vaccine is more readily available across EMEA, we anticipate these in-person numbers will increase. Faculty were able to resume teaching in person in London for the fall 2021 quarter – much to the delight of those students attending in person.

Career and leadership support are components of the curriculum and students benefit from individual career and leadership coaching during their tenure as students and then for life, as alumni.

Corporate relations were strengthened by personally contacting companies to raise awareness of our EMBA and Executive Education programs and hosting educational events led by University faculty and staff on topics of interest to the business community. Press coverage of our students, alumni and faculty has increased and we have newly engaged with key corporates and stakeholders in this market.

We have created a number of corporate partnerships with companies as diverse as CIB Egypt, Kraft Heinz, SOCAR, Zurcher Kantonalbank, and Savannah Energy. We are particularly proud of our new relationship with Savannah, a leading AIM market listed African-focused British energy company with operations in Nigeria and Niger. We have developed a comprehensive educational portfolio with Savannah, including EMBA, Executive Education, and access to UChicago research and resources. We also continued our longstanding relationship with British American Business, the US Chamber of Commerce in the UK. We partner to both sponsor and host a variety of informative events and programs throughout the year.

We continue to deliver non-degree Executive Education open enrolment and custom programs. In FY 21, there were no open enrolment programs held, due to the restrictions of the pandemic. Our Executive Education staff did continue to cultivate the relationship with UK, European and Middle Eastern companies in order to raise our visibility, connect with the market and share the considerable intellectual capital of our faculty with the business community.

We continued to offer our successful open enrolment program, the Accelerated Development Program, which continues to capture an international audience with modules taking place at the London, Hong Kong and Chicago campuses. However, due to the COVID restrictions, all sessions scheduled for fiscal year ended June 30, 2021 were postponed to future dates. The sessions are scheduled to resume in-person in Chicago in December 2021.

We continued to work with several custom clients: Institutional Limited Partners Association, Qatar Leadership Center and AFAQ for Leadership Development. For these clients we deliver programs at our London campus and/or at various international locations and cover a wide range of topics, with strategy and leadership being the most popular topics. During FY 21, programs were run for these clients, although none of them were in-person.

Financial review and results for the year

The Charity results fell short of its financial objectives for the year, relative to expectations, and continued to operate at a deficit. Both revenues and net income were less than expectations, primarily due to lower EMBA student attendance, and associated with the prolonged pandemic, limits on in-person teaching, and the difficulty of student travel to London.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

The overall loss in 2020-2021 was less than the loss in 2019-2020 by £902,530, as much lower expenses exceeded the reduction in revenue. Aside from COVID related expense reductions two non-recurring expense items of note significantly contributed to the year over year expense reduction.

- (1) £1,335,000 decrease in rent, facility service fees, depreciation, and consulting fees associated with the relocation of our campus from Woolgate Exchange to Barts Square. The new lease was effective April 1, 2019 at which time we began incurring duplicate costs while building out the new facility up until the Woolgate lease expired in June 2020.
- (2) £240,000 greater currency gain than in FY 20.

Overall revenue decreased by £2,330,000.

- (1) EMBA program revenue decreased by £1,776,000. Total students decreased from an average of 134 students in FY20 to an average of 95 students in FY21, with fewer students in both cohorts. In FY 21, some students in the program took leave until in-person teaching resumed. This average does reflect a component representing the return of one cohort session in the summer of 2020. However, this session was about half size of the canceled session it replaced that would have normally taken place in the spring of 2020.
- (2) Executive Education revenue decreased by £554,000 with all programs being delayed, canceled, or modified to be delivered remotely, due to COVID restrictions.

Overall expenses decreased by £3,233,000.

- (1) Rent, Services Fees, Depreciation, & broker fees decreased by £1,335,000 due to the elimination of duplicate costs incurred while the Barts Square campus was being built-out in FY 20.
- (2) Executive Education expenses decreased by £664,000 on staff reduction savings of £110,000, lower instructor & consultant teaching costs of £274,000, lower advertising costs of £88,000 and lower other direct program costs.
- (3) Currency gain increased by £240,000 as a result of a £449,000 currency gain in FY21 compared with a currency gain of £209,000 in FY20.
- (4) EMBA instructor travel expenses decreased by £274,000 as a result of the cancellation of instructor travel from Chicago to London. Staff travel expenses decreased by £154,000 due to travel restrictions imposed by the pandemic.
- (5) Student hotel and program session food catering expenses decreased by £589,000 due to cancellation of in-person classes as well as international travel session weeks.

While the Charity continues to operate at a loss, the University remains totally committed to its primary mission of being a worldwide leader of higher education and academic research and, more specifically, committed to continuing to provide the funding required to support the London Charity. The London EMBA program is an integral part of the business school's network of three campuses, worldwide, for experienced business professionals seeking an advanced business degree. The University and Chicago Booth believe that the level of financial loss incurred by the London Charity is well worthwhile considering its valuable contribution toward the mission of the global EMBA program, as well as The University's broader global educational mission. The University has provided a letter of support for the Charity.

As part of this commitment, as well as evidence of its ongoing support of the London Charity, the University recently committed to a 15 year lease (with an option to terminate in 10 years) to relocate the campus and committed substantial capital funds for a customized space build-out. Consequently, the nature of the program and the need for custom space has very long term implications for the University's presence in London. By these actions, the University has indicated its full financial support for a long term presence of the program in London.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Financial review and results for the year (continued)

The program is structured so that it consists of seven consecutive quarters of three months each. First year students complete the first four quarters during a single fiscal year cycle, July to June, during which four/sevenths of the tuition fees are collected. During the second year, the student completes the final three quarters, paying the remaining three/sevenths of the tuition fees. In both FY 20 and FY 21, in response to COVID driven factors, first year students entered the program in late summer, thus completing only three quarters during their first fiscal year and four quarters during their fiscal second year.

A secondary activity of the Charity is to provide non-degree business related Executive Education programs. Some are available on an open enrolment basis, but most are provided as custom designed staff training for a variety of businesses and associations. These short, one-week (or more) programs, educate business professionals on a variety of business-related topics. These courses offer access to the Charity's first class teaching and facilities for significantly lower fees than those necessarily charged for the part-time degree program. During FY 21, all programs were delivered remotely.

Reserves policy

The Charity recognises the need to hold reserves to meet both its day-to-day and long term obligations. Balanced against this is the need to deliver value to its students through the provision of education. Since inception in 2005 the Charity has operated at a loss as we are focused primarily on the educational mission as part of the mission of the University as a whole and only secondarily on the specific financial model of the London Charity as a standalone entity. Therefore, while the Charity's long term financial objective is to hold reserves sufficient to meet the education commitments of our students, annual operating losses have resulted in the reported £38,196,987 accumulated deficit. The Charity is financially supported in its day-to-day obligations through its parent, The University.

The Directors recognize that the Charity operates at a significant deficit. It is important to note that London is one part of the international EMBA program. Students from Hong Kong and Chicago also study in London during special session weeks, while London students travel to Chicago and Hong Kong as well. During these sessions they interact with their international counterparts, which is a key component of enhancing the quality of their global EMBA education. The campuses are interrelated and interdependent. The finances of the programs are evaluated in combination. The London campus is a strategic part of the global mission of both Chicago Booth and The University of Chicago as a whole. Further, the University has a long term view of the importance of global scholarly interaction that benefit the University and Chicago Booth in ways that are not necessarily quantifiable in the short term, nor directly financially identified with its specific activities in London. For example, overall fundraising may be enhanced indirectly by the global reputation of the University. Faculty exposure to a global community may enhance research opportunities and, in turn research grant opportunities. The University has both the mission and the resources to support the London Charity and is committed to doing so on an indefinite basis.

Future plans

Key objectives for the future are:

- (1) Continue to recruit a highly qualified pool of applicants for our EMBA program. The recruiting environment remains challenging and it will take several years to rebuild to a class size of 75. International travel for our staff and for potential candidates continues to be curtailed, which means recruiting continues to be largely via Zoom. Further, the pandemic has had an impact on many potential candidates career security. However, we will continue to deploy additional creative recruiting tactics initiated this past year, and we hope to grow the size of the entering class over the next few years. We will also continue examining the format of our offering and our longer-term marketing strategies to align with market conditions.
- (2) Increase the quantity of and registrations for non-degree programs including those that are on a customized basis to companies wishing to provide training for groups of their employees. Increase our engagement with Booth alumni and corporate partners to offer non-degree programs that are of mutual interest to them and to our faculty
- (3) Accelerate the development and delivery of online Executive Education programs during the duration of the pandemic and beyond, as in-person programming and participant travel are continue to be limited.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Review of achievements and performance for the year (continued)

Future plans (continued)

- (4) Build on the development and delivery of online Executive Education programs toward the permanent expansion of the importance of these programs within our portfolio of program offerings.
- (5) Increase the amount of donated funds and participation rates of alumni in fund-raising activities of the school from the European alumni base.
- (6) Improve the visibility of the Charity in Europe, the Middle East and Africa through marketing and public relations.
- (7) Continue to monitor the students whose fees are met by their employers and the extent to which those fees are met and to review our guidance to students on how to approach employers to request fee support.
- (8) Consider ways in which we can bring the benefit of the Charity's educational programs, faculty research and facilities to the widest possible range of people, within our available budget.
- (9) Deploy increased scholarship funds to continue to attract highly-qualified students. Provide support for recently-introduced fundraising programs for scholarships for EMBA Program Europe: two for women and one for underrepresented minority groups and the 75th Anniversary award, in addition to regular merit scholarships.
- (10) Increase engagement with corporates and stakeholders in the region.
- (11) Expand the activities within the new, more spacious campus space by offering conference center services to the UK community and business school partners. This will enhance our visibility within the UK business community and provide ancillary income to the charity.

Risk Management

The Directors have reviewed the major risks to which the Charity is exposed, in conjunction with the overall annual review of the risks and uncertainties of The University. The Directors are content with the procedures that have been established to mitigate those risks. The following risks are managed by the Charity:

Risk 1: Student class size falling below a level at which annual financial deficits become unacceptable for the programme. This risk is mitigated by maintaining a sufficient applicant pool to maintain class sizes between 75 and 88 students. The Charity is currently implementing strategies to meet the changing market environment, in order to return to enrolment class sizes within this target range.

Risk 2: There is always a risk of a change in the University's view of the strategic importance of an international presence. The risk is mitigated by regularly assessing the level of University support to assure long term funding of budget deficits. The University has affirmed its support of the recent relocation of the campus and associated long-term lease commitment.

Risk 3: Academic and staff losses that might erode the quality of instruction and/or the non-academic aspects of the student experience. The risk is mitigated by retaining and monitoring staff that are appropriately qualified and trained to deliver the highest level of scholarly instruction and to uphold The University's standing as an elite institution of higher learning in the UK and within the European community.

Risk 4: Fraudulent, inappropriate or inefficient use of resources. This risk is mitigated by establishing and monitoring appropriate internal controls, including staff oversight and training, engaging appropriate third party accountants and independent auditors to assist in safeguarding the Charity's assets, and maintaining appropriate levels of insurance coverage.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and guidance relating specifically to educational and fee-charging charities when reviewing our aims and objectives and in planning our future objectives. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The University of Chicago Booth School of Business

Strategic and Directors' Report (continued)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Strategic and Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



K Taylor
1 Park Row Leeds
West Yorkshire
LS1 5AB

December 13 2021

The University of Chicago Booth School of Business

Statement of Directors' responsibilities in respect of the trustees' annual report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Opinion

We have audited the financial statements of University of Chicago Booth School of Business ("the Charitable company") for the year ended 30 June 2021 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, and inspection of policy documentation as to the charitable company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board Minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees and other income is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unrelated accounts.
- Sample testing of income received in the period prior to the year end to determine whether income was recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the management (as required by auditing standards), and from inspection of the charitable company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including relevant companies and charities legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charitable Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

Other information

The directors are responsible for the strategic and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic and directors' report is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The University of Chicago Booth School of Business

Independent auditor's report to the members of The University of Chicago Booth School of Business

The purpose of our audit work and to whom we owe our responsibilities

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



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square London,
E14 5GL
15 February 2022

The University of Chicago Booth School of Business

**Statement of financial activities
(including the income and expenditure account)
for the year ended 30 June 2021**

	Notes	2021 £	2020 £
Income			
Charitable activities	3	5,430,470	7,760,601
Total income		<u>5,430,470</u>	<u>7,760,601</u>
Expenditure on:			
Charitable activities	4	(11,214,897)	(14,447,558)
Total expenditure	4	<u>(11,214,897)</u>	<u>(14,447,558)</u>
Net expenditure for the year		(5,784,427)	(6,686,957)
Reconciliation of funds:			
Total deficit on funds brought forward		<u>(32,412,560)</u>	<u>(25,725,603)</u>
Total deficit of funds carried forward		<u>(38,196,987)</u>	<u>(32,412,560)</u>

All income and expenditure derive from continuing activities.

There were no recognised gains or losses other than those listed above and the net expenditure for the year.

All funds are unrestricted.

The notes on pages 19 to 26 form part of these financial statements.

The University of Chicago Booth School of Business

Balance sheet As at 30 June 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	6	10,520,406	11,507,968
Current assets			
Debtors	7	10,413,345	9,361,506
Cash at bank and in hand		673,190	3,084,813
		11,086,535	12,446,319
Creditors: amounts falling due within one year	8	(59,803,928)	(56,366,847)
Net current liabilities		(48,717,393)	(43,920,528)
Total assets less current liabilities		(38,196,987)	(32,412,560)
Net liabilities		(38,196,987)	(32,412,560)
The funds of the Charity:			
Unrestricted deficit	10	(38,196,987)	(32,412,560)

All assets and liabilities relate to general unrestricted funds/(deficit).

The notes on pages 19 to 26 form part of these financial statements.

Approved by the Board of Directors on ~~December 13~~ 2021 and signed on its behalf by:



K Taylor

Company registration number: 5356589

The University of Chicago Booth School of Business

Cash flow statement For the year ended 30 June 2021

	Notes	2021 £	2020 £
Net cash (inflow)/outflow from operating activities	13	(2,303,154)	13,638,158
Net cash outflow from investing activities			
Purchase of tangible fixed assets	6	(108,469)	(11,597,172)
(Decrease)/ increase in cash		<u>(2,411,623)</u>	<u>2,040,986</u>
Cash and cash equivalents at beginning of year		<u>3,084,813</u>	<u>1,043,827</u>
Cash and cash equivalents at the end of the year		<u>673,190</u>	<u>3,084,813</u>

Certain amounts shown have been restated. Further information is disclosed in note 17.

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2021

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historic cost basis of accounting, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)– (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of The University of Chicago Booth School of Business is considered to be pounds sterling because that is the currency of the primary economic environment in which the Charity operates.

Going concern

Notwithstanding net liabilities of £38,196,987 as at 30 June 2021 and a loss for the year then ended of £5,784,427, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the charitable company will have sufficient funds, through funding from its immediate parent, the University of Chicago, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the University of Chicago not seeking repayment of the amounts currently due to the group, which at 30 June 2021 amounted to £52 million, and providing additional financial support during that period if needed. The University of Chicago has indicated its intention to continue to make available such funds as are needed by the charitable company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any charitable company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the charitable company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

Unrestricted funds are general funds that are available for use at the Directors' discretion in furtherance of the objectives of the Charity.

Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Investment income represents amounts received in the year from bank interest. Income is recognised when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds on receipt or if earlier when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2021

1. Accounting policies (continued)

Expenditure

Expenditure is accounted for on an accruals basis. The Charity is VAT registered. The vast majority of its supplies are exempt from VAT being the provision of education and therefore there is no entitlement for the Charity to recover the VAT it incurs. The Charity generally posts all UK costs as gross so the VAT is an additional cost to the business. The Charity also monitors its UK supplies to ensure that they fall within the exemption under the relevant VAT legislation. In addition, the Charity occasionally receives supplies of services from non-UK suppliers and therefore has to account for the reverse charge output VAT on its VAT returns. As the Charity is generally making only exempt supplies it cannot recover this VAT and so is required, through its VAT return, to make a payment to HMRC.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Charity Directors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Operating leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the lease term. The benefit of any rent free periods is spread evenly over the lease term.

Pension schemes

The Charity operates a defined contribution pension scheme. Contributions are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Fixed assets

Capitalisation and replacement

Cost relating to the fit out of the building, which includes both improvements and expenditure on furniture, fittings and equipment are capitalised and carried in the balance sheet at historical cost. All other expenditure is fully expensed in the period it is incurred.

Depreciation

Depreciation is provided on all tangible fixed assets from the time they are available for use at rates calculated to write off the cost in equal instalments over the estimated lives of the assets.

The rates of depreciation are as follows:

Leasehold improvements	-	over the term of the lease
Audio and visual equipment	-	20% per annum
Computer and telecommunications equipment	-	20% per annum
Furniture, fixtures and equipment	-	10% to 20% per annum

Taxation

The University of Chicago Booth School of Business is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2021

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the year-end exchange rates. All differences are taken to the SOFA.

Financial instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Trade debtors and creditors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount after allowing for any trade discounts due.

Related parties

As a subsidiary of the University of Chicago and a qualifying entity under FRS102, the Charity has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements from disclosing transactions with other members of the group headed by the University of Chicago.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3. Income from charitable activities

Income from charitable activities comprises tuition fees received from students on the degree Executive MBA programs and non-degree Executive Education programs.

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2021

4. Expenditure

	2021 £	2020 £
Charitable activities		
University Education	5,904,662	8,223,032
Operating lease rentals – on land and buildings	2,977,569	4,162,346
Interest on promissory loan note	282,817	325,730
Foreign exchange (gains)/losses	(449,283)	(208,940)
Depreciation	1,096,031	493,813
	<u>9,811,796</u>	<u>12,995,981</u>
Governance costs		
Audit services	22,000	15,000
Accountancy	16,200	16,200
	<u>38,200</u>	<u>31,200</u>
Staff costs		
Wages and salaries	1,164,792	1,198,965
Social security costs	120,273	129,126
Pension contributions	79,836	92,286
	<u>1,364,901</u>	<u>1,420,377</u>
Total expenditure	<u>11,214,897</u>	<u>14,447,558</u>

The audit firm only received fees in respect of Audit services. Total fees exclusive of VAT amounted to £22,000 (2020: £15,000).

The average number of employees in the period was 21 (2020: 24). No Directors or persons connected with them received any remuneration, other benefits or reimbursement of expenses from the Charity. Remuneration is received from the University of Chicago in the US. The Directors consider key management personnel to be employed by the University of Chicago in the US, with global responsibilities, a portion of which includes the UK Charity. Therefore, no key management personnel remuneration is disclosed.

The number of higher paid employees was:

	2021 No.	2020 No.
Taxable emoluments band:		
£60,000 - £70,000	-	-
£70,000 - £80,000	1	-
£80,000 - £90,000	-	-
£90,000 - £100,000	2	3
£100,000 - £110,000	2	1
£110,000 - £120,000	-	-
£130,000 - £140,000	-	-
£170,000 - £190,000	-	-
£200,000 - £300,000	1	1
	<u>6</u>	<u>5</u>
Total	<u>6</u>	<u>5</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2021

5. Taxation

The Company is a Charity and as such is not liable to UK income or corporation tax on charitable activities.

6. Tangible fixed assets

	Leasehold improvements £	Audio visual equipment £	Computer and telecom- munications equipment £	Furniture, fixtures and equipment £	Total £
Cost or valuation					
At 1 July 2020	11,930,479	1,572,517	950,941	1,093,747	15,547,684
Disposals	(2,938,721)	(389,194)	(69,515)	(344,386)	(3,741,816)
Additions	96,425	6,026	-	6,018	108,469
At 30 June 2021	9,088,183	1,189,349	881,426	755,379	11,914,337
Depreciation					
At 30 June 2020	3,102,954	454,034	117,812	364,916	4,039,716
Disposals	(2,938,721)	(389,194)	(69,515)	(344,386)	(3,741,816)
Charge for the year	606,338	237,870	176,285	75,538	1,096,031
At 30 June 2021	770,571	302,710	224,582	96,068	1,393,931
Net book values					
At 30 June 2021	8,317,612	886,639	656,844	659,311	10,520,406
At 30 June 2020	8,827,525	1,118,483	833,129	728,831	11,507,968

7. Debtors

	2021 £	2020 £
Trade debtors	699,006	537,721
Amounts receivable from group companies	8,609,188	8,615,649
Other debtors	4,999	10,702
Prepayments and accrued income	1,100,152	197,434
	10,413,345	9,361,506

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Fees received in advance (see note 9)	1,021,407	414,698
Trade creditors	4,699	71,386
Other creditors and accruals	6,608,408	4,262,809
Amounts payable to group companies	52,169,414	51,617,954
	59,803,928	56,366,847

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2021

8. Creditors: amounts falling due within one year (continued)

The entire intercompany balance due to the University of Chicago US which amounts to £51,791,892 (2020: £51,240,432) has been now been reclassified to creditors due in less than one year; in the prior year financial statements this amount was inappropriately classified as due after more one year. Included within this balance is a promissory loan note amounting to £4,830,329 (2020: £5,428,834) on which interest is accruing at 6%. The accrued interest included in the balance is £303,157 (2020: £303,157). The loan note is repayable on demand and The University of Chicago US has indicated it is not intending to demand repayment in the foreseeable future. The remaining balance of £46,658,406 (2020: £45,508,441) relates primarily to the operations of the Europe Campus and payables arising from the ongoing teaching and services agreement and whilst the amount legally remains payable on demand it is considered that recovery is not expected by The University of Chicago US.

9. Fees received in advance

Students are requested to make a sizeable deposit towards their tuition fees in the spring prior to their first quarter session, £3,800 per student. In addition, some students may have paid the remainder of the first quarter tuition, £13,364 by the end of June. Both amounts are taken into income with the commencement of the first quarterly session in September. Consequently, every year, at the end of the fiscal year, there will be an advance fee payment liability on the books.

In addition, many students are subsidized by their employers. Occasionally, we receive more than four quarters of tuition fees paid at one time. This results in a few advance fee payments that may not be applied within a year. Also, on occasion, a student will take a leave from the program, after having paid, with the intent of continuing at a later date. This may also lead to advance fee payments applicable to more than one year in advance.

	2021 £	2020 £
Within 1 year	1,021,407	414,698

The balance represents the accrued liability under the contracts. The movements during the year were:

	2021 £	2020 £
Balance at 1 July	414,698	1,014,435
Fees received in the year	916,966	198,680
Amounts recognised in the current year	(310,257)	(798,417)
Balance at 30 June	1,021,407	414,698

10. Analysis of charitable deficit

	30 June 2020 £	Income £	Expenditure £	30 June 2021 £
General deficit	(32,412,560)	5,430,470	11,214,897	(38,196,987)

The University of Chicago Booth School of Business

Notes to the financial statements (continued) Year ended 30 June 2021

11. Operating lease commitments

At 30 June the Company had annual commitments under non-cancellable operating leases as follows:

	2021			2020		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Leases which expire:						
Within one year	3,907,226	14,790	3,922,016	976,807	14,790	991,597
Within two to five years	15,628,906	14,790	15,643,696	15,628,906	29,581	15,658,487
More than five years	30,281,005	-	30,281,005	34,188,231	-	34,188,231
	<u>49,817,137</u>	<u>29,580</u>	<u>49,846,717</u>	<u>50,793,944</u>	<u>44,371</u>	<u>50,838,315</u>

During 2019, a lease was entered into for a new campus building. The initial lease term is 15 years, commencing 1st April 2019.

12. Guarantees and contingent liabilities

The Charity has entered into no guarantee arrangements.

13. Reconciliation of net expenditure to net cash outflow from operations

	2021 £	2020 £
Net expenditure	(5,784,427)	(6,686,957)
Non-operating cash flows eliminated:		
Depreciation charges added back	1,096,031	493,813
(Increase)/decrease in debtors	(1,051,839)	1,987,016
Increase in trade and other creditors	2,830,372	18,444,023
Increase/(decrease) in advance fee contracts	606,709	(599,737)
Net cash (inflow)/outflow from operations	<u>(2,303,154)</u>	<u>13,638,158</u>

The University of Chicago Booth School of Business

Notes to the financial statements (continued)

Year ended 30 June 2021

14. Related party transactions

University of Chicago in the US is the parent of the Charity 'Chicago Booth' and, as such, is responsible for the appointment of all management/Directors of Chicago Booth's London Campus, as well as providing the necessary funding and a variety of support services.

	2021 £	2020 £
Opening balance 1 July balance due from the University of Chicago Foundation in Hong Kong Limited	8,615,649	10,333,677
Repayment of prior campus funding from Hong Kong	-	(1,731,675)
Costs incurred on behalf of the Hong Kong campus and recharged	(6,461)	13,647
	<u>8,609,188</u>	<u>8,615,649</u>
Closing balance 30 June balance due from the University of Chicago Foundation in Hong Kong Limited	8,609,188	8,615,649
Opening balance 1 July owed to the University of Chicago	51,240,432	35,815,160
Costs incurred on behalf of Charity by the US and recharged	(184,646)	1,168,805
Teaching and services agreement	2,387,163	2,707,131
Accrued interest cost/(income) on build out loan	1	(324,616)
Tuition income received in the US	(1,052,554)	(906,463)
Foreign exchange restatement of build out loan due in USD as at 30 June	(598,504)	110,406
Campus funding in relation to One Bartholomew campus	-	12,670,009
	<u>51,791,892</u>	<u>51,240,432</u>
Closing balance 30 June owed to the University of Chicago	51,791,892	51,240,432

Amounts due to group undertakings also includes a balance of £377,521 (2020: £377,521) due to the University of Chicago Booth School of Business in Singapore.

15. Ultimate controlling undertaking

The Directors consider The University of Chicago, a company registered in The United States of America to be the Ultimate controlling undertaking. Copies of the University's financial statements are available upon request in writing to 5801 South Ellis Avenue, Chicago, Illinois 60637, USA.

16. Subsequent events

There have been no adjusting or non-adjusting events after the reporting date.