



Enterprise

Annual Report 2012/13



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INTRODUCTORY VIDEO**

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Introduction

Social science in action



LSE Enterprise has completed another busy year applying LSE's research and expertise across a broader and more diverse range of assignments than ever. In so doing, it links the School's diverse academic interests to the needs and challenges faced by governments and businesses here and abroad. It can truly be described as social science in action.

The company was formed to develop new routes by which to apply the social science expertise of LSE, on a commercial basis, in order to help address the growing challenges and requirements of society, governments and the private sector. The company continues with this mission, managing over 190 projects in this year alone. These activities range across the School's research fields, its departments, institutes and centres. This annual report aims to give an insight into a sample of these projects and how this external work can inform and enrich academics' core research and teaching. Each year we hope to inspire more colleagues to apply their expertise with us, consistent with, and in support of, their academic duties at the School.

The company's activities continue to develop, with the range of applications diversifying across issues addressed, disciplines deployed, industry sectors served and geographical areas. Where industry and governments might once have relied upon certainties, they are now as likely to face change and new challenges. The side effect of increasing change will continue to be the development of demand for insightful consulting and original research, and the requirement for clarity through objective evaluation, robust analysis, and truly independent advice. Academics at LSE will continue to play a fundamental part in providing research and services to these clients and LSE Enterprise will endeavour to assist them in doing so.

Against a background of difficult macro-economic conditions, the company has performed commendably well. Our staff, and the academics with whom we work, have continued to serve the School's educational mission and our clients with diligence and creativity. I would like to thank all the staff of LSE Enterprise and our academic collaborators who work with the company to deliver commercial research and teaching of the highest quality.

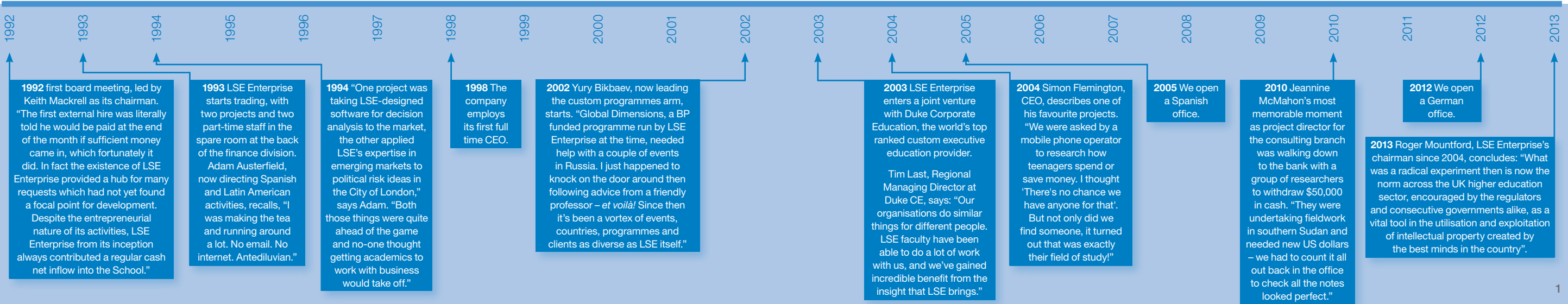
Roger Mountford, Chairman, LSE Enterprise

20 years of LSE Enterprise

At the start of the 1990s, several science and engineering-based universities were setting up companies to commercialise their research findings. As LSE's director, John Ashworth, began discussions with former Shell director Keith Mackrell about creating something similar, they wondered whether the idea was applicable to a social science institution: how can an idea be taken to market?

Over 20 years on, commercial knowledge transfer has become standard government policy and the Research Excellence Framework means that the impact of academic work in these domains is vital. LSE Enterprise has contributed over £13 million to the School and well over this amount to its academic community, and is set to continue expanding into new activities and markets over the next 20 years.

See bit.ly/lseenterprisetimeline



About us

Applying the expertise and research excellence of LSE

LSE Enterprise is the commercial arm of the London School of Economics and Political Science. We specialise in applying the expertise and research excellence of LSE within businesses, institutions, NGOs and government organisations across the world.

This role of being a commercial subsidiary of a globally recognised university brings with it considerable responsibilities and the need for a clear sense of purpose. To assist the company in ensuring that the right balance is struck between commercial initiative and innovation, and the principal purposes of our parent institution, we continually check, review and implement the requirements set out in a series of governing guidelines.

LSE Enterprise Ltd, as a separate subsidiary entity, has its own Board of Directors, comprising a balance of senior academics, governors from the business world and senior School officials. It operates under a Memorandum of Understanding (MOU) with LSE, which is reviewed by its Board and by LSE's Council each year. The MOU sets out the company's mission, values and guiding principles.

Our mission

Our mission is to bring benefit to LSE through commercial activities, drawing upon the intellectual resources of the School, which make a direct contribution of profits to the School, enhance the total remuneration of the School's academics, and extend and enhance the reputation of LSE and its academics with business, government and other external organisations.

Our values

Quality: all services we provide will be of the highest quality, consistent with the reputation of the School.

Partnership: we work in partnership with the School, its academics, clients and business partners. To sustain our contribution to the School these relationships must benefit all parties.

Value for money: we will always endeavour to provide services in a cost-effective way so as both to maximise the achievement of objectives for the School and to ensure that clients remain satisfied with the value of the services provided.

Guiding principles

- We will work in close co-operation with all parts of the School, contributing to its cohesiveness;
- We will endeavour to spread the benefit of opportunities across the academic community;
- We will make use of academics' available time so that the work they do through us will not detract from their principal academic duties;
- We will endeavour to ensure that LSE academics always have a visible leading role in projects, even where we need to engage others so as to add appropriate skills or to scale up the activity to protect market share and grow profits for the School's benefit;
- We will have regard not only to the financial risk to LSE Enterprise of any new initiative, but also to any risks to the reputations of the School and its academics, or to its relationships with others;
- We accept that, as circumstances change, initiatives developed by us may make their contribution most effectively by being recognised as mainstream activities of the School;
- Where possible, we will work with other parts of the School to convert our consultancy and executive education clients into strategic partners of LSE;
- We will not engage in or undertake work that is unethical or socially irresponsible;
- We will ensure, where pertinent, through our contracting and management of any contract, that the academic's position of independence and objectivity is inviolable.

Driving efficiency

Using mobile data to improve public safety

As austerity overlaps with a changing social and crime milieu, the UK's emergency services are turning to efficiency-enhancing tools such as mobile broadband for field communication. The government will be auctioning off the 700MHz band and Dr Alexander Grous of the Centre for Economic Performance has produced a report for the TETRA + Critical Communication Association demonstrating the potential socio-economic benefits of reserving part of this spectrum for the use of the emergency services.

This allocation would enable the use of technology such as GPS mapping, live video-streaming and remote database/system access, providing a more efficient communications system. This

would both improve public safety and reduce costs. The report estimates that 560 lives per year could be saved by ambulances reaching cardiac arrest victims faster. Maintaining police on the frontline for longer, equipped with mobile broadband capability, could reduce crime levels, with a positive impact on GDP, neighbourhoods, wellbeing and more. Some constabularies which have already adopted mobile broadband, for example using smartphones with full access to police systems, have seen a ten per cent improvement in productivity.

The report concludes that the recurring and accelerating benefits of adopting mobile broadband will far exceed the probable opportunity cost of lost auction revenue.

Energy and the UK economy


Several years into the financial crisis, the uncertainties go beyond economics to social trends, environmental concerns and technology. How will Britain's demographics change? When will renewable energy get cheaper? What might be the impact of different policy developments? RWE npower commissioned Professor Sam Fankhauser, Co-Director of the Grantham Research Institute, and his colleague Dr Alex Bowen, to explore three alternative scenarios for how these issues could affect UK energy in 2030.

The first, Hitting the Target, involves political cohesion in a recovered Eurozone, high levels of investment in the power sector and reduced carbon emissions. The second, Gas is Key, assumes that economic momentum will lie with Asia. It explores how short-term price gains from switching to gas power are followed by environmental problems from missed carbon targets. Scenario three, Austerity Reigns, looks at how economic stagnation in the UK and Europe could result in less technological investment, with options such as carbon capture and storage not being implemented.

Professor Fankhauser says: "This report shows how fragile and delicate the equilibrium of factors is for protecting the future of the UK energy industry. A slight change of emphasis in policy, a weakening economic picture or a preference for cheaper energy sources over low carbon energy generation could result in very different operating environments for UK businesses. It is crucial UK businesses take action now to overcome the potential challenges they may face."

The report suggests ways for UK businesses to prepare for this uncertain future, including focusing on energy efficiency, making energy control a senior management issue and taking advantage of self generation opportunities.



 See lse.ac.uk/enterprise/2013npower

Inspiring European discussion

The British-German Dialogue

This high-level forum is run by LSE Enterprise's German branch in collaboration with the UK Foreign and Commonwealth Office. It takes the form of private but open discussions with invited experts in London and Berlin. The discussions aim to identify the strategic challenges that confront both countries; to generate practical suggestions for improving the efficiency of the bilateral relationship and to encourage synergies which will serve British and German interests at an EU and global level. They bring LSE experts together with stakeholders from the worlds of politics, media, public administration, think tanks and business. The speakers include academics from both countries, along with senior figures from government, business and finance.

Dialogues in 2012/13 covered:

The German Federal Elections 2013: Scenarios & Impacts

This dialogue considered Angela Merkel's popularity, governing coalition options, the emergence of smaller parties and attitudes towards Europe.

British-German Security and Defence Cooperation: Shared Interests, Common Challenges

US geopolitical changes are coinciding with economic malaise, posing new challenges that could be partly met by increased synergies between Britain and Germany in areas such as research and development or combined defence spending.

BRICS & Beyond: A Joint British-German Approach towards Emerging Markets?

While competing abroad, the two countries can cooperate more closely on the issue of market access or promoting joint products and good governance.



See lse.ac.uk/enterprise/2013bgd

The LSE Masterclasses in Social Sciences

Funded by a leading Spanish foundation, the Fundación Ramón Areces (of the El Corte Inglés group), the LSE Masterclasses bring some of the world's best social scientists to Madrid to explore the key issues facing Spain in the global context. The 25 participants for each week-long class are young professionals, researchers and future leaders selected from over 100 applicants in the public and private sectors. LSE's faculty use seminars, interactive lectures and case studies to provide research-led insights in areas of social and economic importance for Spain.

The first subject for 2012/13 was Mobility, Innovation, Higher Education and Competitiveness. This linked discussions on mobility, technology and the future of work to higher education,

research excellence and the importance of human capital for national competitiveness.

The second, Wellbeing and a New Health Policy Agenda, drew on policy proposals and research by LSE academics. Participants explored the role of the state in promoting healthy lifestyles, competition within the health care sector and the movement towards integration of health and social care.

The LSE experts teaching on the programme to date have come from the Departments of Management, Economics, Geography and Environment, Social Policy and Health, and include the Director. Their prominence has resulted in considerable media coverage for the programme.



See lse.ac.uk/enterprise/2013masterclasses

Surrogacy issues

The practice of surrogacy, where a woman bears a child for another person, is on the rise around the world. The issues arising from these arrangements include contractual law, parental status and the welfare and civil status of the child, with accompanying health policy implications, financial, gender and power dynamics. Meanwhile the increase in transnationalism means that surrogacy arrangements frequently cross borders.

The European Parliament commissioned LSE Enterprise to undertake the first major study in this area. Researchers from LSE Health, PSSRU, the European Institute and the Law Department analysed the existing and possible legal approaches to surrogacy arrangements, from the medical rights of the surrogate mother in Member States where surrogacy is illegal, to the nationality of the child.

The report suggests that a principal aim of any EU response should be to go beyond dispute management and manage surrogacy as an international practice, providing certainty on the legal parenthood of the child and its entitlement to move to and settle in the new state. However the lack of ethical, legal and regulatory consensus between countries within and beyond the EU may require a global response to the challenges of surrogacy.



See lse.ac.uk/enterprise/2013surrogacy



Youth participation in democracy

In the context of a significant decline in political participation in Europe over the past 40 years, with 18-25 year olds particularly unlikely to vote, the EU's Education, Audiovisual and Culture Executive Agency commissioned a report on youth participation in democratic life.

Researchers from the Departments of Government and Media and Communications investigated levels and types of, and attitudes towards, different forms of participation across countries, age groups and socio-economic groups using a literature review, secondary data analysis, a seven-country survey, almost 80 interviews, 18 focus groups and a multinational experiment in e-voting and the use of social media.

They confirmed that youth are not apathetic about democracy, engaging with societal concerns through volunteering, protest, debate and social enterprise. However they are often unhappy with the political offer and disillusioned with politicians. The report's recommendations include enabling voting for youth representatives before the age of 18, meeting hard-to-reach groups face to face, providing funding for civic spaces and community media where debate can take place, supporting organisations facilitating volunteering and providing assistance with housing, training and employment for those most in need.

The report concludes that there is no crisis of participation of European youth, but a huge opportunity that awaits taking.



See lse.ac.uk/enterprise/2013youth



Advising on trade and pensions

Improving animal welfare alongside trade competitiveness

The World Society for the Protection of Animals (WSPA), a UK-based NGO with a global agenda to raise animal welfare standards, has contracted LSE Enterprise to evaluate the costs and benefits of raising animal welfare standards for farm animals, particularly in developing countries.

Their concern is that this could compromise competitiveness and trade performance in these countries. They are keen to explore whether raising animal welfare standards can be organised in a pro-competitive manner, thus generating wider social and economic benefits and meeting development objectives.

The WSPA is also interested in looking at how to justify, in cost-benefit terms, the care of farm animals for herding and homestead farming communities – most of which are poor and vulnerable – in situations of prolonged drought and natural calamities. The study will explore whether it is justified for governments to provide significant up-front costs in these situations, and whether there would be longer term savings on resettlement and rehabilitation costs.

This project is unique in that it explores some of the complex policy issues that connect economic and commercial ideas with development and rehabilitation policies through the prism of animal welfare standards. It hopes to identify a mix of policies that could work effectively in meeting several objectives simultaneously.



Leveraging LSE networks

Professor Nicholas Barr of the Department of Economics has advised numerous governments around the world on key higher education, health and development issues, including large-scale projects such as designing and implementing a student loan system for Hungary. LSE Enterprise's project director for Spain and Latin America, being also the secretary-general of the LSE Alumni in Spain Association, introduced him to the Association's vice president, who owns a publishing house. Working with the Spanish consultancy Novaster, a Spanish translation was published of Professor Barr's book *Pension Reform*, co-authored with Peter Diamond, winner of the 2010 Nobel Prize in Economics.

Santander Asset Management, with €153 billion under management, were also very interested in the subject. They collaborated in a customised Global Pensions Programme which LSE Enterprise designed around Professor Barr's work. The one-week programme, held at Santander's global headquarters in Madrid, attracted senior management in the pensions industry – regulators, fund managers, asset managers, public pension funds and research organisations such as the OECD, with high participation from Latin America.

LSE faculty and top external experts taught in Spanish and English with simultaneous translation, covering topics such as assets and liabilities, pension fund management and designing and communicating pension plans. Certificates were presented by Spain's Secretary of State for Social Security.

Employee engagement with pension schemes

The new auto-enrolment system for pensions, taking decisions away from employees, may deter engagement with pensions. However the obligatory contributions will not be enough to provide for retirement, and greater engagement with workplace pensions schemes is needed. Dr Sandy Pepper of the Department of Management investigated whether the total reward model, used by Thomsons Online Benefits to communicate all employment benefits to clients' employees, results in higher engagement levels.

While recent research has concentrated on nudging people into making better pensions decisions, this report focuses on understanding what drives more active engagement with pensions decision making. Employees of Thomsons' clients and of other companies were surveyed to look at the extent to which people are prepared to defer their income, positively value a pension, and act upon those intentions.

Respondents whose employers use a total reward model were found to be more engaged with their pension when looked at from each of these three perspectives. They had much more positive attitudes to pensions, were more likely to be a member of their workplace pension scheme (irrespective of salary level) and were much more likely to pay in at least four per cent of their salary to a pension scheme.

Dr Pepper told *The Independent*: "Without effective communication around auto-enrolment there is a fundamental risk that people will not recognise the importance and value of pension contributions. This represents a missed opportunity for businesses and a potential headache for Government."



See lse.ac.uk/enterprise/2013pensions

The international trading of emerging market currencies

Dr Philippe Mueller and Dr Andrea Vedolin from the Department of Finance wrote a report for the City of London Corporation exploring the trading of BRIC currencies in the London FX market. These constitute the most important currencies for non-deliverable forwards (NDFs), a type of financial derivative contract.

NDFs are expected to become ever more important as the BRIC currencies grow without immediately moving to a fully flexible exchange rate regime. The report documents how London has been the major hub for trading NDFs in BRIC currencies, providing a qualitative summary of the opinions of market participants on the continued importance of London for NDF trading.

London is uniquely located to trade currencies in all time zones, and has the infrastructure and talent to trade in financial instruments. The biggest threat for London is the uncertainty about future regulation and the fear that regulatory tightening will be particularly severe in Europe, damaging international competitiveness.

However, the consensus among the survey participants was that London will maintain or extend its lead in the NDF market, and in deliverable forwards should the BRIC currencies move towards a more flexible regime.

Sharing the LSE experience

First Mexican cohort at LSE

LSE Enterprise welcomed its first cohort of over 50 students from the Instituto Tecnológico Autónomo de México (ITAM) for a three-week programme in International Political Economy.

The undergraduates received a mixture of specialist lectures, private seminars and corporate visits, covering the themes of the global economic outlook, emerging economies, and global trade and regional integration. They were taught by LSE academics from the European Institute and the Departments of Government, International Relations and Media and Communications, as well as an array of external experts.

"Learning via lectures and seminars," commented student Elena Sampietro, "allows us to deepen our knowledge and engage in debate in a relaxed environment which has the sole purpose of expanding the minds of the students."

Adam Austerfield, Project Director for Spain and Latin America, said: "We at LSE Enterprise are delighted to have been able to help unlock the high potential between both institutions, and indeed countries, by delivering the first specially designed programme with a terrific group of young students here at LSE."



See lse.ac.uk/enterprise/2013itam



Managerial accounting and financial control

Organised in cooperation with Suman Education International, this customised programme brought together 32 students from 12 universities of Jiangsu province in China. Five half-days of lectures, spread across two weeks, were supplemented by facilitated study and research at the LSE Library. Topics included capital budgeting, investment appraisal and strategic considerations in accounting.

The students undertook a competitive selection process in terms of academic merit and language proficiency to qualify for the programme. The course director, Professor Alnoor Bhimani of the Department of Accounting, commented that "the quality of the students was very high indeed". Several of the students hope to apply for an LSE degree programme in the future.

"The feedback from our students praised the quality of teaching and learning resources, and the training facilities were also excellent. LSE were able to differentiate between Chinese and UK approaches to Managerial Accounting and Financial Control and deliver models and advice on best practice."

Dr Yanzhong Xu,

Managing Director at Suman Education International



See lse.ac.uk/enterprise/2013suman

Perspectives on the global economy

In preparation for Brunei Darussalam's new role as the chair of the Association of Southeast Asian Nations (ASEAN), government officials from across Brunei's Ministry of Foreign Affairs and Trade, the Ministry of Finance and the Prime Minister's Office attended a six-day LSE custom programme giving current perspectives on the global economy. The interactive lectures, game simulations, chaired talks and group presentations were held in Bandar Seri Begawan. Delegates concentrated on global issues and debates across international political economy, covering economic and political diplomacy, strategic management and security dimensions. The programme also considered the specifics of Brunei's current development, the dynamics of its relations with

ASEAN members and other nations and the emerging regional structures shaping the future of economic relations within and beyond the region.

"The programme makes us think how topics such as leadership and crisis management could apply to us as a nation and as an international community."

Participant, 2013



See lse.ac.uk/enterprise/2013brunei



Bolashak social science scholars



The Government of Kazakhstan's Bolashak (Future) programme enables students, researchers and scientists to undertake study, research and continued education at world-renowned universities and acquire the knowledge and skills necessary to facilitate the country's development.

LSE Enterprise designed a year-long custom programme for 11 Bolashak scholars, including private seminars and workshops, attendance at selected LSE and public lectures, and written assignments.

The students researched contemporary issues and debates across social science. Among them, they explored best practice in social services, mental health, employment and higher education policies, with subjects ranging from the legal basis of language construction in society to the role of religion in Kazakhstan's modernisation. Meanwhile LSE staff were able to develop their knowledge of Kazakh society and policy.

"The programme has been a resounding success; the true spirit of 'Bolashak' has been fulfilled and indeed exceeded. The future of the participants, and the ongoing positive effect of the LSE programme, will surely be writ large in the actions and influences the participants will carry forward into the future throughout their careers."

Sayasat Nurbek, President and Member of the Board, JSC Center for International Programs



See lse.ac.uk/enterprise/2013bolashak

Addressing national challenges

Support in tackling HIV/AIDS

The AIDS Alliance is a global network of locally governed organisations that support community action to address HIV and AIDS in 40 countries around the world. The Alliance commissioned the Health, Community & Development group in the Department of Social Psychology to conceptualise how community mobilisation is undertaken around the world, to examine how best to provide support to local community organisations to take leadership in tackling HIV/AIDS and to present the implicit 'theory of change' of the diverse organisations comprising the Alliance.

The Alliance's role in mobilising resources, building capacity, developing knowledge exchange networks and creating enabling environments was analysed, and a qualitative study

with representatives of the organisations involved in the Alliance demonstrated their commitment to working with grassroots community activists and workers and the role of community mobilisation in creating strong, healthy and empowered communities.

"This project has been really successful for us LSE researchers as well as for the Alliance, leading on to journal articles submitted, conference papers, and hopefully further research."

Dr Flora Cornish, Department of Methodology

Indonesia: Change management in a globalised world

The government of Indonesia aims to transform the Indonesian economy into a major regional and global player that is fully capable of playing a leadership role in both economic and non-economic policy debates. It requested tailored teaching for those responsible for advising, formulating and implementing change management policies in both the national and global contexts. Over 30 top-level government officials from Indonesia attended a two-week training programme at LSE, taught by academics from the Departments of Economics, Government, International

Relations and Management, with addresses by Lord William Wallace and the Indonesian Ambassador, His Excellency T M Hamzah Thayeb. After this, the participants initiated individual change projects for their country, supported by a follow-up workshop and individual sessions with LSE staff in Jakarta.



See lse.ac.uk/enterprise/2013indonesia

"This programme has as part of its mission to help each of you to be a change agent, to help each of you in specific positions to change organisations you work in, to enable them to work more effectively. This is an extraordinarily important mission, and I am delighted that LSE is involved and working on this mission."

Professor Craig Calhoun, LSE Director, to the Indonesian participants

Technical / vocational education and training (TVET) in Myanmar

TVET is vital for the economic development of countries; yet in many developing countries the systems have not been able to flexibly adjust to the modern world of new and changing technologies to provide quality and accessible TVET. In Myanmar, the need for infrastructure development, opening the country for tourism and making the most of agriculture, all require qualified human resources.

Dr Simona Milio, Associate Director of the Social and Cohesion Policy Unit, is leading an assessment study for the International Labour Organization to provide a critical analysis of the current state of TVET in Myanmar. Key findings to date include that the system should be changed from supply to demand driven, and from being theory oriented to becoming competence based.



See lse.ac.uk/enterprise/socialcohesion

The numbers in black and white

A report for Release, the national centre of expertise on drugs and drugs law, demonstrates that the policing and prosecutions of drug possession offences in England and Wales are unfairly focused on black and minority communities. Researchers from the Department of Social Policy worked with the Executive Director of Release to analyse Home Office, Ministry of Justice and national policing statistics, using the 2011 census data.

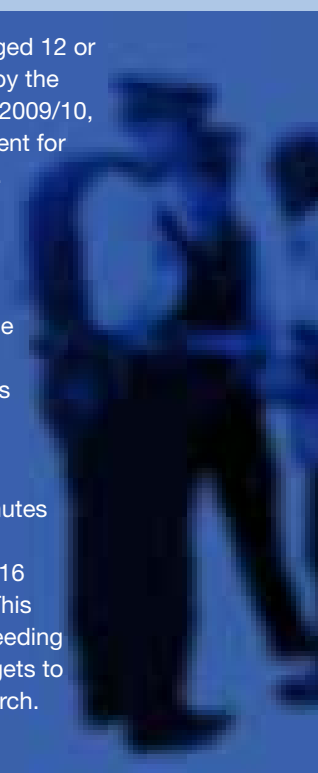
They looked at rates at the stop and search, arrest, prosecution and sentencing stages, finding that despite taking fewer illegal drugs than their white peers, black people are six times more likely to be stopped and searched for drugs. Inequalities then continue throughout the criminal justice system: in 2009/10, for example, the Metropolitan Police charged 78 per cent of black people caught in possession of cocaine, compared with 44 per cent of whites.

With only a seven per cent arrest rate for the half a million stop searches each year, and evidence that using criminal laws to deter drug use does not work, the policy creates significant resentment without making good use of resources. As a policy solution, the researchers propose that drug possession offences be decriminalised.



See lse.ac.uk/enterprise/2013release

- Almost 300 children aged 12 or under were searched by the Metropolitan Police in 2009/10, with no legal requirement for an adult to be present.
- In the Greater London area black people are charged at five times the rate of white people and receive cannabis warnings at three times the rate.
- A cannabis warning takes about 30-60 minutes to issue and process, compared to perhaps 16 hours for shoplifting. This incentivises officers needing to reach detection targets to focus on stop and search.



1 Review of the year

The Company has completed another successful year providing its commercially-driven consultancy and customised executive education service on behalf of the LSE community. Closer co-ordination with the external functions of LSE has led to new opportunities emerging with businesses and the public sector in Germany, Latin America and South East Asia. New business strands are being explored and developed to further expand our service across LSE whilst we also continue to spread our message to alumni around the world.

The company's core mission remains to bring value to LSE by delivering a gift aid payment as well as promoting and transferring expertise and research knowledge from LSE to the outside world. Our activities support the aims and ambitions of our academic colleagues and we continue to welcome conversations with all those who wish to explore opportunities, no matter how small or large.

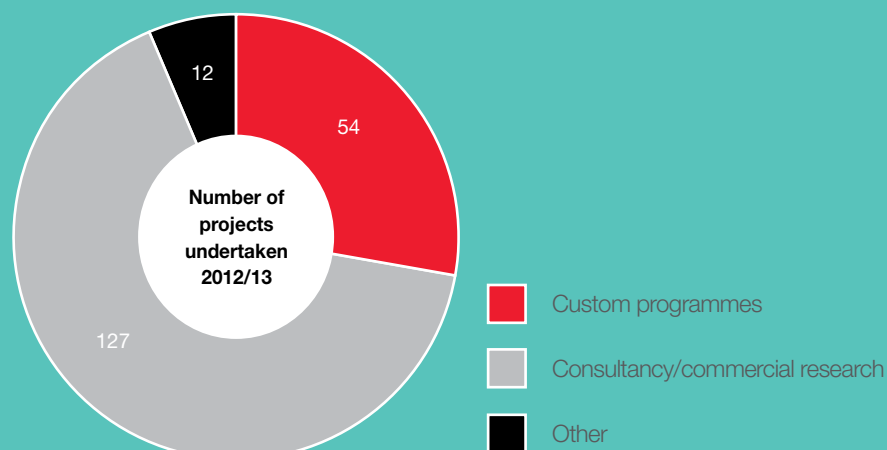
Review of business and future developments

Continued economic uncertainty across most EU countries was the backdrop for a modest 3.5 per cent growth in revenue from £6.24 million in 2011/12 to £6.46 million. Gross profit on operating activities was down slightly at £2.6 million from £2.8 million in the prior year. The company's total transfer to LSE for the financial year will have been £3.36 million, comprising payments to academics and researchers as well as gift aid payments.

After paying academics £2.25 million for their work, an unrestricted gift of £1.01 million will be made to LSE. This compares to £753k in the prior year, a 34 per cent increase in underlying profit. A further £107k of research fund donations will be given to the School by way of gift aid. The underlying financial performance indicates that the company is now emerging from the more difficult part of the economic downturn.



The first project for our Berlin branch was the British-German Dialogue, run in collaboration with the UK Foreign and Commonwealth Office



Business development: Brussels, Germany, Latin America and South East Asia

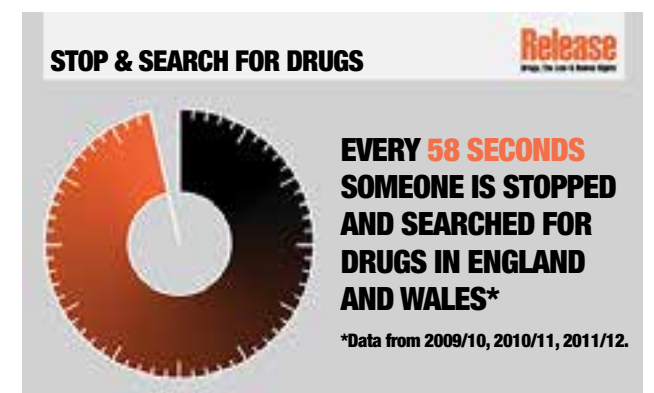
During the year we recruited a business development manager for Germany, based in Berlin. The first year of this activity has been one of networking and developing opportunities whilst at the same time delivering our first project, the British-German dialogue (below left and p 4). New business development efforts elsewhere saw fruitful new programmes with clients in South East Asia (pp 8-10) as well as encouraging new work from Latin America (right and p 8). We expect further expansion in these territories in the forthcoming year. Our core commercial research work moves from strength to strength, with significant large scale contract wins with EU Directorates and the European Parliament as well as interesting UK contracts from policing (below right and p 11) to energy policy (p 3).



We have increasing numbers of custom programme participants from Latin America on campus

Duke Corporate Education – joint venture

Our successful global joint venture with Duke CE Ltd to supply customised strategy courses to multinational organisations continued well during the year. Duke CE has maintained its pre-eminent position in the custom executive education ranking of the *FT* for the 11th year in succession. The company draws upon LSE Enterprise to assist with the delivery of the broad socio-economic context in which many of their client organisations operate.



Our project with Release investigated ethnic disparities in the policing and prosecution of drug offences

Facts and figures

Five year record

	2012/13	2011/12	2010/11	2009/10	2008/09
	£ 000	£ 000	£ 000	£ 000	£ 000
Revenue:					
Consultancy	3,357	3,582	2,665	3,760	3,608
Custom programmes	2,687	2,196	2,380	3,407	3,614
Other revenue	417	465	536	581	878
	6,461	6,243	5,582	7,748	8,100
Cost of sales	(3,833)	(3,440)	(3,169)	(4,788)	(5,104)
Gross profit	2,628	2,803	2,413	2,960	2,996
Net profit for the year, before gift aid	1,117	1,354	447	1,674	1,975
Gift aid payment to LSE (per statutory accounts)	(1,114)	(1,237)	(446)	(1,662)	(1,979)

	2012/13	2011/12	2010/11	2009/10	2008/09
	£ 000	£ 000	£ 000	£ 000	£ 000
Academic salaries	£3,131	£3,087	£3,349	£3,482	£2,925
- LSE academics	£2,245	£1,948	£1,788	£2,160	£1,769
- External	£886	£1,139	£1,561	£1,322	£1,156
Number of academics					
- LSE	388	375	463	480	467
- External	224	188	215	266	200
- External	164	187	248	214	267

Profit and loss account

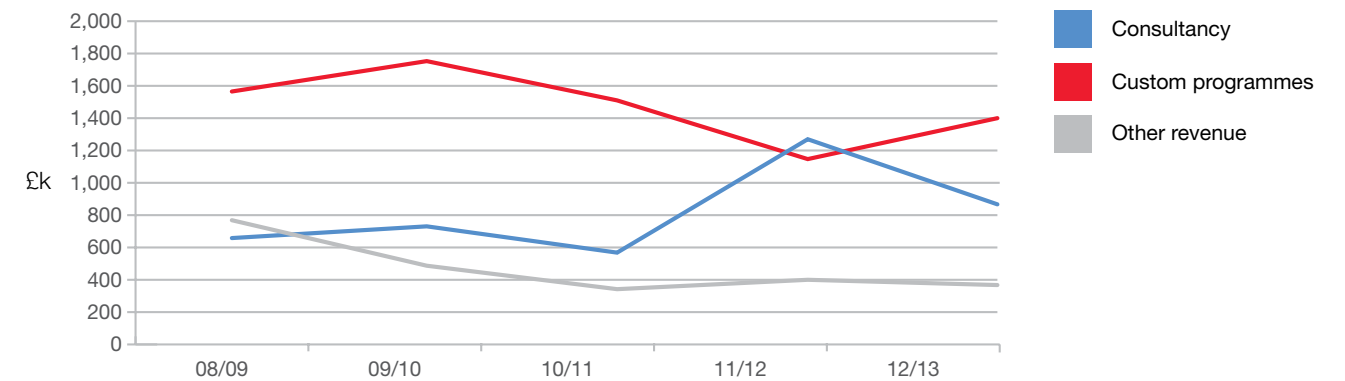
	2012/13	2011/12
	£ 000	£ 000
Turnover	6,461	6,243
Cost of sales	(3,833)	(3,440)
Gross profit	2,628	2,803
Administrative expenses	(1,517)	(1,456)
Operating profit	1,111	1,347
Interest receivable	6	7
Profit on ordinary activities before gift aid and tax	1,117	1,354
*Gift aid payment to LSE	(1,114)	(1,237)
Tax on profit on ordinary activities	(6)	(27)
Profit on ordinary activities after gift aid and tax	(3)	90

*2012/13 gift aid payment to LSE includes £106,751 ring-fenced for academic research within Research Division (2011/12: £483,559)

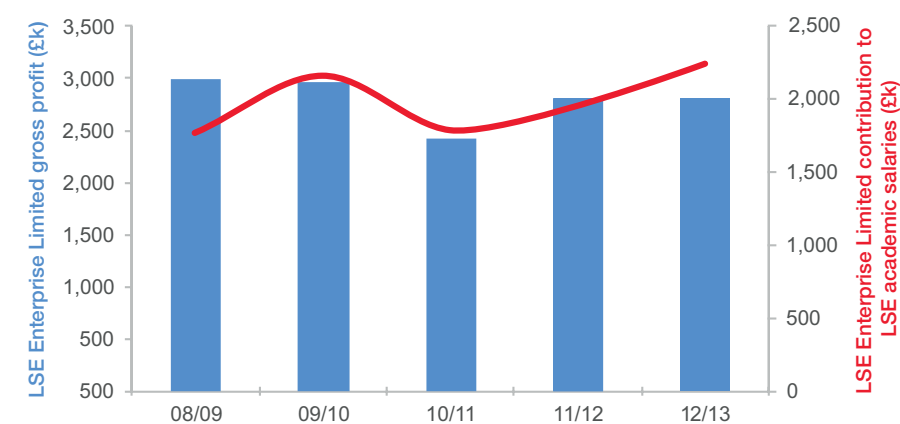
Balance sheet

	2012/13	2011/12
	£ 000	£ 000
Assets (fixed and current)		
Tangible assets	14	8
Debtors	2,145	1,722
Cash at bank and in hand	1,733	2,511
Total current assets	3,878	4,233
Creditors	(3,742)	(4,088)
Net assets	150	153
Capital funds		
Share capital	150	150
Profit and loss account	0	3
Shareholder funds	150	153

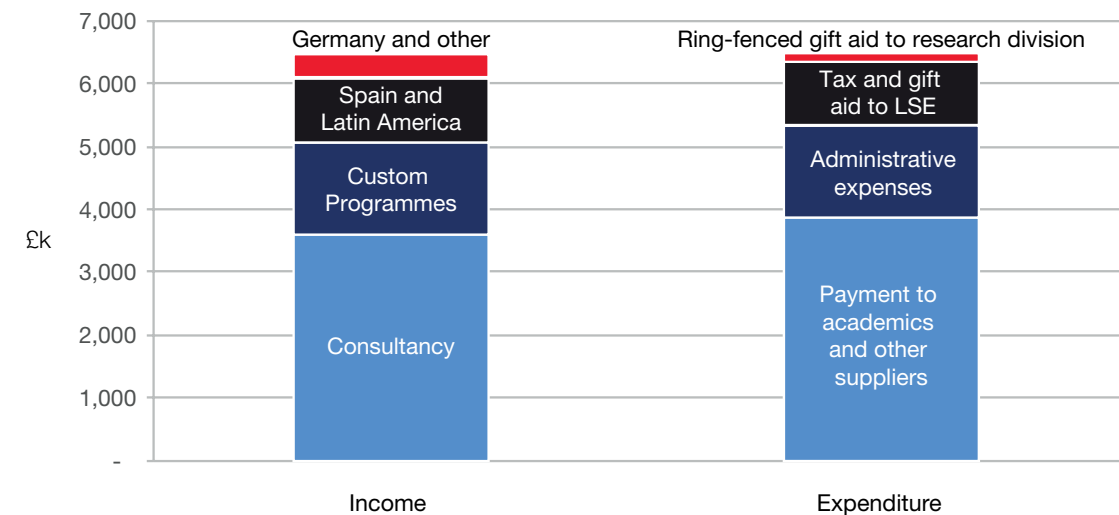
Five year overview of gross profit



Gross profit and contribution to LSE academic salaries

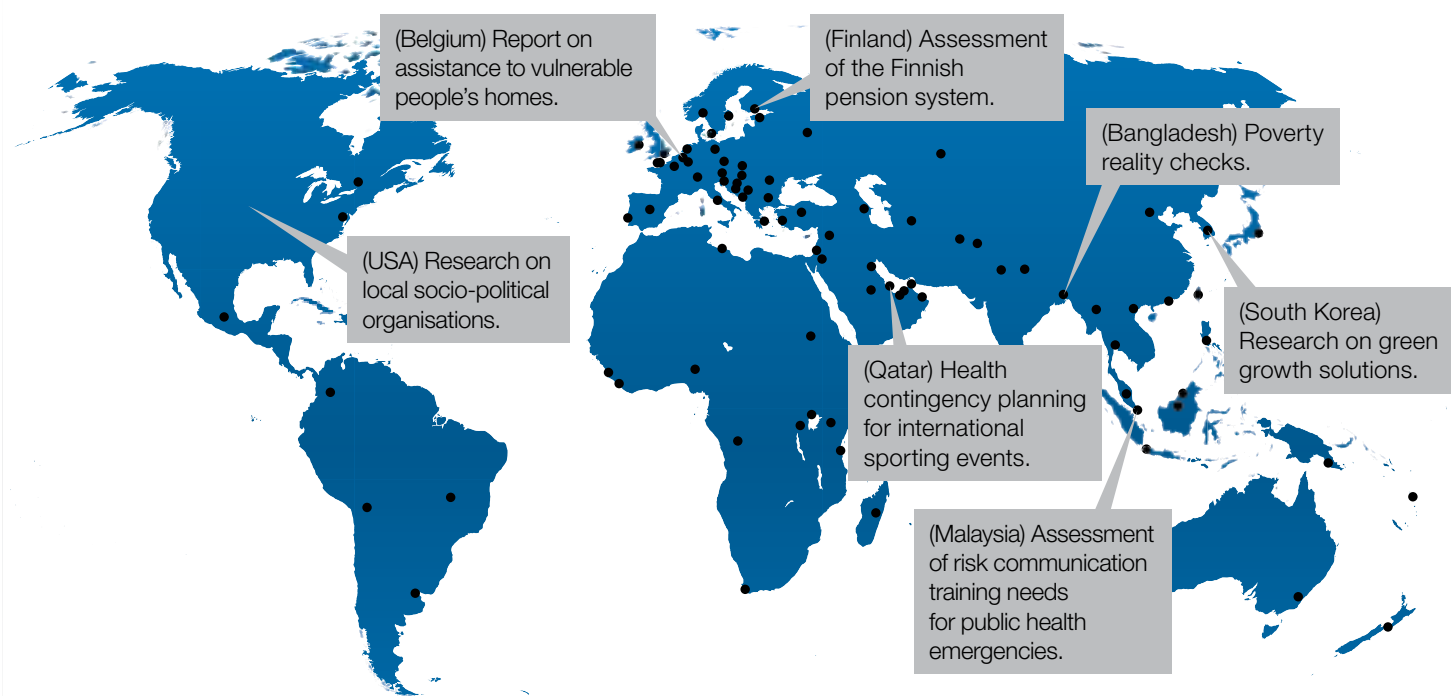


Income and expenditure for the year



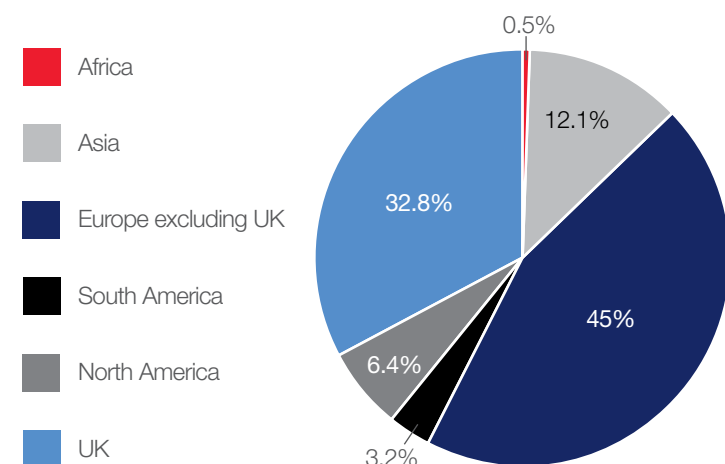
LSE and beyond

LSE Enterprise around the world



- The 89 countries in which we have worked to date
- A few projects from 2012/13 that we had no room to feature in detail
- See lse.ac.uk/enterprise/global for more projects

Income split by continent 2012/13



LSE Enterprise board members

Roger Mountford (Chair)
Governor, LSE

Professor Stuart Corbridge
Provost and Deputy Director, LSE

Andrew Farrell
Director of Finance and Facilities, LSE

Tim Frost (appointed March)
Non-Executive Director for the Bank of England and Cairn Capital; LSE Governor

Neil Gaskell
Governor, LSE

Professor Peter Miller
Department of Accounting, LSE

Gita Patel (appointed March)
Director, Trapezia

Professor Andrés Rodríguez-Pose
Department of Geography and Environment, LSE

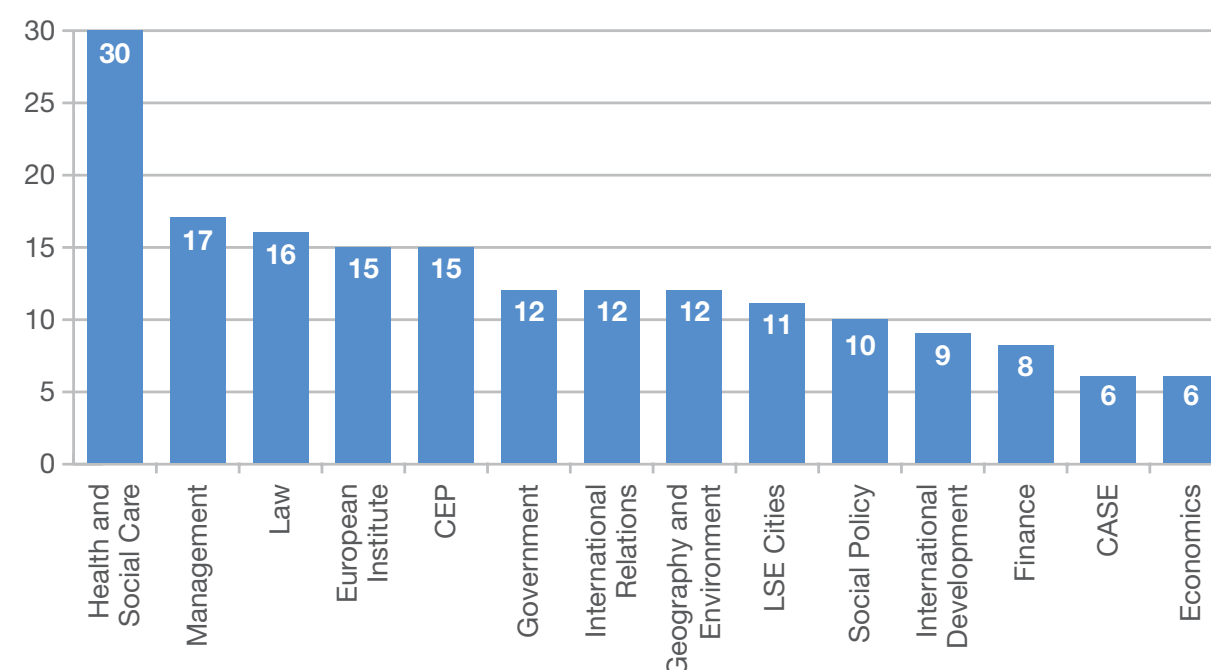
Susan Scholefield, CMG
School Secretary, LSE

Departments/centres featured in this report

The 224 LSE colleagues we worked with this year came from almost 50 departments, centres, divisions, groups and units.

Centre for Economic Performance	3	Department of Management	4, 7, 10
Department of Accounting	9	Department of Media and Communications	5, 8
Department of Economics	4, 6, 10	Department of Methodology	10
Department of Finance	7	Department of Social Policy	4, 11
Department of Geography and Environment	4	Department of Social Psychology	10
Department of Government	5, 8, 10	Director	4, 10
Department of International Relations	8, 10	European Institute	5, 8
Department of Law	5	Grantham Research Institute	3
		LSE Health and Social Care	4, 5

Top departments/centres by numbers of academics working with us



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