

# Annual Accounts 2023/24

LONDON  
SCHOOL of  
HYGIENE  
& TROPICAL  
MEDICINE



# **COUNCIL MEMBERSHIP**

## **EXTERNAL MEMBERS**

|                                   | <b>Appointed Until</b>      |
|-----------------------------------|-----------------------------|
| Mr Don Robert - Chairman          | 01 April 2026               |
| Mr Hitesh Patel - Deputy Chair    | 22 September 2025           |
| Ms Angela Darlington              | 31 July 2026                |
| Dr Precious Lunga                 | 31 December 2023 (resigned) |
| Mr Mohamed Osman                  | 31 July 2026                |
| Professor Mike Turner             | 31 July 2026                |
| Ms Diana Layfield                 | 31 July 2027                |
| Dr Nazira Amra                    | 31 July 2025                |
| Mr Mark Poulton                   | 09 November 2025            |
| Rt Hon Baroness Lindsay Northover | 09 November 2025            |

## **ELECTED MEMBERS OF STAFF**

|                            |                             |
|----------------------------|-----------------------------|
| Professor James Hargreaves | 01 February 2027            |
| Ms Naomi Stewart           | 01 February 2027            |
| Mr Sunil Sharma            | 18 January 2024 (resigned)  |
| Dr Kevin Tetteh            | 31 December 2023 (resigned) |
| Professor Clare Chandler   | 31 July 2026                |
| Dr Nambusi Kyegombe        | 31 July 2026                |

## **DIRECTOR**

|                       |                   |
|-----------------------|-------------------|
| Professor Liam Smeeth | <i>ex officio</i> |
|-----------------------|-------------------|

## **CHAIR OF THE STUDENTS' REPRESENTATIVE COUNCIL**

|   |                   |
|---|-------------------|
| Hamza van der Ross (appointed 03 November 2023) | <i>ex officio</i> |
|---|-------------------|

## **SECRETARY TO THE COUNCIL**

|                  |                   |
|------------------|-------------------|
| Jocelyn Prudence | <i>ex officio</i> |
|------------------|-------------------|

## **IN ATTENDANCE**

### **CHIEF OPERATING OFFICER**

|                |                   |
|----------------|-------------------|
| Dr Matthew Lee | <i>ex officio</i> |
|----------------|-------------------|

### **KEY ADVISORS:**

|                    |  |                    |   |
|--------------------|--|--------------------|---|
| Bankers:           | National Westminster Bank Plc<br>Bloomsbury Parr's Branch<br>PO Box 158<br>214 High Holborn<br>London WC1V 7BX | Lawyers:           | Mills & Reeve<br>Botanic House<br>100 Hills Road<br>Cambridge CB2 1PH |
| External Auditors: | BDO LLP<br>2 City Place<br>Beehive Ring Road<br>Gatwick<br>West Sussex RH6 0PA                                 | Internal Auditors: | KPMG LLP<br>15 Canada Square,<br>Canary Wharf<br>London, E14 5GL      |

**REGISTERED OFFICE:** Keppel Street, London WC1E 7HT ([www.lshtm.ac.uk](http://www.lshtm.ac.uk))

# Annual Accounts for the Year Ended 31 July 2024

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# Treasurer's Report

This report gives an overview of the London School of Hygiene and Tropical Medicine's (hereafter "LSHTM") activities and finances during 2023/24. In addition, the report highlights LSHTM's key strategic and operational objectives, and the progress made in the course of the year in meeting these objectives.

## LSHTM, its history and incorporation status

LSHTM has a worldwide reputation for its research, postgraduate studies and continuing education in public and global health. With an international presence and collaborative ethos, it is uniquely placed to influence global public health policy and translate research findings into tangible impact. This is reflected in LSHTM's composition of three Faculties (Faculty of Epidemiology and Population Health, Faculty of Infectious and Tropical Diseases and Faculty of Public Health and Policy) as well as two research units in the Gambia and Uganda.

LSHTM was established in 1899 and is incorporated under a Royal Charter granted in 1924. Following approval by the Privy Council, a Supplemental Charter came into effect in March 2009.

## Mission and purpose

LSHTM's mission is to improve health and health equity in the UK and worldwide; working in partnership to achieve excellence in public and global health research, education and translation of knowledge into policy and practice.

Our vision is for a more healthy, sustainable and equitable world for everyone.

This vision will drive our activities as we pursue our overall mission. Our values underpin our mission and express our expectations of everyone at LSHTM.

## Competitive and regulatory environment and financial context

The Higher Education sector in the UK is broad, diverse and ever changing. The sector receives funding from a number of sources: direct from students for their education, through the tuition fees they pay; from government sources to support both education and research; from donors who wish to support the mission and strategy of universities; and from commercial trading activities.

LSHTM is regulated by the Office for Students (OfS). The OfS has a primary remit to ensure students receive a high quality and value for money educational experience. LSHTM has registered as a recognised education provider with the OfS and is subject to its regulatory requirements.

LSHTM receives government funding grants from Research England and the OfS for research, teaching and knowledge exchange. LSHTM is required to submit a series of financial, data and accountability returns to Research England and the OfS as part of the regulatory framework established by both bodies.

LSHTM is one of the world leaders in its field and attracts students from all parts of the world. Unlike for undergraduate UK students, where tuition fees are regulated, LSHTM has full flexibility to set its postgraduate fees in line with its mission and to reflect its position in the sector globally.

LSHTM's research grant and contract portfolio is awarded by funders based on the quality of the scientific outputs expected, and their impact on policy and practice. In most cases LSHTM is competing for research funding with other universities, both in the UK and internationally.

LSHTM can be considered highly research intensive, as the majority of the funding it receives is in respect of delivering a portfolio of research contracts.

## Treasurer's Report (continued)

### Strategy 2022-2027

LSHTM's Strategy for 2022-2027 is the guiding document by which we aim to work towards a healthy, sustainable, and equitable world for everyone. It sets out LSHTM's priorities for the first five years of our journey towards our vision for 2032. The Strategy is shaped around three strategic themes: research innovation and impact for health equity, education to improve health worldwide and thriving people and culture.

The Strategy has been developed in the context of shifting priorities in human health, which include climate change, environmental change, urbanisation, migration, social drivers such as racism and sexism, increased poverty and the continuing threat of endemic infectious diseases.

Our strategic priorities over the period are:

| Research, innovation & impact for health equity                                       | Education to improve health worldwide                            | Thriving people & culture               |
|---|--|---|
| Sustain and promote excellent human health research                                   | Research-rooted, stimulating and responsive education            | Inclusive and supportive culture        |
| Maximise the impact of our research mission through knowledge exchange and innovation | Flexible and digitally enabled learning and teaching             | People focussed in all we do            |
| Strive for equitable and sustainable research and research partnerships               | An environment in which all students can achieve their potential | Vibrant and effective LSHTM environment |
| Advance multi and inter disciplinary research   | Foster the student experience                                    |   |
|   | Elevate and celebrate education                                  |   |

Sustainability, partnership, inclusivity and focussing on our strengths are all key underpinning guiding principles.

Full details of our Strategy are available on our website: [lshtm.ac.uk/aboutus/introducing/mission](https://lshtm.ac.uk/aboutus/introducing/mission)

### Development and performance in the year against key strategies

Over the last year, along with all other UK higher education institutions, LSHTM has needed to continue its work against a backdrop of geopolitical tensions and conflicts, political negativity towards higher education, changes to visa policy that has made it more difficult for certain students to come to the UK to study, continuing increases in costs both institutionally and to individuals, and heightened concerns from regulators about the financial sustainability of the UK higher education sector.

Despite these challenges, we believe that we have continued to make good progress towards our continuing mission and key strategies that enhance global health and health equity. Some examples of this are given below.

#### **Research, innovation and impact**

LSHTM's research strategy continues to focus on high quality, impactful research that utilises expertise across discipline areas and is undertaken in partnership with others who bring complementary skills and expertise.

#### Case study – Results of malaria vaccine trial

The results of a landmark clinical trial on the world's first malaria vaccine RTS,S/AS01E demonstrated that giving the vaccine to young children alongside antimalarial drugs before the rainy season led to a significant reduction in life-threatening malaria cases and deaths for over five years. The research led by Professor Sir Brian Greenwood and Professor Daniel Chandramohan in collaboration with the Institut des Sciences et Techniques (INSTech), Institut de Recherche en Sciences de la Santé (IRSS), Burkina Faso, the Malaria Research and Training Center (MRTC), Mali, and PATH, USA showed that the vaccine-drug combination reduced clinical malaria episodes by nearly two-thirds compared with either method given alone in settings of highly seasonal transmission.

## Treasurer's Report (continued)

### Case study – Development of a new TB framework

Professor Rein Houben and colleagues led on the development of a new framework to classify tuberculosis (TB) that aims to improve diagnosis and treatment of the early stages of TB which have historically been overlooked in research. In partnership with UCL, The Walter and Eliza Hall Institute (WEHI), University of Cape Town, Imperial College London and the South African Medical Research Council, the team identified four disease states and a fifth state of *M. tuberculosis* infection that has not progressed to disease. TB remains the world's most deadly infectious disease currently, an estimated three million cases a year are not reported to health systems and more than half of these cases will be asymptomatic. Therefore, to prevent transmission of TB, it is important to look at earlier disease states, identifying people who may be infectious for months before they develop TB symptoms.

### Case study – Impact of UK sugar tax

The UK government introduced a Soft Drinks Industry Levy, or 'sugar tax' in 2018 as part of its strategy to tackle childhood obesity. Research by Professor Steve Cummins and colleagues at the University of Cambridge showed that by the end of the first year after the levy was introduced, the estimated average daily consumption of sugar had fallen by almost 5g per day for children and almost 11g for adults compared to the expected level if the tax had not been introduced by the end. This analysis was the first to examine sugar consumption specifically rather than data on the purchase of sugary drinks. Obesity among young people has increased significantly over the past 25 years with 24% of adolescents aged 11-15 years in England were living with obesity in 2019, so tackling obesity is a major priority for public health.

### Case study – Impact of climate on mortality in England and Wales

Professor Antonio Gasparrini contributed to the UK's Office for National Statistics (ONS) report on temperature-related mortality which showed that 51,670 deaths in England, and 2,186 deaths in Wales, were associated with the hottest days over the 35 years from 1988 to 2022. In 2022 an estimated 4,507 deaths were associated with the hottest days in England. The results confirm the strong geographical differences across regions, with London being the most impacted for heat-related deaths with the highest mortality risk being in London for temperatures exceeding 29 degrees Celsius. The research demonstrates the urgent need to implement adequate climate and public health measures given the increase in temperature and the extreme heatwaves that have occurred more frequently.

### Case study – LSHTM staff contribute to the UK Covid-19 Inquiry

LSHTM academics gave evidence at the UK Covid-19 Inquiry's module 1 (resilience and preparedness) public hearings which took place in June and July 2023. During the pandemic LSHTM academics contributed as members of the UK Government's Scientific Advisory Group for Emergencies (SAGE) and its various sub-groups working closely with experts from other institutions to reach a consensus on the best scientific evidence available at the time. The UK Government then used this evidence to inform its decision-making. The UK Inquiry released its first module report in July 2024 exploring how resilient and prepared the UK was for the COVID-19 pandemic. Following months of evidence collection, including testimony from LSHTM academics, the Inquiry outlined its key recommendations relating to how the UK deals with "whole system civil emergencies" like a pandemic. The report calls for a "major overhaul" of systems and processes behind the UK's ability to deal with pandemics, including "better systems of data collection and sharing in advance of future pandemics" and for the UK government to "establish new mechanisms for the timely collection, analysis, secure sharing and use of reliable data for informing emergency responses".

## Education

LSHTM's education strategy focusses on the creation of a learning environment in which all students can flourish on stimulating programmes that are research-rooted and delivered flexibly and digitally. There are many initiatives already underway that will allow us to realise this aim and further new initiatives are now arising from the work of six workstreams, whose progress and milestones are monitored by our Education Strategy Board.

LSHTM offers a broad range of education offerings, from open access bite-sized learning, to full MSc and PhD programmes.

## Treasurer's Report (continued)

Total London based Masters and doctoral students for the year ended 31 July 2024 were 979 (2023: 1,302). Recruitment of doctoral students remained consistent with previous years. On our London based Masters programmes, there was a fall in the number of UK students recruited, while non-UK student recruitment remained consistent with previous years. The factors influencing student recruitment are complex and multi-faceted, but we believe that ongoing cost of living pressures and increased competition with other Higher Education Institutions for London based Masters were key factors in the fall in UK student recruitment numbers. Despite the fall in UK students, LSHTM maintains a broad mix of students from across the world, including from the European Union, Africa, the Americas and Asia-Pacific regions.

The number of active Online Learning students registered as at July 2024 was 1,472 (July 2023: 1,767 registrations). Recruitment of new Online Learning students in the year fell compared to the previous year. Again, the factors driving this are multi-faceted, but we believe increased competition to be a major factor in the decline. Overall numbers are also impacted by the number of students re-registering to continue their studies. This is influenced by recruitment numbers in prior years. LSHTM saw a large increase in numbers recruited through the COVID period, where online learning became more attractive, but recruitment in the post-COVID years has fallen back to more expected levels, meaning the pool of continuing student registrations has also fallen.

### Case study – Education Strategy 1.0 achievements

Phase 1.0 of the Education Strategy is now complete with enhancements made in a variety of areas. These include:

- Centring education more prominently in our activities, requiring all academic staff to include at least one education objective in their Performance & Development Review (“PDR”) and having a monthly education presence in our all-staff newsletter, Chariot.
- Adopting a more strategic approach to rationalising and refreshing our MSc portfolio and modules, with faculties using student registrations and financial information alongside recommended criteria to lead decision making, with 7 modules paused ahead of the 2024/25 academic year and further merges of modules planned for 2025/26.
- Adopting a more strategic approach to short course delivery with the appointment of a Short Courses Director in the Faculty of Epidemiology and Population Health, appointing a new post as Head of Strategic Education Office and revising and updating the costing tool.
- We have also increased our focus on student experience by appointing two new posts and providing a more comprehensive induction and support offer for our Student Representative Council (SRC) Executive Officers.
- Our Virtual Learning Environment has been overhauled and migrated to Moodle 4.1 to facilitate a clearer and more consistent learning environment for our students and we are trialling blueprinting and templating for the first time to ensure greater quality control of the content provided to students across all modules.
- Our Centre for Excellence in Learning and Teaching team have gained accreditation which allows LSHTM to offer direct applications for Senior Fellowship of the Higher Education Academy for the first time.

### Case study – First Generation Scholars and Scholarships Committee

For the first time this year LSHTM have offered internally funded scholarships for Online Learning students. The First-Generation Scholars build on our original Next Generation Scholars who registered on our intensive programmes for the first time in September 2023. We therefore now have been able to broaden our scholarship offer to reach Intensive and Online Learning students who would ordinarily not be able to participate in our education offer and which in turn also supports us to deliver our Education Strategy and our Widening Participation Strategy.

### Case study – All MSc and short course teaching delivered on site in 2023/24

2023/24 is the first academic year that LSHTM has been able to deliver all our MSc and short course teaching in our Keppel Street building. This has been more convenient for staff and students and makes for a more consistent learning and teaching experience with better in-house AV and IT support and removes the need for staff and students to familiarise themselves with facilities and rooms in external venues. Our Estates, Project Management Office and Audio-Visual teams have worked tirelessly to convert offices into classrooms and the new teaching rooms have been well received by staff and students.

## Treasurer's Report (continued)

### Case study – The Pumphandle Social opened September 2024

After nearly 12 months of construction, the new social space opened in September 2024 ready for the start of the new academic year. This Pumphandle Social will provide a vibrant space for studying, socialising and student events and we hope will very much become the hub of student life in the next academic year.

### Case study – Capacity building short courses for Public Health Centre in Ukraine

Having received £250,000 grant from a donor we have advanced our partnership with the Ukrainian Public Health Centre in Ukraine and the School of Public Health at the National University of Kyiv Mohyla Academy and have co-created and will be delivering a suite of four short courses in the 2024-25 academic year. This will support practitioners and public health leaders in Ukraine to develop leadership skills to transform health services within Ukraine and is the foundation for a potentially larger partnership in future.

## **People and culture**

We recognise that our people are fundamental in achieving our mission and strategically we are focussed on ensuring a vibrant and engaging LSHTM community that is inclusive and a culture that promotes our values of acting with integrity, working together, embracing difference and creating impact. Since agreeing these four core values, we have been working to embed these through our community, alongside an associated Behaviour Framework.

We continue to make good progress against our People & Culture Strategy including progressing the first phase of reviewing LSHTM's employment model. A second phase of the review has now commenced aimed at aligning LSHTM's workforce model and profile more closely with our strategic needs across research and education, whilst aiming to provide longer-term employment arrangements for an increased proportion of our staff base. LSHTM's research intensive nature and financial model (with more than 70% of our income derived from time-limited external research funding) has a direct impact on staff employment contracts. Work is ongoing to explore and model different options to make positive changes to LSHTM's employment model, where possible.

A key priority of the People & Culture Strategy also includes making changes to our Leadership & Management training and provision, coupled with an enhanced focus on performance management. This continues to be an area of development for LSHTM and will be subject to increased leadership attention and efforts over the coming months and years.

Staff across LSHTM continue to engage positively with the annual Performance and Development Review (PDR) process, with a completion rate across the institution of 90.6% for 2023 (the highest completion rate since PDRs were introduced at LSHTM in 2015/16).

A Safeguarding Framework has been developed following engagement with key stakeholders and will be launched early in the 2024/25 academic year, incorporating international safeguarding practice and standards to support our staff, students, volunteers, research partners and stakeholders. We also continue to review our policies, practices and training relating to bullying and harassment and aim to implement enhancements to relevant policies and practice before the end of 2024.

We have also made important senior appointments following extensive recruitment and search processes, including Professor Moffat Nyirenda, Director of MRC/UVRI and LSHTM Uganda Research Unit who commenced his role in April 2024, Lee Rodwell, Director of Development & Alumni Relations, who joined us in August 2024 and Professor Ahmed Rashid, Pro-Director Education, who joined LSHTM in September 2024.

## **Environmental sustainability**

Environmental sustainability is a key underpinning theme within LSHTM's Strategy, recognising the urgent need for all governments, organisations and individuals to address the climate crisis. Our academic research includes understanding and influencing debate regarding the impact of climate change on human and planetary health.

As an organisation LSHTM remains committed to being net carbon neutral by 2030. We have made good progress towards this through a number of measures and this work will continue to be an institutional priority.



## Treasurer's Report (continued)

LSHTM's evolving climate resilience strategy will entail:

- *Extreme weather events* – remote networking and conferencing particularly targeting the locations and regions where the preponderance of LSHTM's interest, collaborators and staff & students are focused.
- *Efficient & more sustainable use of physical spaces* – developing our ability to deliver our mission using less space. As such only needing to service smaller areas thereby saving cost and carbon intensity.
- *Sustainability of services to physical spaces* – reducing the amount of heating, cooling and facilities to existing buildings helps to reduce carbon emissions and costs related to delivering these services. It also entails investments in new ways of working, energy efficiency measures and local renewable energies (with the latter also providing an insulation to geo-political influences on energy prices).

ISO 14001 audits are carried out annually which reviews procedure and performance related to environmentally impacting activities at LSHTM including climate-related risks and opportunities. Some of the methods used for monitoring are the building management system (BMS), space temperature guidance and degree-days and weather forecasts. However, it is necessary to develop a more focused climate risk management process which aligns with LSHTM's strategy.

LSHTM's emissions during 2023/24:

*Scope 1 emissions:* 405tCO<sub>2</sub>e (2023: 733tCO<sub>2</sub>e). *Scope 2 emissions:* 917tCO<sub>2</sub>e (2023: 1,068tCO<sub>2</sub>e)

- Scope 1 and 2 emissions directly relate to building operations, running of equipment & appliances, and providing heating and cooling. The extent of heating and cooling required correlates to temperature extremes and can be climate related.

*Scope 3 emissions (water, waste & business travel):* 3,727tCO<sub>2</sub>e (2023: 3,611tCO<sub>2</sub>e)

- these indirect emissions contribute to climate-related risks. Therefore, reducing them constitute positive climate actions.

Total emissions have reduced by almost 400 tCO<sub>2</sub>e compared to the previous year. Although there was a small increase in Scope 3 emissions compared to the previous year, reductions in Scope 1 & 2 emissions helped achieve this net reduction. Reduction in energy use has mainly been the result of better controls and management, and reduction in running times for energy intensive equipment.

LSHTM's Chief Operating Officer chairs our Sustainability Action Committee which has responsibility for ensuring that we are on track for our Net Zero 2030 emissions target. Transitioning to a low to zero carbon organisation reduces our climate-related risks and also presents opportunities for diversification in how we achieve our mission.

The Chief Operating Officer also provides feedback to the Executive Team and to Council on actions to reduce our climate impacts.

## Key performance indicators

In order to measure performance and progress against our objectives, LSHTM uses a range of key performance indicators (KPIs). The KPIs include key metrics that are used externally to assess LSHTM's performance, as well as more internally-focused indicators.

Assessed against historic trends and positioning, we believe 2023/24 has been satisfactory overall. The financial measures below are influenced positively by a number of changes that were either not within the plans for the year or are non-recurrent in their nature. Examples are £3.3m of additional Research England funding related to Overseas Development Activities; a significant reduction in employer contributions to the USS pension scheme; and additional recovery of research indirect costs on closure of a number of legacy grants. These positive changes have helped to offset the lower than planned income from our education activities. Adjusting for the impact of these items to assess underlying financial performance results in a picture much closer to what was originally planned for the year.

### *Research impact*

Following the Research Excellence Framework results, LSHTM is ranked first for the key measure of research impact and joint 10<sup>th</sup> overall of all universities in the UK, in tables published by the Times Higher Education.

## Treasurer's Report (continued)

### *Recovery of research indirect costs*

The absolute recovery of research indirect costs in 2023/24 was £17.6 million (2022/23: £15.8 million). As a relative measure to direct research expenditure (excluding collaborator payments), 2023/24 research indirect cost recovery was 24%, compared to 21.7% in 2022/23.

### *Fundraising and philanthropic support*

Donations income raised in the year was £6.2m, compared to £9.1m income raised in the previous year. There have been further successes in securing funding for student scholarships, for development and delivery of an MSc programme, for capital expenditure and for research.

### *Overall financial health*

Our surplus for 2023/24, after adjusting for the impact of the USS pension provision and impairment of assets (as set out in the table on page 10), has increased from £3.1m to £7.5m. The increase relates mainly to increased Research England funding, increased cost recovery from research project activities, increased investment income and lower costs, including lower pension contributions to USS in the second half of the financial year. This has enabled LSHTM to continue to invest in priority areas and significantly in our physical infrastructure (further detail on these is given in the Capital investment expenditure section below).

### *Diversity and inclusivity*

A number of measures are used to track progress against LSHTM's diversity and inclusion goals. In regard to gender, LSHTM's gender pay gap continues to narrow, with a median pay gap of 6.7% and mean pay gap of 14.5% for the last reporting period (down from 11.9% and 17.1% respectively on the previous year). LSHTM is committed to and is working towards eliminating the gender pay gap through a number of strategic and operational initiatives and actions. Also on gender, LSHTM is ranked the UK's top university for the proportion of academic research with women listed as authors (2022 CWTS Leiden Ranking). The gender split at LSHTM across publications was 48% female authors and 52% male.

LSHTM's staff and student community is ethnically diverse, though there is a lower proportion of ethnic minority staff in senior roles (in keeping with trends across the sector). We have set a five-year target to increase ethnic minority representation in the talent pipeline. At Professor level, currently 14.2% are from an ethnic minority background, with a five-year target to increase to 24% by 2027. At Associate Professor level, 26.2% are currently from an ethnic minority background (2.2% above the initial target of 24% by 2027). At senior Professional Services grades, 27.8% are currently from an ethnic minority background, with a five-year target to increase to 31% by 2027.

### *Student satisfaction*

LSHTM measures overall student satisfaction by the results of the Postgraduate Taught Experience Survey (PTES) and Postgraduate Research Experience Survey (PRES). For the 2023/24 academic year, LSHTM participated in both the PTES and PRES surveys and achieved a strong response rate for both compared to sector averages.

For PTES, thanks to targeted effort, LSHTM achieved a response rate of 49% (a 6 percentage point increase vs 2022/23), significantly above the sector average response rate of 30%. This has provided us with representative data for each programme and gives a strong insight into the overall student experience, which we can benchmark against the wider Higher Education sector.

Our overall satisfaction rate was 87%, 3 percentage points higher than the sector average. Our overall satisfaction rate has also improved by 10 percentage points compared with 2021/22, despite this year being impacted by essential building maintenance and construction works to bring about the new Pumphandle Social space. Students were also very positive about our courses being intellectually stimulating and our learning materials being helpful, both tracking 5 percentage points above the sector average.

The main areas for PTES improvement and where satisfaction scores were lower related to assessment and feedback and organisation, where we were in the lowest quarter of institutions sector wide. We have now fallen in the league table for assessment and feedback and are already working on action planning in order to improve the situation next year.

Work is also continuing as part of the Education Strategy to address these issues, and a full report and action plan is currently being developed in response to the PTES findings which will be presented to our Senate Student Experience Committee.

## Treasurer's Report (continued)

LSHTM participates in PRES every two years. We participated in 2022 and again in 2024. Our overall satisfaction rate was 80%, 1 percentage point lower than the global average figure of all institutions surveyed and a 3 percentage point drop in what was achieved last time the survey ran in 2022. We scored well in relation to providing access to specialist resources, with 86% (a significant improvement to the 76% scored in 2022), which is 8 percentage points above the global benchmark and scored positively in knowing who to approach if they had concerns at 87% satisfaction, 9 percentage points above the global average figure. Where we scored less well was in relation to the opportunities provided to interact with other Post Graduate Research (PGR) students with only 38% satisfaction against a global benchmark of 60% satisfaction and feeling part of the PGR community at LSHTM, with only 44% satisfaction against a global benchmark of 58%.

### *Physical infrastructure*

Overall, the physical infrastructure of LSHTM estate is designed and maintained with a forward-looking approach, integrating modern technologies and sustainable practices. This ensures not only the current well-being of staff and students but also the long-term viability and attractiveness of the estate. Regular assessments and upgrades are undertaken as part of the Estates Master Plan (EMP) to adapt to changing needs and technological advancements.

The EMP advocated a move to two sites in London – Keppel Street and Tavistock Place. This has been achieved earlier than was planned with the sale of one of our townhouses in Bedford Square sold during 2023/24 and the other was sold in September 2024.

LSHTM's performance in regard to physical infrastructure is measured by the proportion of space graded in condition A (Excellent) or condition B (Above average), per the HESA Estates return. The ongoing improvements in the estate continue to increase the proportion of space in condition A or condition B. The last submitted HESA Estates return indicated that 59% of space was in condition A or condition B, 39% is in C (Below average) and 2% is in D (Extremely poor). The planned completion of works at Keppel Street and Tavistock Place 1 (a new teaching and learning centre) in the coming year will further increase the percentage of the estate in conditions A and B.

## Financial performance in the year

These financial statements report the results of LSHTM's activities for the year ended 31 July 2024 and have been produced in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 ('2019 SORP') and in accordance with Financial Reporting Standards (FRS102).

A summary of LSHTM's consolidated income, expenditure and out-turn for the year is provided below:

|  | <b>2024</b> | 2023         |
|--|-------------|--------------|
|  | <b>£m</b>   | £m           |
| Income   | 255.3       | 278.2        |
| Expenditure  | (191.9)     | (283.2)      |
| <b>Surplus/(deficit) before other gains and losses</b> | <b>63.4</b> | <b>(5.0)</b> |
| Net operating cash flow                                | (3.2)       | (21.0)       |
| Cash and short-term investments                        | 90.6        | 90.0         |

LSHTM's consolidated surplus before other gains and losses for the year improved from a deficit of £5.0m to a surplus of £63.4m on income of £255.3m (2023: £278.2m), a net surplus margin of 24.8% (2023: deficit of 1.8%). The 2024 and 2023 results are impacted by a change in the provision related to the USS pension scheme deficit (see Note 24 for further details), a change in the provision against onerous research projects as well as the impairment on land and buildings not covered by the release of the revaluation reserve in 2023 or 2024.

## Treasurer's Report (continued)

Removing these items results in an adjusted surplus of:

|   | Note | 2024<br>£m | 2023<br>£m |
|---|------|------------|------------|
| Surplus/(deficit) before other gains and losses |      | 63.4       | (5.0)      |
| Remove impact of reduction in pension provision | 10   | (61.2)     | (7.0)      |
| Remove impact of onerous contract provision     | 10   | (1.7)      | 2.0        |
| Remove impact of impairment charge              | 12   | 7.0        | 13.1       |
| <b>Adjusted surplus</b>                         |      | <b>7.5</b> | <b>3.1</b> |
| Adjusted surplus as % of income                 |      | 2.9%       | 1.1%       |

The adjusted surplus for 2024 is better than expected, reflecting increased in-year funding from Research England, increased cost recovery on research, increased investment income and lower than expected operating expenditure from vacant staff posts, both academic and administrative. The main negative performance aspect during the year was lower education income than budgeted, due to lower student recruitment numbers.

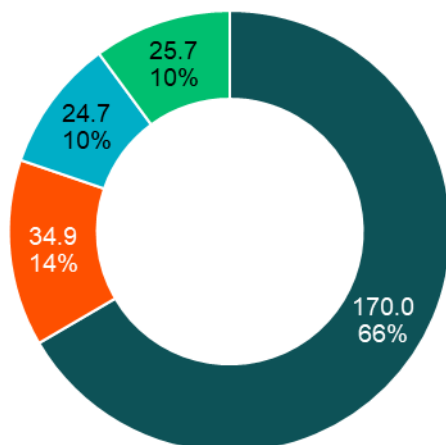
As described in the Key Performance Indicators section above, a number of the above factors which have led to performance being better than budget were unplanned or non-recurrent in nature.

### Income

LSHTM's income decreased from £278.2m to £255.3m, equivalent to 8.2%. The main elements of the change in income are:

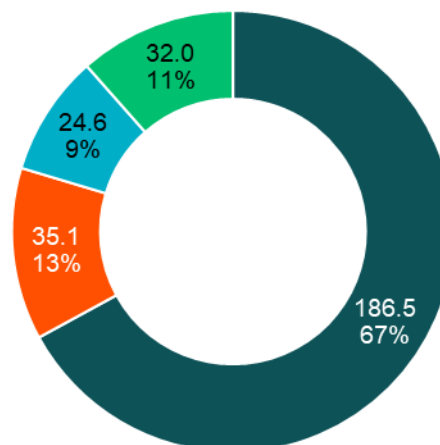
- Lower research grants and contracts, £16.5m;
- Lower funding body grants, £0.2m;
- Higher investment income, £2.0m;
- Lower other income, £5.5m.

**Income Summary 2023/24**  
**£255.3m**

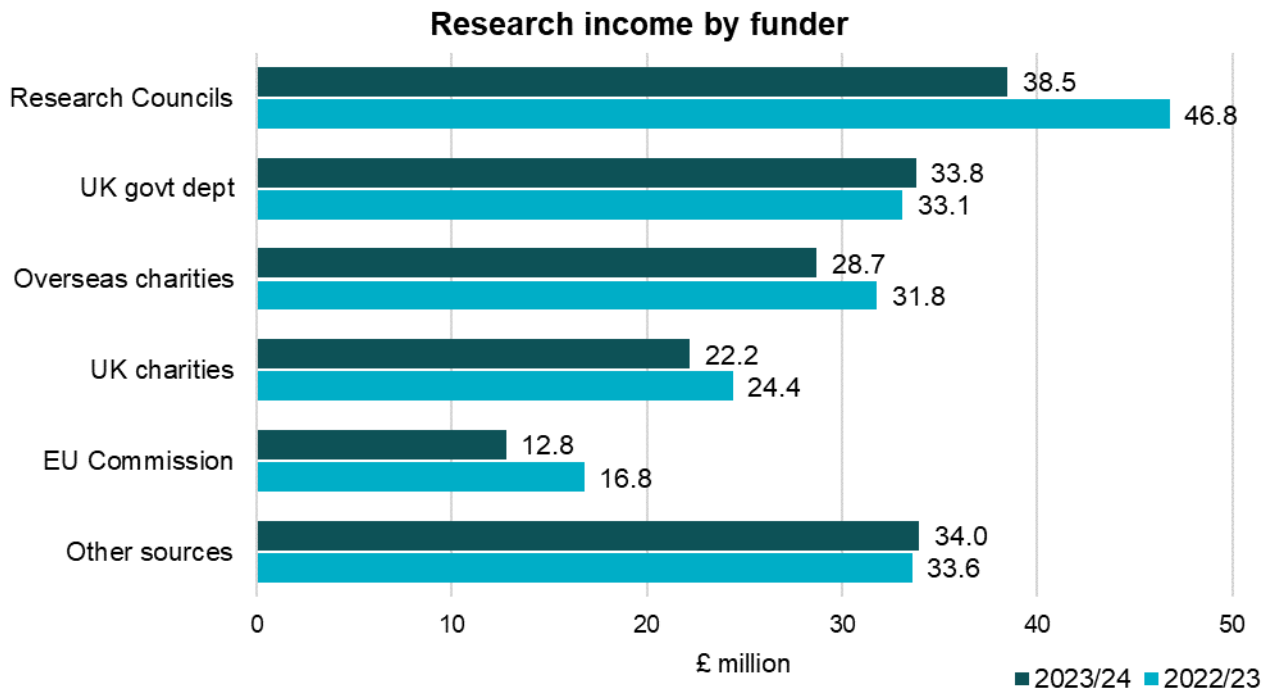


- Research grants and contracts
- Funding body grants
- Tuition fee income
- Other income streams

**Income Summary 2022/23**  
**£278.2m**



- Research grants and contracts
- Funding body grants
- Tuition fee income
- Other income streams



Income from Research Councils includes £19.0m (2023: £18.8m) of funding towards MRC Unit The Gambia at LSHTM and MRC/UVRI & LSHTM Uganda Research Unit, of this, £14.6m (£2023: £13.8m) was core funding and the remaining £4.4m (2023: £5.0m) relates to competitively won research grants.

## Treasurer's Report (continued)

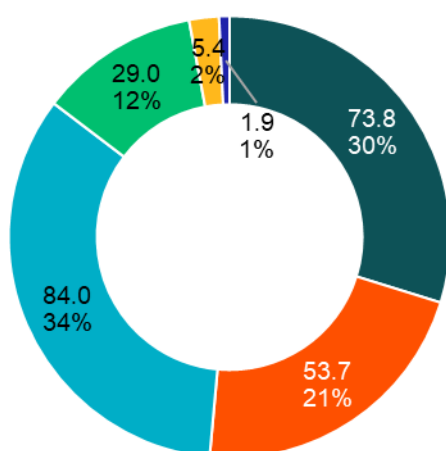
### Operating Expenditure

Total operating expenditure decreased from £283.2m to £191.9m. The main elements of the change in operating expenditure are:

- The release of the remaining pension provision of £61.2m having released £7.0m in 2022/23, so a reduction in expenditure of £54.2m;
- Lower project funded operating costs of £23.0m, reflecting lower activity levels and matched by lower income;
- Reduction in the impairment charge relating to revaluation of land and buildings of £6.1m to £7.0m (2023: £13.1m); and
- Lower depreciation charge of £3.6m.

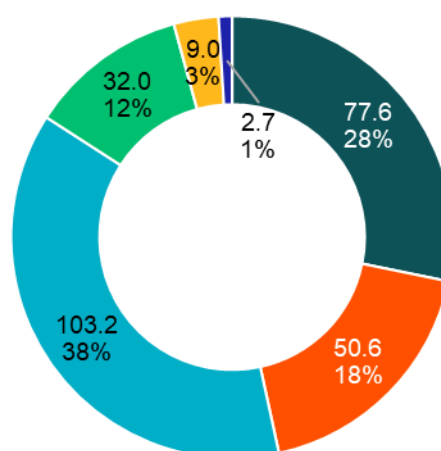
*Operating expenditure breakdowns (excluding pension provision and onerous contract provision movements and impairment)*

**Expenditure Summary 2023/24**  
**£247.8m**



- Staff costs - Projects
- Staff costs - General funds
- Non-staff costs - Projects
- Non-staff costs - General funds
- Depreciation
- Interest payable

**Expenditure Summary 2022/23**  
**£275.1m**



- Staff costs - Projects
- Staff costs - General funds
- Non-staff costs - Projects
- Non-staff costs - General funds
- Depreciation
- Interest payable

|                            | £'m          |
|----------------------------|--------------|
| Expenditure per chart      | 247.8        |
| Pension provision          | (61.2)       |
| Onerous contract provision | (1.7)        |
| Impairment                 | 7.0          |
| <b>Total expenditure</b>   | <b>191.9</b> |

|                            | £'m          |
|----------------------------|--------------|
| Expenditure per chart      | 275.1        |
| Pension provision          | (7.0)        |
| Onerous contract provision | 2.0          |
| Impairment                 | 13.1         |
| <b>Total expenditure</b>   | <b>283.2</b> |

## Treasurer's Report (continued)

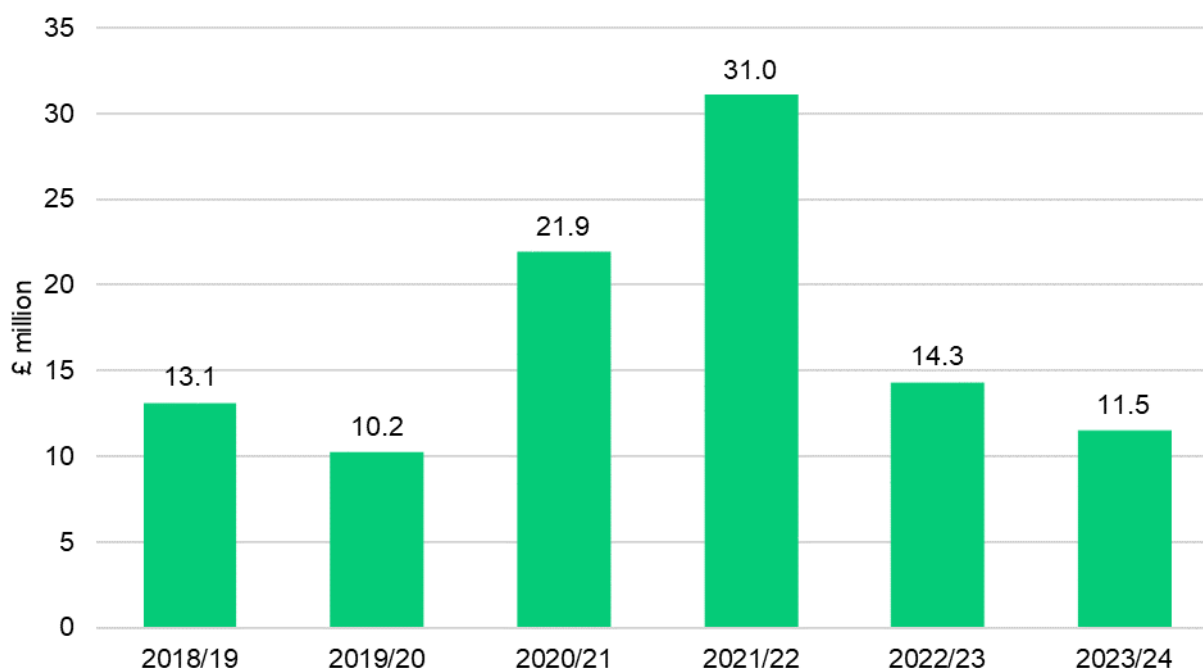
### Capital investment expenditure

Capital investment expenditure for the year was £11.5m (2023: £14.3m). Of this total, the largest components were the works to create new social space at the Keppel Street site and early works to refurbish one of the buildings at our Tavistock Place site to create a teaching and learning centre.

Total capital investment in the year also includes the replacement and renewal of research equipment and expenditure to enhance our core IT infrastructure and software systems.

These investments have been funded through capital grants from Research England, OfS and the Medical Research Council; and philanthropic donations received.

### Capital investment expenditure



### Cash flow, financing and balance sheet

During the year there was a net cash outflow used in operating activities of £3.2m (2023: £21.0m). There were also outflows to:

- service loan repayments of £1.2m (2023: £1.1m); and
- invest in capital expenditure (net of capital grants and proceeds from asset sales) of £5.6m (2023: £0.1m).

In addition, there was a net inflow of £8.8m (2023: £4.0m) from endowments, deposits made and investment income.

The overall net change in cash for the year was an increase of £5.6m (2023: decrease £8.9m).

The cash outflow used in operating activities was influenced by the reduction of advance research project funding, which was expected within our financial plan.

Cash and cash equivalents plus short-term investments at the year-end were £90.6m (2023: £90.0m), representing 137 days (2023: 122 days) of operating expenditure (excluding pension provision movement and depreciation). Of this total cash, £27.8m represents net research project working capital, and is therefore not available for non-research operational or capital investment purposes.

LSHTM continues to repay outstanding bank loans, with total principal and interest payments on these loans in the year amounting to £1.2m (2023: £1.1m). There were no changes in the year to LSHTM's financing strategy.

Total net assets increased from £177.0m to £240.2m. This increase was principally driven by the release of the USS pension deficit provision (£59.8m).

## Treasurer's Report (continued)

### **Taxation**

The majority of the LSHTM's activities are not subject to corporation tax. The income generated from the core activities of LSHTM, in relation to research and education are exempt from corporation tax. Any profits made by LSHTM's subsidiary companies are offset against current/prior year tax losses or are paid to LSHTM as a qualifying donation, thereby maximising tax efficiencies available.

### **Reserves and investment policy**

LSHTM's financial reserves remain healthy. Given the potentially distorting impact of one-off accounting adjustments on financial performance, reserves are primarily measured by liquidity. In 2023/24 LSHTM revised its reserves policy to focus on non-research liquidity and so remove the impact of changes in the level of research activity on the metric. The minimum liquidity for non-research cash agreed by LSHTM's Council is 90 days of non-research expenditure. At the year-end non-research cash days of non-research expenditure were 275 days – this figure is expected to reduce in the coming years as we continue to invest in our estate and due to the challenging financial environment. In addition, LSHTM is holding £27.6m of endowment and donations reserves, which are used to directly support LSHTM's research work in numerous areas and financial support to LSHTM's students.

### **Pensions**

LSHTM participates in a number of pension schemes. Further details can be found in Note 24.

The largest pension scheme in which LSHTM participates is the Universities Superannuation Scheme (USS). USS was last formally valued at 31 March 2023. This valuation confirmed that the scheme had moved from a significant deficit position to a surplus position. As a result of this improvement, a number of changes have been agreed to the scheme, including a reinstatement of member benefits which were reduced at the previous (2020) valuation and a material reduction in the scheme contributions paid by both employers and members.

As a result of the 31 March 2023 USS valuation, LSHTM's notional share of the USS scheme deficit, £59.8m, has been fully released in these financial statements. This provision was for future contractual deficit recovery payments, however as the scheme is now in surplus, the deficit payments have now stopped and therefore the provision is no longer required. As noted above, this has had a material impact on the Statement of Consolidated Income.

LSHTM's second largest pension scheme is the Superannuation Arrangements of the University of London (SAUL). At SAUL's most recent valuation at 31 March 2023, the scheme was in surplus. As such, through negotiation, three changes are being made to the scheme: the inflation cap on members' annual pension increases is being amended from 2.5% to 5%; employer contributions are reducing from 21% of salaries to 19%; and the investment strategy is being amended to take less risk.

## **Future Prospects**

### ***The impact of internal and external environment changes and LSHTM's future financial forecasts***

As reported above, the 2023/24 year's financial results are more positive than expected. However, a large part of this was due to unplanned or non-recurrent items.

Unlike a large number of other institutions in the UK Higher Education sector, we are not in a financial deficit position. However, future years are forecast to be increasingly challenging and without corrective actions, LSHTM is forecast to be in a financial deficit. Our fundamentals remain strong, particularly our liquidity and reserves and our low level of debt, so we are not in a position of financial crisis and have time to take considered and sustainable actions to mitigate the financial pressures we anticipate over the next five years.

The external environment continues to be volatile and challenging, driven by geo-political events and their economic impact. Cost inflation continues to exacerbate short and medium term risk and uncertainty.

Cost inflation impacts LSHTM in a number of ways, including our staff costs from negotiated pay awards, on other operating expenditures especially consumption of electricity and gas and also on the ability for some of our research projects to deliver the intended scientific outputs originally costed into funding proposals. A number of our research funders continue not to recognise the full impact of inflation in their adjustments to project funding.



## Treasurer's Report (continued)

LSHTM is well placed to continue to generate highly influential and impactful research. LSHTM remains well aligned to the key strategic objectives of our major research funders. The UK Government remains committed to increased funding for research and innovation to promote economic growth.

We do not see immediate changes being made by the UK Labour government to funding for education or for research. However, the announcement in the UK Government's Budget on 30 October 2024 that employer National Insurance Contributions will increase from April 2025 puts us under additional financial pressure.

The ability to recruit and retain appropriate staff across a number of both general and specialist areas remains challenging, driven by high demand in the UK labour market post the COVID pandemic. LSHTM's staff are key in our continued success.

We have not been able to generate material increases in our income to match the increases in non-research costs which we are facing and which we are expecting to grow in the coming years. This is particularly apparent for student tuition fee income, where the growth targets set over the period of the Strategic Plan have been the central lever to secure our financial sustainability and generate funds for investment in our academic mission and supporting services and infrastructure. However, recruitment to our Master's programmes, both our face-to-face and our online learning programmes have been below the targets set for the last two years. Recruitment for academic year 2024/25 is again below target.

LSHTM is not alone in facing student recruitment challenges. A fall in the number of overseas student applications is being felt in many parts of the UK Higher Education sector. However, given our research intensity, the funding gap in undertaking high-quality research and our relatively fixed cost base, tuition fee income is and will remain key.

We have made a number of strategic investments into our education activities in order to better support growth and to explore new opportunities to deliver our high-quality education to a more diverse range of audiences. We anticipate that these investments may take some time to generate a positive financial return.

Given the ongoing challenges about student recruitment, we have rebased our financial plans to include a much more modest expectation of education-related income growth over the next five-year period. This lower expectation, coupled with a cost base that continues to increase annually means that, without corrective actions, we are forecasting a series of annual financial deficits.

As stated above, we are not in a financial crisis situation and have time to implement a range of mitigating actions to ensure a financially secure future for LSHTM which will enable us to continue to deliver on our mission and strategic objectives.

The planned mitigating actions will be a mix of sustainable reductions to our recurrent cost base and pursuing opportunities to generate income and surpluses outside of core research and education, but still aligned to our mission and areas of developing expertise.

Some of the decisions we will make will not be easy, particularly those related to changing the scope and scale of our academic activities and the services that support them, but we are confident that they will improve LSHTM's academic, operational and financial position in the medium-term. Decisions will be made fully in line with our mission and strategic objectives to deliver high-quality and impactful research and education.

Despite the financial challenges we foresee, our current and forecast liquidity is sufficient to allow progression of the major capital investments at the Keppel Street and Tavistock Place sites and to absorb any costs of change required to be made as part of our actions to address the financial concerns set out above. We are confident that we have sufficient liquidity and contingency arrangements in place if needed.

## Treasurer's Report (continued)

### Financing, treasury and liquidity

In order to continue to produce world-leading research outcomes and impacts and to deliver high-quality education, LSHTM continues to invest in our infrastructure, both physical and in key information and data systems.

LSHTM's Estates Strategy sets out the intention to modernise the Keppel Street site. The modernisation programme is extensive and will be undertaken in a number of phases. The early phases of works have been focussed on matters such as the replacement of aging heating, cooling, electrical and mechanical systems.

As noted above, we have also extended the Tavistock Place site, which was operational from summer 2023. Preparatory works have commenced to refurbish the existing building on this site, to create a new state-of-the-art teaching and learning centre.

These material investments are expected to be funded through a combination of LSHTM's cash reserves, Funding Body capital grants and donations.

Liquidity is one of LSHTM's financial KPIs and the Council have set a minimum non-research cash level, as expressed in days of expenditure, to ensure a balanced approach to working capital, cash reserves and cash investment decision making. The phased nature of the future capital investment programme allows LSHTM to assess its financial position and liquidity forecasts before proceeding and committing to further expenditure.

### Risk Management and Principal Risks and Uncertainties

#### *Risk management process*

LSHTM regards risk management as a tool of good management, and it is directly linked to the ambitions stated in the LSHTM Strategy 2022-2027. The risk management process is overseen by the Audit and Risk Committee and includes a Risk Management Policy and a suite of institutional risk registers (Strategic, Faculty, Unit). Further information on the risk management process can be found in the Corporate Governance section.

LSHTM's institutional risk registers consider risk and mitigating actions in both strategic and operational aspects, including research, education, finance, people and culture, infrastructure, compliance, operational effectiveness and environment. All risks are assessed against internal and external environment driven factors, and risk horizon scanning exercises are carried out annually along with a gap analysis of top risks across the Higher Education Sector.

#### *Principal risks and uncertainties*

LSHTM's principal risk recorded in the Strategic Risk Register is related to LSHTM's financial sustainability. A range of actions are planned to ensure a financially secure future for LSHTM and these have been set out in the Future Prospects section above.

An aspect of the financial sustainability risk is the inability for LSHTM to meet its education income targets across its education portfolio (intensive, online learning, short courses). While the postgraduate student recruitment landscape is challenging across the UK, LSHTM continues to target growth in its education income via its overhauled Education Strategy, and development of a Strategic Education Office. Maintaining and improving a high-quality student experience is a key facet which will help to attract prospective students, as well as addressing LSHTM's dependence on University of London (UoL) to co-administer LSHTM's Online Learning courses. Education income strategic risk is material to LSHTM's financial sustainability and should education income targets continue not to be met LSHTM will need to take immediate mitigating actions to ensure it has enough resources to meet its strategic aims.

Within LSHTM's research activities, LSHTM's is continually monitoring and adapting to the changing research funding landscape and is undertaking a thorough review of its research portfolio to identify areas of key research strengths and weaknesses to inform further investment and dis-investment.

## **Treasurer's Report (continued)**

LSHTM continues to mitigate operational 'high' rated risks such as cyber security to ensure the integrity of its data and access to its systems is not compromised. Management continues to improve the controls to address cyber risks as these threats further evolve.

Via horizon scanning activities, Artificial Intelligence (AI) has been added to the Strategic Risk Register as both a threat and opportunity to LSHTM. Internal Special Interest Groups have been set up to explore the positive and negative impact AI may have on LSHTM's education, research and operations.

Tackling inequalities and preventing unmanageable and unsustainable workloads are the principal risks in regard to LSHTM's people and culture. Work is underway to develop a new EDI Strategy that takes into account the concentrated effort to implement recommendations from the LSHTM Independent Review to address discrimination and advance anti-racism and equality, and action plans from LSHTM's Athena SWAN Bronze Award.

LSHTM is committed to environmental sustainability via the delivery of its Energy and Carbon Management Plan (ECMP). Opportunities in this space will include upgrading and expanding remote networking/conferencing facilities and upskilling staff, students and partners on use of relevant technological interventions. Addressing climate-related risks such as storms and hurricanes, extreme heat, major snowfall and flooding are described in LSHTM's Incident Management Procedure. Our ISO14001 environmental management system is also used to review and assess, whether and how climate-related risks are being managed.

## **Going Concern**

It is recognised that the impacts of the risks and uncertainties outlined in the section above have placed greater emphasis in Council's consideration of making a positive statement that LSHTM is a going concern.

The impacts and mitigations have been expressed throughout this report. In summary, Council is reassured that the executive has taken appropriate steps to mitigate these impacts. To inform its assessment, Council has considered a number of scenarios, including those which 'stress test' the future resources of LSHTM, the responses that would need to be made under these scenarios and their likely effectiveness, and the likelihood of these scenarios becoming a reality.

After full consideration, the Council considers that LSHTM has adequate resources to continue in operational existence for the at least twelve months from the date of signing these financial statements. For this reason, the financial statements have been prepared on a going concern basis.

## **Public Benefit Statement**

LSHTM is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. LSHTM's Council serves as our trustee and is responsible for defining our strategic aims and for directing the senior management of the School in the furtherance of our mission. When setting objectives and planning activities, Council, its committees and the Executive Team give careful consideration to the Charity Commission's guidance on public benefit and to the guidance issued by OfS in its role as principal regulator.

LSHTM's objectives are defined in our Charter as being "to promote original research, consultancy and education in public health and tropical medicine, both within the UK and internationally". LSHTM remains dedicated to these objectives, and to reducing inequalities in health and global disease burdens through research and education.

LSHTM's research encompasses a spectrum from fundamental laboratory research in infectious diseases and studies of disease causation, through development and assessment of novel interventions and services, to advising on implementation in real life settings of interventions, service and system reforms, and evaluation that informs policy and practice. We work with a range of partners at every stage; these include research collaborators in other academic settings, clinical and health practitioners, user communities and public, private and voluntary sector organisations.

In the most recent Research Excellence Framework (2021), LSHTM was ranked in the top 10 universities in the UK in tables published by the Times Higher Education on the key measure of Impact. LSHTM had the largest volume of world-leading research in the UK in Public Health, Health Services and Primary Care.

## Treasurer's Report (continued)

In education, LSHTM's overarching aims are to provide future leaders, practitioners, educators and researchers in public and global health with relevant education and to provide training of the highest quality, founded on our research. We have an excellent and highly committed multinational student and alumni population, with alumni in influential places and positions worldwide.

Examples which illustrate the public benefit of the LSHTM's work:

- At LSHTM, our mission is to improve health and health equity in the UK and worldwide, and this includes important work on improving the health of populations affected by humanitarian crises and conflict. One such example of our ongoing work related to the war in Gaza includes a team producing scenario-based health impact projections that are providing vital information to help humanitarian organisations, governments and others plan effectively and save lives.
- Decades of work and crucial clinical trials run by LSHTM researchers from the MRC Unit The Gambia at LSHTM have been central to the roll-out of RTS,S as the first-ever childhood malaria vaccination programme in the world. Initially launched in Cameroon with over 6.6 million children expected to receive the vaccine in 20 African countries over the next two years, it is part of a global effort to eradicate malaria. It takes place alongside other life-saving vaccine research from LSHTM researchers including collaborative studies on an effective, affordable meningitis vaccine which protects against all five strains; and the first study on the use of microarray vaccine patches to replace jabs, which has shown the method is safe and induces strong immune responses.
- LSHTM launched the Centre for Data and Statistical Science in Health in March 2024, showcasing progress in interdisciplinary collaboration on data and statistical science to co-produce innovative approaches in improving scientific knowledge and decision-making in health policy,
- LSHTM jointly runs the UK Public Health Rapid Support Team in partnership with Public Health England. The initiative, funded by the UK Government, means the UK has a fully operational specialist team that can be deployed anywhere in the world within 48 hours to tackle disease outbreaks which have the potential to develop into major health emergencies. The past year saw four deployments of LSHTM staff including to Haiti (cholera outbreak), Jordan (humanitarian crisis response), Zambia (cholera outbreak), and substantive remote support for a deployment in Somaliland (dengue outbreak).
- LSHTM's Centre on Climate Change & Planetary Health works to prepare governments, academia, health systems and citizens for a new era of public health: one that can embrace and contend with the realities of the anthropocene. They have been an official WHO Collaborating Centre since 2021, designated by the WHO Director-General to conduct activities in support of WHO's programmes, and the first of its kind. In 2023 they had a strong coordinated presence at the COP28 conference which saw the first inclusion of health in the UNFCCC agenda. 23 delegates from LSHTM made the health argument for climate action and emphasising the impacts of climate change across 24 events, collaborating with 63 organisations, institutions and governments. In addition to engaging with global policymakers at the Subsidiary Body Meetings (Bonn Climate Change Conference) and COP28, CCCPH researchers contributed to various policy recommendations and reports, providing expertise and evidence to influence global negotiations. The new MSc Programme in Climate Change & Planetary Health was also launched in 2023 with a first cohort of 11 students (five full time and six part time), focused on understanding the impact of climate change on diverse populations around the world, analysing how our behaviour influences the planet, and working towards a sustainable planet and healthy population. This was followed by the launch of the MSc via online delivery in the 2024/25 academic year. There is also support provided to early-career researchers through the joint Planetary Health Postdoctoral Fellowship in collaboration with Stanford University, now in its fourth year.
- In the ShanghaiRanking's Global Ranking of Academic Subjects 2024 we placed 2nd in public health (1st in the UK). In the 2024 CWTS Leiden Ranking LSHTM is ranked the UK's top university for the proportion of academic research with women listed as authors as well as for publishing open access research. Our global partnerships are also recognised, with LSHTM placed first position in the UK and 10th in the world for the proportion of our research which includes international collaboration. In the US News Best Global Universities Ranking 2024-25, we ranked 2nd in the world for public, environmental & occupational health, 4th in the world for infectious diseases, 15th in the world for social sciences & public health, and 12th best University in the UK overall. In the 2024 QS World University Rankings, LSHTM also ranked as 24th in the world for medicine.

## Treasurer's Report (continued)

- Our world-class researchers all contribute to education programmes, and supervise masters and doctoral research projects that may align with larger staff-led research projects, relate to students' past or intended field of work, or meet the needs of host organisations. Students undertake research projects in the UK with Public Health England, NHS Trusts, private companies and charities. Many students' research projects are located overseas, often in low- or middle-income countries and in collaboration with NGOs such as MSF and Sight Savers.

Although LSHTM is a wholly postgraduate institution, it is committed to widening participation and offers a number of scholarships to students both for its London-based and online learning courses. We are also actively fundraising to increase the number and value of such scholarships. Our commitments in this area are set out in our [Strategy to Promote Access and Widening Participation 2022-25](#).

LSHTM's public benefits are funded through Funding Body grants; public funding for teaching and research; tuition fees and donations from individuals and charitable foundations. The charitable work of LSHTM is also supported by its Council members, who give their time freely and unstintingly in support of the School.

In closing, I would also like to thank my fellow members of the Finance and Development Committee and the many LSHTM officials who support the Committee's work for their continued support, dedication and willingness to make their considerable experience available to the School quietly and with great dedication.

Approved by the Council on 25 November 2024 and signed on its behalf by:

Ms. Angela Darlington

Treasurer

# Corporate Governance and Internal Control

## Corporate Governance and Internal Control Statement

The following statement is provided to enable readers of the Financial Statements of the Group, which comprises the London School of Hygiene & Tropical Medicine (LSHTM) and its subsidiaries, to obtain a better understanding of the governance, management and legal structure of LSHTM. This Statement of Corporate Governance and Internal Control relates to the period covered by the Financial Statements and the period up to the date of approval of the audited Financial Statements.

LSHTM is committed to conducting its business in accordance with the seven principles identified by the Committee on Standards in Public Life. LSHTM's governing body, Council, is guided, but not limited, by the Committee of University Chairs' (CUC) Higher Education Code of Governance 2021. LSHTM's practices are consistent with the provisions of the code. During the year, Council undertook an external governance effectiveness review which was carried out by Halpin Partnership. The report concluded that LSHTM is a well-governed and transparent institution, classified as "good" on the Halpin Governance Maturity Framework.

In addition, LSHTM corporately, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom, freedom of speech and equality of opportunity, which are enshrined in its Instruments of Governance.

A list of Council members, who served during the financial year and until the date the financial statements were formally approved, can be found at the beginning of this document.

The systems of governance and internal control described below were in place for the year ended 31 July 2024 and up to the date of the approval of the Financial Statements, and accords with OfS guidance.

## Constitution

LSHTM was established in 1899 and is incorporated under a Royal Charter granted in 1924. Following approval by the Privy Council, a Supplemental Charter came into effect in March 2009. The Charter establishes Council and Senate, each with clearly defined functions and responsibilities detailed in the Statutes, to oversee and manage LSHTM's activities. The Charter has recently been updated and changes were approved by the Privy Council on 04 October 2024.

LSHTM is a member institution of the University of London (UoL). LSHTM is included on the register of English higher education providers and complies with the ongoing conditions of registration which came into force on 1 August 2020. LSHTM continues to monitor any changes made by the OfS to its regulatory requirements and ensures that the relevant information is communicated to Council.

The University of London Act received Royal Assent in December 2018, following which, LSHTM, alongside other UoL colleges, has applied for University title. LSHTM's application for University Title has been recommended by both the Office for Students and Department of Education. LSHTM is seeking to formalise the approval of university title and update the Charter through application to the Privy Council during 2024/25.

LSHTM acquired degree awarding powers in 2010 and is currently considering the timing of exercising these powers. LSHTM currently continues to award degrees of the UoL.

## Summary of LSHTM's Structure of Corporate Governance

Council is LSHTM's governing body and is responsible for the strategic oversight of LSHTM. Its specific responsibility includes approval of the financial strategy and securing its assets. Council comprises a majority of external members whose principal role is to bring independent expertise from a range of sectors and professional spheres and to hold, collectively, LSHTM executive to account. LSHTM's Executive Team comprises the Director, their immediate reports and a number of Pro-Directors and Directors of Professional Services.

## Corporate Governance and Internal Control Statement (continued)

The external members of Council come from a wide range of backgrounds across the private and public sectors and collectively offer expertise in legal, financial and organisational matters as well as science, medicine, healthcare, policy and education. Independent Members of Council are appointed through a robust, transparent, open process managed by the Nominations and Governance Committee taking into consideration skills, experience and diversity. The Chair, who has overall responsibility for the conduct of Council, and the Deputy Chair are both independent members.

Mr Donald Robert is LSHTM's Chair of Council as appointed on 1 April 2021 and renewed on 28 March 2023 following an appraisal process by Council. Mr Hitesh Patel is LSHTM's Deputy Chair of Council as appointed by Council from 1 August 2022 onwards.

Council meets at least four times a year. The majority of meetings are held face to face with members sometimes joining via video conferencing.

## Committees of Council

A Statement of Council's Primary Responsibilities is set out in the next section of this document.

Council has a number of committees, laid down by Ordinance, to which it delegates much of its detailed work. The Committees are the Finance and Development Committee, the Audit and Risk Committee, the Nominations & Governance Committee, the Remuneration Committee, the People, Equality, Diversity & Inclusion Committee, and Senate. Each of these committees is formally constituted with written terms of reference and specified membership, including a significant proportion of independent members, from whom a Chair is drawn; each reports regularly to Council.

The Finance and Development Committee meets six times each year and *inter alia* recommends to Council LSHTM's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Audit and Risk Committee meets four times each year. LSHTM's external and internal auditors are invited to attend all meetings of the Committee. The Committee considers detailed reports together with recommendations for the improvement of LSHTM's systems of control, and management's responses and implementation plans. It also considers reports from OfS and other LSHTM funders as they affect LSHTM's business, and monitors adherence with regulatory requirements. The Committee adopts a risk-based approach to internal audit planning and the internal audit work undertaken in the year ended 31 July 2024 has been governed by this approach. Whilst senior executives attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee. The Committee produces an annual report to Council covering all aspects of its work.

The Audit and Risk Committee reviews LSHTM's Annual Financial Statements, with particular regard to this statement of Corporate Governance, the external auditors' report, and adherence to LSHTM's accounting policies. Responsibility for assessing LSHTM's financial performance rests with the Finance and Development Committee.

The Nominations & Governance Committee considers vacancies for external members on Council and its sub-committees in accordance with CUC guidance. LSHTM's members are appointed via a fair and open selection process which includes online advertisements on recruiting platforms and promotion via members across relevant networks.

The Nominations & Governance Committee's recommendations to Council take into account the balance of skills, knowledge and experience of Council and committees' members. An audit of Council members' skills and experience is undertaken annually, and the Nominations & Governance Committee keep the mix of skills under review when considering future vacancies. LSHTM continues to strive to improve the diversity of Council and its sub-committees, reflecting its commitment to Athena SWAN charter, EDI Strategy, and the values set out in the LSHTM Strategy.

The Remuneration Committee is responsible for determining and reviewing the salaries, terms and conditions, and any severance payments, for the Director and senior members of staff of LSHTM. The governance arrangements concerning the remuneration for the Director and senior staff follow the recommendations within the CUC Higher Education Senior Staff Remuneration Code.

## Corporate Governance and Internal Control Statement (continued)

LSHTM's approach to remuneration recognises the increasingly competitive environment in Higher Education both in the UK and internationally, the rising costs associated in living, as well as the need to recruit leaders who will maintain and enhance LSHTM's position as a leading institution with a significant international presence which is renowned for its research, postgraduate studies and continuing education in public and global health. Decisions to change salaries and emoluments are made based on the appropriate benchmark information and a review of performance against previously agreed objectives.

The Remuneration Committee is chaired by an independent member of Council and has up to five other independent members of Council, including the Chair and Deputy Chair of Council and two co-opted independent members. Neither the Director of LSHTM nor other members of the Executive Team are members of the Committee but may be requested to attend the Committee by the Chair to discuss the performance of their direct reports. They do not attend any part of a meeting for discussions on their own performance and remuneration.

In July 2022, Council approved the merging Diversity & Inclusion Committee and People Committee as the strong consensus was that a merged committee would enable Council to better discharge its duties in respect of People, EDI, Culture and related matters. Council approved the terms of reference, membership and transitional arrangements of the merged committee (People, Equality, Diversity & Inclusion Committee), on the recommendation of Nominations Committee on 28 March 2023.

The senior forum for consideration of all academic matters is the Senate, which includes representatives of senior and junior members of academic staff from across LSHTM together with professional support staff members and student representatives. The Senate reports to Council on matters it has considered, as set out in its terms of reference.

## Statement of Internal Control

Council, as the governing body of LSHTM, has responsibility for controls that support the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which Council is responsible, in accordance with the responsibilities assigned to the governing body in the Charter, Statute and Ordinances and the OfS' regulatory framework.

Council ensures there are adequate and effective arrangements in place to manage public funds appropriately in line with the conditions of grant and the principles of regularity, propriety and value for money and to protect the interests of taxpayers and other stakeholders. This is achieved through the operation of policies, which are regularly tested by internal and external audit, or other internal monitoring with appropriate reports through to the Council after consideration by sub-committees as appropriate.

LSHTM's system of control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

It is based on an ongoing process designed to identify the principal business, operational, compliance and financial risks; to evaluate the nature and extent of those risks; and to manage them efficiently and effectively.

This system of governance and internal control was in place for the year ended 31 July 2024 and up to the date of the approval of the Financial Statements, and accords with OfS guidance.

Council is responsible for reviewing the effectiveness of the system of internal control. It has established the following processes:

- Council reviews the plans and strategic direction of LSHTM on a regular basis.
- The Audit and Risk Committee independently reviews the effectiveness of internal control systems and the risk management process.
- Council receives periodic reports from the Chair of the Audit and Risk Committee concerning issues of risk, internal controls and their effectiveness, which are informed by regular reports from members of the Executive Team and other managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- The Audit and Risk Committee reports to Council its findings in respect of the effectiveness of the risk management process. This is informed by the categorisation of risks and the maintenance of an institution-wide strategic risk register. The Strategic Risk Register includes cover all types of risk (business, operational, compliance and financial risk).



## Corporate Governance and Internal Control Statement (continued)

- LSHTM procures its internal audit service from KPMG, which operates to standards defined in the OfS Audit Code of Practice. The work of the internal audit service is informed by an analysis of risks to which LSHTM is exposed, and an annual internal audit plan is based on this analysis. The Audit and Risk Committee approves the internal audit plan.
- KPMG submits regular reports to the Audit and Risk Committee that include an independent opinion on the adequacy and effectiveness of LSHTM's system of internal control, based on work undertaken in accordance with its approved audit plan, together with recommendations for improvement.
- Alongside the Strategic Risk Register, each Faculty and Unit maintains its own risk register. These registers are reviewed by the Executive Team via the internal Risk Management Group and by the Audit and Risk Committee.
- Each year, LSHTM conducts in-depth reviews of particular risk areas, themes or emerging issues. These assessments explore risk identification and monitoring, and links to the Strategic Risk Register.

Council's full review of the effectiveness of the system of internal control for the period under review was informed by the Audit and Risk Committee, the work of the internal auditors and the executive managers within LSHTM who have responsibility for the development and maintenance of the internal control framework. The review identified a number of areas of LSHTM's operations in which risks had been reported as "high" by the internal auditors during the annual internal audit; the review also noted that swift action has been taken or planned by the executive management to address the issues which had been raised.

LSHTM has a conflict of interests' policy and fit and proper policy for members of Council, external members serving on committees and senior officers, and maintains a register of interests which may be consulted by arrangement with the Secretary to Council.

Details of related party transactions involving members of Council or senior officers are disclosed in Note 9 and Note 25 to the Financial Statements. The external members of Council do not receive any payment for the work they do for LSHTM, apart from the reimbursement of expenses.

Approved by Council on 25 November 2024 and signed on its behalf by:

Mr. Donald Robert  
Chair, Council

# Responsibilities of Council

## Statement of primary responsibilities

As set out in LSHTM's Ordinances, the primary responsibilities of Council are:

- i. to approve the mission and strategic vision of LSHTM, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders;
- ii. to ensure that processes are in place to monitor and evaluate the performance and effectiveness of LSHTM against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions;
- iii. to appoint the Director of LSHTM as chief executive, and to put in place suitable arrangements for monitoring his/her performance;
- iv. to delegate authority to the Director for the academic, corporate, financial, estate and human resource management of LSHTM. To establish and keep under regular review the policies, procedures and limits of such delegated management functions;
- v. to ensure the establishment and monitoring of systems of control and accountability, including financial, human resources and other operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest;
- vi. to have the ultimate financial and business responsibility for LSHTM, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for LSHTM's assets, property and estates. This ultimate financial and business responsibility recognises that the Director has delegated powers from Council under iv above;
- vii. to be assured that the students' experience (including welfare) is maintained at a high level;
- viii. to safeguard the reputation and values of LSHTM;
- ix. to be LSHTM's ultimate legal authority and as such, to ensure that systems are in place for meeting all LSHTM's legal obligations and that LSHTM's constitution is always followed;
- x. to ensure that good governance operates including academic governance, including conducting Council's business in accordance with the best practice in HE corporate governance (including adherence to the Office for Students Conditions of Registration and the Committee of University Chairs' Higher Education Code of Governance);
- xi. to adhere to the principles of public life drawn up by the Committee on Standards in Public Life – i.e. Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership;
- xii. to provide formal annual assurances to the Office for Students on the reliability of degree standards and the continuous improvement of the student academic experience and of student outcomes;
- xiii. to act as trustee for any property, legacy, endowment, bequest or gift in support of LSHTM;
- xiv. to appoint a School Secretary to act as clerk to Council ensuring that he/she is solely accountable to the Chairman of Council for this governance role and that he/she has access to all information he/she requires to ensure good governance operates; and
- xv. to establish the following Committees required by the Office for Students, the HE Code of Governance or the Charter & Statutes: an Audit Committee, a Nominations Committee, a Remuneration Committee and Court.

The ordinances were updated and approved by Council on 1 December 2022. The ordinances are being further reviewed and updated in the current academic year 2024/25.

## Responsibilities in regard to these Financial Statements

Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of LSHTM and to enable it to ensure that the financial statements are prepared in accordance with LSHTM's Charter and Statutes, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP 2019) and the Office for Students 'Regulatory Notice 9: Accounts Direction'.

LSHTM's Charter states that Council has the sole management, control and supervision of LSHTM. The terms and conditions of funding set out by OfS and Research England require Council to ensure that Financial Statements are prepared for each financial year which give a true and fair view of the state of affairs of LSHTM and of its income and expenditure, cash flows and recognised gains and losses for that period.

Under LSHTM's Charter, Council has appointed a Finance and Development Committee and Audit and Risk Committee to undertake specific responsibilities in regard to these financial statements.

## Responsibilities of Council (continued)

Council has taken reasonable steps to:

- i. ensure that funds from the OfS and Research England are used only for the purposes for which they have been given and in accordance with their respective terms and conditions of funding and any other conditions which they may from time to time prescribe;
- ii. ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- iii. ensure that there is an ongoing process for identifying, evaluating and managing LSHTM's significant risks, control and corporate governance;
- iv. safeguard the assets of LSHTM and to prevent and detect fraud, bribery and other irregularities; and
- v. secure the economical, efficient and effective management of LSHTM's resources and expenditure.

Financial statements are published on LSHTM's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of LSHTM's website is the responsibility of the Council. The Council's responsibility also extends to the ongoing integrity of the financial statements contained therein.

All of the current Council members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the LSHTM's auditors for the purposes of their audit and to establish that the auditors are aware of that information. Council members are not aware of any relevant audit information of which the auditors are unaware.

Approved by Council on 25 November 2024 and signed on its behalf by:

Mr. Donald Robert  
Chair, Council

# Independent Auditor's Report to the Council of the London School of Hygiene & Tropical Medicine

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the School's affairs as at 31 July 2024 and of the Group's and the School's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of the London School of Hygiene and Tropical Medicine ("the School") and its subsidiaries ("the Group") for the year ended 31 July 2024 which comprise the Consolidated and LSHTM statement of comprehensive income, the Consolidated and LSHTM statement of changes in reserves, the Consolidated and LSHTM statement of financial position, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

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

## Independence

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

## Conclusions relating to going concern

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

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

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

## Other information

The Council is responsible for the other information. The other information comprises the information included in the annual accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Independent Auditor's Report to the Council of the London School of Hygiene & Tropical Medicine (continued)**

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

In our opinion, in all material respects:

- Funds from whatever source administered by the School for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

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

### **Responsibilities of the Council members**

As explained more fully in the Responsibilities of Council, the Council members 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 Council members 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 Council members are responsible for assessing the Group and the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council members either intends to liquidate the Group or the School or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

we considered the significant laws and regulations to be the applicable accounting framework, Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

## Independent Auditor's Report to the Council of the London School of Hygiene & Tropical Medicine (continued)

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

Our procedures in respect of the above included:

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

### *Fraud*

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting of inappropriate journal entries, management bias in accounting estimates and inappropriate expenditure being allocated to research grants (which then drives the income being recognised).

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including assessing the fair value and effectiveness of hedging instruments, the valuation of onerous research contracts, the useful economic lives of tangible fixed assets and the valuation of land and buildings; and
- Testing a sample of research grant income and expenditure transactions to source documentation, performing cut off testing to ensure income is included in the correct period and reviewing the revenue recognised in the year against the terms of the underlying agreements.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

## **Independent Auditor's Report to the Council of the London School of Hygiene & Tropical Medicine (continued)**

### **Use of our report**

This report is made solely to the Council members, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the School. Our audit work has been undertaken so that we might state to the School's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the School and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Jagger (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK  
Date: 20 December 2024

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

# Consolidated and LSHTM Statement of Comprehensive Income for the year ended 31 July 2024

|   | Note  | 2024             |                | 2023             |                |
|---|-------|------------------|----------------|------------------|----------------|
|   |       | Consol.<br>£'000 | LSHTM<br>£'000 | Consol.<br>£'000 | LSHTM<br>£'000 |
| <b>Income</b>   |       |                  |                |                  |                |
| Tuition fees and education contracts  | 1     | 24,683           | 24,683         | 24,562           | 24,562         |
| Funding body grants   | 2     | 34,889           | 34,889         | 35,068           | 35,068         |
| Research grants and contracts   | 4     | 169,968          | 169,968        | 186,513          | 186,513        |
| Other income  | 5     | 14,759           | 15,157         | 20,087           | 20,080         |
| Investment income   | 6     | 4,770            | 4,775          | 2,843            | 2,897          |
| Donations and endowments  | 7     | 6,193            | 6,193          | 9,112            | 9,112          |
| <b>Total income</b>   |       | <b>255,262</b>   | <b>255,665</b> | <b>278,185</b>   | <b>278,232</b> |
| <b>Expenditure</b>  |       |                  |                |                  |                |
| Staff costs before pension adjustment   | 9     | 127,542          | 127,542        | 128,253          | 128,247        |
| USS pension adjustment  | 9     | (61,212)         | (61,212)       | (7,029)          | (7,010)        |
| Total staff costs   | 9     | 66,330           | 66,330         | 121,224          | 121,237        |
| Other operating expenses  | 10    | 111,238          | 110,908        | 137,139          | 137,470        |
| Depreciation, amortisation and impairment of land & buildings   | 11/12 | 12,401           | 12,401         | 22,113           | 22,113         |
| Interest and other finance costs  | 8     | 1,940            | 1,940          | 2,742            | 2,742          |
| <b>Total expenditure</b>  |       | <b>191,909</b>   | <b>191,579</b> | <b>283,218</b>   | <b>283,562</b> |
| <b>Surplus/(deficit) before other gains, losses and share of operating deficit of joint ventures and associates</b> |       | <b>63,353</b>    | <b>64,086</b>  | <b>(5,033)</b>   | <b>(5,330)</b> |
| (Loss)/gain on sale of fixed assets   |       | (42)             | (42)           | 34               | 34             |
| Gain/(loss) on investments  | 13    | 2,079            | 2,079          | (397)            | (397)          |
| Share of operating deficit in joint venture   | 14    | (364)            | (364)          | (163)            | (163)          |
| <b>Surplus/(deficit) before tax</b>   |       | <b>65,026</b>    | <b>65,759</b>  | <b>(5,559)</b>   | <b>(5,856)</b> |
| Taxation  |       | -                | -              | (5)              | -              |
| <b>Surplus/(deficit) for the year</b>   |       | <b>65,026</b>    | <b>65,759</b>  | <b>(5,564)</b>   | <b>(5,856)</b> |
| Change in fair value of hedged financial instruments  |       | (256)            | (256)          | 1,472            | 1,472          |
| Unrealised (deficit)/surplus on revaluation of land and buildings   | 12    | (1,521)          | (1,501)        | 9,188            | 9,121          |
| <b>Total comprehensive income for the year</b>  |       | <b>63,249</b>    | <b>64,002</b>  | <b>5,096</b>     | <b>4,737</b>   |
| <b>Represented by:</b>  |       |                  |                |                  |                |
| Endowment comprehensive income/(expenditure) for the year   |       | 1,601            | 1,601          | (423)            | (423)          |
| Restricted comprehensive expenditure for the year   |       | (1,000)          | (1,000)        | (18)             | (18)           |
| Unrestricted comprehensive income/(expenditure) for the year  |       | 64,224           | 64,958         | (5,667)          | (5,958)        |
| Unrestricted hedging reserve comprehensive (expenditure)/income for the year  |       | (256)            | (256)          | 1,472            | 1,472          |
| Revaluation reserve comprehensive (expenditure)/income for the year   |       | (1,320)          | (1,301)        | 9,732            | 9,664          |
|   |       | <b>63,249</b>    | <b>64,002</b>  | <b>5,096</b>     | <b>4,737</b>   |

All items of income and expenditure relate to continuing activities.  
The notes on pages 42 to 66 form part of these financial statements.



# Consolidated and LSHTM Statement of Changes in Reserves for the year ended 31 July 2024

## Consolidated

|  | Income and expenditure account |                     |                       | Hedging Reserve<br>£'000 | Revaluation Reserve<br>£'000 | Total<br>£'000 |
|--|--------------------------------|---------------------|-----------------------|--------------------------|------------------------------|----------------|
|  | Endowment<br>£'000             | Restricted<br>£'000 | Unrestricted<br>£'000 |                          |                              |                |
| <b>Balance at 1 August 2022</b>                              | <b>18,505</b>                  | <b>8,910</b>        | <b>73,079</b>         | <b>(10,006)</b>          | <b>81,401</b>                | <b>171,889</b> |
| Deficit from the statement of comprehensive income           | (423)                          | (18)                | (5,667)               | -                        | -                            | (6,108)        |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | 1,472                    | -                            | 1,472          |
| Unrealised gain on land and buildings                        | -                              | -                   | -                     | -                        | 9,732                        | 9,732          |
| Total comprehensive (expenditure)/income for the year        | (423)                          | (18)                | (5,667)               | 1,472                    | 9,732                        | 5,096          |
| <b>Balance at 31 July 2023</b>                               | <b>18,082</b>                  | <b>8,892</b>        | <b>67,412</b>         | <b>(8,534)</b>           | <b>91,133</b>                | <b>176,985</b> |
| Surplus/(deficit) from the statement of comprehensive income | 1,601                          | (1,000)             | 64,224                | -                        | -                            | 64,825         |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (256)                    | -                            | (256)          |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -                        | (1,320)                      | (1,320)        |
| Realised gain on land and buildings                          | -                              | -                   | 1,642                 | -                        | (1,642)                      | -              |
| Total comprehensive income/(expenditure) for the year        | 1,601                          | (1,000)             | 65,866                | (256)                    | (2,962)                      | 63,249         |
| <b>Balance at 31 July 2024</b>                               | <b>19,683</b>                  | <b>7,892</b>        | <b>133,278</b>        | <b>(8,790)</b>           | <b>88,171</b>                | <b>240,234</b> |

**Consolidated and LSHTM Statement of Changes in Reserves for the year ended 31 July 2024  
(continued)**

**LSHTM**

|  | Income and expenditure account |                     |                       | Hedging Reserve | Revaluation Reserve | Total          |
|--|--------------------------------|---------------------|-----------------------|-----------------|---------------------|----------------|
|  | Endowment<br>£'000             | Restricted<br>£'000 | Unrestricted<br>£'000 |                 |                     |                |
| <b>Balance at 1 August 2022</b>                              | <b>18,505</b>                  | <b>8,910</b>        | <b>71,018</b>         | <b>(10,006)</b> | <b>81,039</b>       | <b>169,466</b> |
| Deficit from the statement of comprehensive income           | (423)                          | (18)                | (5,958)               | -               | -                   | <b>(6,399)</b> |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | 1,472           | -                   | <b>1,472</b>   |
| Unrealised gain on land and buildings                        | -                              | -                   | -                     | -               | 9,664               | <b>9,664</b>   |
| Total comprehensive (expenditure)/income for the year        | (423)                          | (18)                | (5,958)               | 1,472           | 9,664               | <b>4,737</b>   |
| <b>Balance at 31 July 2023</b>                               | <b>18,082</b>                  | <b>8,892</b>        | <b>65,060</b>         | <b>(8,534)</b>  | <b>90,703</b>       | <b>174,203</b> |
| Surplus/(deficit) from the statement of comprehensive income | 1,601                          | (1,000)             | 64,958                | -               | -                   | <b>65,559</b>  |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (256)           | -                   | <b>(256)</b>   |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -               | (1,301)             | <b>(1,301)</b> |
| Realised gain on land and buildings                          | -                              | -                   | 1,642                 | -               | (1,642)             | -              |
| Total comprehensive income/(expenditure) for the year        | 1,601                          | (1,000)             | 66,600                | (256)           | (2,943)             | <b>64,002</b>  |
| <b>Balance at 31 July 2024</b>                               | <b>19,683</b>                  | <b>7,892</b>        | <b>131,660</b>        | <b>(8,790)</b>  | <b>87,760</b>       | <b>238,205</b> |

# Consolidated and LSHTM Statement of Financial Position as at 31 July 2024

|   | Note | 2024                  |                | 2023                  |                |
|---|------|-----------------------|----------------|-----------------------|----------------|
|   |      | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Non-current assets</b>                               |      |                       |                |                       |                |
| Intangible assets                                       | 11   | 1,159                 | 1,159          | 551                   | 551            |
| Tangible fixed assets                                   | 12   | 248,375               | 246,225        | 254,479               | 252,309        |
| Investments   | 13   | 22,028                | 22,101         | 23,727                | 23,799         |
|   |      | <u>271,562</u>        | <u>269,485</u> | <u>278,757</u>        | <u>276,659</u> |
| <b>Current assets</b>                                   |      |                       |                |                       |                |
| Trade and other receivables                             | 15   | 58,612                | 59,480         | 70,268                | 69,479         |
| Short term deposits                                     |      | 5,000                 | 5,000          | 10,000                | 10,000         |
| Cash and cash equivalents                               | 21   | 85,584                | 85,150         | 79,970                | 79,805         |
|   |      | <u>149,196</u>        | <u>149,630</u> | <u>160,238</u>        | <u>159,284</u> |
| Creditors: amounts falling due within one year          | 16   | (89,447)              | (89,833)       | (112,282)             | (112,012)      |
|   |      | <u>59,749</u>         | <u>59,797</u>  | <u>47,956</u>         | <u>47,272</u>  |
| <b>Net current assets</b>                               |      |                       |                |                       |                |
|   |      | <u>331,311</u>        | <u>329,282</u> | <u>326,713</u>        | <u>323,931</u> |
| <b>Total assets less current liabilities</b>            |      |                       |                |                       |                |
| Creditors: amounts falling due after more than one year | 17   | (87,977)              | (87,977)       | (85,143)              | (85,143)       |
| Provisions  | 18   | (3,100)               | (3,100)        | (64,585)              | (64,585)       |
|   |      | <u>240,234</u>        | <u>238,205</u> | <u>176,985</u>        | <u>174,203</u> |
| <b>Total net assets</b>                                 |      |                       |                |                       |                |
| <b>Restricted reserves</b>                              |      |                       |                |                       |                |
| Income and expenditure reserve – endowment reserve      | 19   | 19,683                | 19,683         | 18,082                | 18,082         |
| Income and expenditure reserve – restricted reserve     | 20   | 7,892                 | 7,892          | 8,892                 | 8,892          |
| <b>Unrestricted reserves</b>                            |      |                       |                |                       |                |
| Income and expenditure reserve – hedge reserve          |      | (8,790)               | (8,790)        | (8,534)               | (8,534)        |
| Income and expenditure reserve – unrestricted           |      | 133,278               | 131,660        | 67,412                | 65,060         |
| Revaluation reserve                                     |      | 88,171                | 87,760         | 91,133                | 90,703         |
|   |      | <u>240,234</u>        | <u>238,205</u> | <u>176,985</u>        | <u>174,203</u> |
| <b>Total reserves</b>                                   |      |                       |                |                       |                |

The Financial Statements on pages 30 to 66 were approved by Council on 25 November 2024 and signed on its behalf by:

Professor Liam Smeeth  
Director

Mr. Donald Robert  
Chair, Council

# Consolidated Statement of Cash Flows for the year ended 31 July 2024

|   | Notes | 2024<br>£'000  | 2023<br>£'000   |
|---|-------|----------------|-----------------|
| <b>Cash flow from operating activities</b>                          |       |                |                 |
| Surplus/(deficit) for the year                                      |       | 65,026         | (5,564)         |
| <b>Adjustment for non-cash items</b>                                |       |                |                 |
| Depreciation  | 12    | 8,807          | 8,750           |
| Amortisation of intangibles   | 11    | 165            | 222             |
| Impairment of land and buildings                                    | 12    | 3,429          | 13,141          |
| (Gain)/loss on investments  |       | (2,079)        | 397             |
| Movement in debtors   |       | 7,751          | (21,142)        |
| Movement in creditors   |       | (21,671)       | (5,350)         |
| Movement in pension provision                                       | 10    | (61,212)       | (7,029)         |
| Movement in other provisions  | 18    | (1,650)        | 2,000           |
| Share of operating deficit in joint venture                         | 14    | 364            | 163             |
| <b>Adjustment for investing or financing activities</b>             |       |                |                 |
| Investment income   | 6     | (4,770)        | (2,843)         |
| Interest payable  | 8     | 1,940          | 2,742           |
| Endowment investment income   | 7     | (565)          | (969)           |
| Loss/(gain) on the sale of fixed assets                             |       | 42             | (34)            |
| Capital grant income  |       | (3,916)        | (5,444)         |
| <b>Net cash outflow used in operating activities</b>                |       | <u>(8,339)</u> | <u>(20,960)</u> |
| <b>Cash flows from investing activities</b>                         |       |                |                 |
| Proceeds from the sale of fixed assets                              |       | 2,500          | 34              |
| Capital grants receipts   |       | 5,979          | 13,895          |
| Investment income   | 6     | 4,770          | 2,843           |
| Payments made to acquire fixed assets                               | 12    | (6,291)        | (14,278)        |
| Payments made to acquire intangible assets                          | 11    | (773)          | (67)            |
| Inflow from funds withdrawn from the investment portfolio           |       | 3,500          | -               |
| Endowment investment income   | 19    | 565            | 969             |
| Inflow from short term deposits                                     |       | 5,000          | 10,000          |
| <b>Net cash inflow from investing activities</b>                    |       | <u>15,250</u>  | <u>13,396</u>   |
| <b>Cash flows from financing activities</b>                         |       |                |                 |
| Interest paid   | 8     | (564)          | (600)           |
| Repayments of amounts borrowed                                      | 21    | (733)          | (715)           |
| <b>Net cash outflow used in financing activities</b>                |       | <u>(1,297)</u> | <u>(1,315)</u>  |
| <b>Increase/(decrease) in cash and cash equivalents in the year</b> |       | <u>5,614</u>   | <u>(8,879)</u>  |
| Cash and cash equivalents at beginning of the year                  | 21    | 79,970         | 88,849          |
| Cash and cash equivalents at end of the year                        | 21    | 85,584         | 79,970          |
| <b>Cash and cash equivalents movement in year</b>                   |       | <u>5,614</u>   | <u>(8,879)</u>  |

# Statement of Principal Accounting Policies

## 1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further Education and Higher Education 2019 (SORP 2019) and in accordance with Financial Reporting Standards 102 (FRS 102). LSHTM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

## 2. Accounting convention

The LSHTM is a not for profit higher education establishment operating in England. The registered Office is Keppel Street, London, WC1E 7HT, UK.

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2020, the Royal Charter, the Accounts Direction issued by office for Students, the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

## 3. Basis of Accounting

The financial statements are prepared in accordance with the historic cost convention, modified by the revaluation of fixed assets and derivative financial instruments.

## 4. Basis of consolidation

The consolidated financial statements include LSHTM and its subsidiaries for the financial year to 31 July 2024. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Associated companies and joint ventures are accounted for using the equity method.

## 5. Income recognition

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

Tuition fee income is stated gross of any expenditure and credited to the Consolidated Statement of Income over the period in which students are studying. Scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the Consolidated Statement of Comprehensive Income on a receivable basis.

Research grants and contracts are reviewed annually to assess whether there are any which would be considered underfunded and therefore should be classified as an onerous contract. A provision for such underfunding is then made in the year in which the future underfunding is identified.

### **Grant funding from Government Sources**

Government revenue grants including the recurrent grants from the Office for Students and Research England and research grants are recognised in income over the periods in which LSHTM recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income, until performance conditions are met, within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

### **Grant funding from Non-Government Sources**

Research revenue grants from non-government sources are recognised in income according to the terms of the grant:

- a) Where the funder awards the grant on the basis of pre-agreed expenditure, which sets out the expected level of service or units of output, or a maximum total budget is agreed, then the expenditure against the project actual spend is used as the income recognition point.

## Statement of Principal Accounting Policies (continued)

### 5. Income recognition (continued)

- b) Where the funder reimburses costs properly incurred against the grant purpose, or will expect repayment of any unspent funds at the end of the project, the income recognition will be the expenditure on the project.
- c) Where the funder receives some form of benefit of approximately equal value to the funding provided, the grant shall be treated as a revenue transaction. Income recognition will be in line with the project's expenditure.

Income received in advance of the performance related conditions being met, or expenditure against the project budget, is recognised as deferred income within creditors on the balance sheet and released to income as performance conditions are met or expended against the project budget.

#### **Donations & Endowments**

Donations without performance related conditions or restrictions are credited to the Consolidated Statement of Comprehensive Income under donations when LSHTM is entitled to receive the income.

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

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

#### **Total Return**

LSHTM has operated a Total Return endowment investment management policy for permanent endowments and an associated Total Return Accounting policy since 2014. Total Return Accounting allows the spending of permanent endowment investment gains regardless of whether they are realised/unrealised capital gains or dividend/interest income. Investment gains on permanent endowment assets are recognised in the Statement of Comprehensive Income as accrued. The gains are recorded within LSHTM's permanent endowment reserves as unapplied return. For permanent restricted endowments unapplied return is transferred to unrestricted reserves as expenditure is incurred against the charitable purposes of each endowment. For permanent unrestricted endowments unapplied return is transferred to unrestricted reserves under a spend rule based on the estimated long-term investment real rate of return. This is calculated as the lower of RPI + 2% and 6%.

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

- a) Restricted donations – the donor has specified that the donation must be used for a particular objective.
- b) Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of LSHTM.
- c) Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and LSHTM has the power to use the capital.
- d) Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

#### **Capital grants**

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when LSHTM is entitled to the funds subject to any performance related conditions being met.

## Statement of Principal Accounting Policies (continued)

### 6. Accounting for retirement benefits

LSHTM's employees participate in four defined benefit/hybrid pension schemes – the Universities' Superannuation Scheme (USS), which changed from a defined benefit scheme to a hybrid scheme where members accrue both an element of defined benefit and defined contribution pension benefits, with effect from 1 October 2016; the Superannuation Arrangements of the University of London (SAUL); the Medical Research Council Pension Scheme (MRCPS); and the National Health Service Scheme (NHSS). USS, SAUL and MRCPS are externally funded through member and employer contributions; NHSS is an unfunded scheme.

USS and SAUL were contracted out of the State Second Pension (S2P) up to 31 March 2016. From 1 April 2016, contracting out was abolished.

Each fund is valued every three years by professionally qualified independent actuaries.

The USS, SAUL and MRCPS are multi-employer trustee-administered schemes for which it is not possible to identify the assets and liabilities to LSHTM due to the mutual nature of the schemes as the assets are not attributed to individual institutions, and therefore these schemes are accounted for as defined contribution retirement benefit schemes and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraph 28.11 of FRS102 "Employee Benefits".

Prior to 1 January 2024, LSHTM had entered into an agreement (the Recovery Plan) that determines how each employer within the USS scheme will fund the overall deficit, and therefore LSHTM recognised a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS, SAUL and MRCPS schemes. LSHTM uses a recognised model within the Higher Education sector to calculate the fair value of the contractual commitment to fund past deficits in the USS, SAUL and MRC pension schemes.

### 7. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Consolidated Statement of Comprehensive Income.

### 8. Tangible fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

#### **Land and buildings**

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. LSHTM has a policy of ensuring an external revaluation takes place at regular intervals. In the intervening years between external valuations, LSHTM engages external valuers to undertake a desktop assessment, using published information on market rentals and building cost indices, to ensure that the book values of its assets are not materially different from their fair values. Depreciation is subsequently charged on the revalued amount.

A valuation of all land and buildings at LSHTM's London sites was carried out as at 31 July 2024 by Gerald Eve LLP, Chartered Surveyors. Specialist academic and research land and buildings were valued on a depreciated replacement cost basis and all other buildings were valued on a market value basis. The valuation excludes any value associated with development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

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

## Statement of Principal Accounting Policies (continued)

### 8. Tangible fixed assets (continued)

Freehold land is not depreciated as it is considered to have an indefinite useful life. Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

Freehold buildings are split into components (structure, mechanical and electrical, and fit-out) for depreciation purposes and are depreciated on a straight line basis over their relative expected useful economic life to LSHTM of between 10 and 50 years. Long leasehold buildings are depreciated over a useful economic life of 50 years irrespective of the length of the lease. Short-leasehold buildings, where the lease is less than 50 years, are depreciated over the life of the lease.

Expenditure on buildings in the course of construction is capitalised in the year in which it arises. No depreciation is charged until the year in which the asset comes into use.

#### **Equipment**

Equipment, including computers, costing less than £10,000 per individual item is recognised as expenditure and written off in full to the Consolidated Statement of Comprehensive Income and Expenditure in the year of acquisition.

All other equipment including computers above £10,000 per individual item is capitalised and stated at cost.

Assets are depreciated over their expected useful economic life, as follows:

|   |                            |
|---|----------------------------|
| Computer equipment                                | 4 years                    |
| Equipment acquired for specific research projects | the remaining project life |
| All other equipment                               | 4 years                    |
| Vehicles  | 8 years                    |
| Furniture   | 4 years                    |

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

#### **Impairment**

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

### 9. Intangible Assets

Intangible assets costing less than £10,000 per individual item are recognised as expenditure and written off in full to the Consolidated Statement of Comprehensive Income in the year of acquisition, and assets costing above £10,000 are amortised over four years on a straight line basis.

### 10. Investments

Fixed asset investments and endowment asset investments are held on the Balance Sheet at market value. Unlisted investments are stated at historic cost less any provision for impairment in their value.

### 11. Branches

The School has two research units, the MRC Unit The Gambia at LSHTM and MRC/UVRI & LSHTM Uganda Research Unit, these have separate legal personalities but are accounted for as part of the School's financial results on the basis their operations are directly administered by the School.

### 12. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value, within three months. These are an element of LSHTM's cash management, enabling better returns.

Cash held by Fund Managers in discretionary mandates is excluded from cash and cash equivalents and instead included in fixed asset investments.



## Statement of Principal Accounting Policies (continued)

### 13. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) LSHTM has a present obligation (legal or constructive) as a result of a past event;
- b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

A contingent asset arises where an event has taken place that gives LSHTM a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of LSHTM.

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

### 14. Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

LSHTM, along with four other colleges in the Bloomsbury area, participates in the London International Development Centre (LIDC) which is a jointly controlled operation.

LSHTM accounts for its share of the assets, liabilities and cash flows from LIDC in the financial statements measured in accordance with the terms of the arrangement (see Note 14 to the Financial Statements). LIDC is currently in the process of being wound down with existing grant being transferred to LSHTM for completion in February 2025.

### 15. Financial Instruments

#### ***Loans, investments and short-term deposits***

All loans, investments and short-term deposits held by LSHTM are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however LSHTM has calculated that the difference between the historic cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

#### ***Derivative instruments and hedge accounting***

Derivatives are considered to be non-basic financial instruments and are initially measured at transaction price, then subsequently measured to fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Where a market for a financial instrument is not active, fair value is established using a valuation technique. LSHTM has applied hedge accounting in the year. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market based data.

LSHTM holds floating rate loans which expose LSHTM to interest rate risk, to mitigate against this risk LSHTM uses interest rate swaps. LSHTM has designated each of the swaps against either existing drawn floating rate debt or against highly probable future floating rate debt.

LSHTM has entered into currency forward exchange contracts in order to hedge against the risk of material fluctuations in currency exchange rates.

These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counter party credit risk are recognised in income and expenditure.

## Statement of Principal Accounting Policies (continued)

### 16. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to LSHTM, are held as a permanently restricted fund which LSHTM must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore LSHTM is restricted in the use of these funds.

### 17. Key Judgements & Estimates

FRS102 requires management to use judgements in applying estimates and assumptions which affect the reported amounts. Whenever a material judgement is called for, management relies upon advice and information from professional advisers, particularly where discount rates are required to calculate fair values.

#### a) Key judgements

##### *ij) Hedging provision*

Management uses its judgement to assess the effectiveness of hedging instruments. In regard to the effectiveness of interest rate swaps on bank loans, management assess three main criteria: the start and end date of the swap and the underlying loan, the equivalence of the loan repayment and swap reset; and the equivalence of the outstanding loan balance and swap amount.

##### *ii) Land and buildings useful economic life*

As part of the revaluation of the land and building assets of LSHTM in London, the remaining useful economic life of each was assessed by the valuer Gerald Eve. These useful economic life estimates are considered appropriate by management and consistent with current accounting policy.

##### *iii) Ugandan land assets recognised for the LSHTM/MRC Uganda Unit*

There is a legal requirement for land in Uganda to be owned within a legal entity with majority ownership of a Ugandan national and LSHTM has established MRC/UVRI and LSHTM Uganda Research Unit Limited for this purpose. The transfer agreements between LSHTM and MRC shareholders confirmed transfer of all assets, transferring the rights and therefore substance to LSHTM. It is the opinion of Council that LSHTM has full controls of the rights and rewards of ownership and therefore MRC/UVRI and LSHTM Uganda Research Unit Limited has been included within the consolidated numbers even though LSHTM owns less than 50%. The total value of land and buildings for the Uganda Unit has therefore been included within these financial statements based on an independent valuation by suitably qualified third parties and included based on this valuation, which management consider to represent their fair value.

##### *iv) Onerous research contracts*

Whilst inflation is lower in 2024 than during 2022 and 2023 in the UK, it remains high in The Gambia and Uganda and continues to result in pressure on research project budgets, this is expected to continue into 2025 and 2026. There is the potential for higher costs than budgeted to be incurred on projects in order to meet the contractual terms, and not all research funders will cover the full impact of inflation on expenditure. Management has assessed the likelihood of unfunded research project costs and a provision for these has been made within these financial statements, as stated in Note 10. This assessment was formed through selecting a sample of projects based on the stage of completion and level of financial risk for each project. A range of potential future inflation rates was applied to calculate potential financial impact.

## Statement of Principal Accounting Policies (continued)

### 17. Key Judgements & Estimates (continued)

#### b) Key estimates

##### *i) Hedging provision*

Management uses its judgement to assess the fair value of hedging instruments.

##### *Swaps on bank loans*

The fair value is assessed by the loan provider, by comparing the position of the swap terms against current financial market position. Both loans are assessed against 3-month LIBOR. Management tests these fair value calculations by gaining an understanding and testing the reasonableness of the key assumptions on which they are based.

##### *Currency forward contracts*

LSHTM hedges currency exchange rate risk using forward contracts. The fair value is assessed by the currency brokers by comparing the position of the forward contract terms against the current financial market's prevailing spot rates. Management tests these fair value calculations by gaining an understanding and testing reasonableness of the key assumptions on which they are based.

##### *ii) Land and buildings valuation*

Building costs include the original purchase, where applicable, the cost of construction, attributable management costs and capitalised interest. The buildings are then subject to annual external revaluation by qualified valuers, however, there will always be an element of estimation in the valuation placed on land and buildings, which are taken as the value that the combined land and buildings could achieve were it to be sold as at the balance sheet date. Where indicators of impairment are identified, a detailed assessment is undertaken and a corresponding adjustment is included in the accounts.

### 18. Going Concern

Based on assessment of LSHTM's latest financial forecasts, surplus targets, liquidity targets, security of income streams for research and education, and management of financial risks in the short-to medium-term (to July 2027), Council considers that LSHTM has sufficient financial resources and is confident that its future income streams will maintain these resources.

Council believes that LSHTM is well placed to effectively manage its business risks, despite the uncertainty resulting from global economic and political uncertainties and has reviewed a number of alternative financial scenarios over the period to July 2026; the likelihood of downside scenarios becoming reality; and the mitigating actions that would be taken to ensure financial and operational sustainability. Downside scenarios include assumptions around the level of research income, USS pension costs, operating expenditure, capital expenditure and fundraising income.

Council has a reasonable expectation that LSHTM has adequate resources to continue in operation for at least twelve months from the date of signing these financial statements. Thus, it continues to adopt the going concern basis in preparing the financial statements.

# Notes to the Financial Statements

## 1. Tuition fees and education contracts

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Fees from full-time students charged UK fees       | 2,162                 | 2,162          | 2,425                 | 2,425          |
| Fees from full-time students charged overseas fees | 11,123                | 11,123         | 10,097                | 10,097         |
| Fees from students charged part-time fees          | 2,150                 | 2,150          | 1,930                 | 1,930          |
| Fees from students on short courses                | 1,784                 | 1,784          | 1,656                 | 1,656          |
| Fees from distance learning courses                | 7,464                 | 7,464          | 8,454                 | 8,454          |
|  | <u>24,683</u>         | <u>24,683</u>  | <u>24,562</u>         | <u>24,562</u>  |

## 2. Funding body grants

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Recurrent grants</b>                  |                       |                |                       |                |
| UKRI Research grants                     | 21,515                | 21,515         | 23,014                | 23,014         |
| OfS Teaching grants                      | 2,327                 | 2,327          | 2,531                 | 2,531          |
|  | <u>23,842</u>         | <u>23,842</u>  | <u>25,545</u>         | <u>25,545</u>  |
| <b>Specific grants</b>                   |                       |                |                       |                |
| ISPF Institutional Support Grant         | 3,332                 | 3,332          | -                     | -              |
| Higher Education Innovation Fund         | 3,093                 | 3,093          | 2,381                 | 2,381          |
| Specialist Provider                      | 2,000                 | 2,000          | 2,000                 | 2,000          |
| Policy Support / Strategic Priority Fund | 1,000                 | 1,000          | 1,000                 | 1,000          |
| Enhancing Research Culture               | 250                   | 250            | 84                    | 84             |
| Participatory Research Programme         | 79                    | 79             | -                     | -              |
| Business QR Recovery                     | -                     | -              | 1,660                 | 1,660          |
| QR research degree programme recovery    | -                     | -              | 166                   | 166            |
|  | <u>9,754</u>          | <u>9,754</u>   | <u>7,291</u>          | <u>7,291</u>   |
| Release of deferred capital grants       | 1,293                 | 1,293          | 2,232                 | 2,232          |
|  | <u>34,889</u>         | <u>34,889</u>  | <u>35,068</u>         | <u>35,068</u>  |

## 3. Grant and fee income

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Grant and fee income</b>                        |                       |                |                       |                |
| Grant income from the OfS                          | 2,327                 | 2,327          | 2,531                 | 2,531          |
| Grant income from other bodies                     | 32,562                | 32,562         | 32,537                | 32,537         |
| Fee income for taught awards (excl. VAT)           | 19,620                | 19,620         | 19,903                | 19,903         |
| Fee income for research awards (excl. VAT)         | 3,280                 | 3,280          | 3,003                 | 3,003          |
| Fee income from non-qualifying courses (excl. VAT) | 1,784                 | 1,784          | 1,656                 | 1,656          |
|  | <u>59,573</u>         | <u>59,573</u>  | <u>59,630</u>         | <u>59,630</u>  |

## Notes to the Financial Statements (continued)

### 4. Research grants and contracts

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| UK research councils                             | 38,492                | 38,492         | 46,771                | 46,771         |
| UK charities                                     | 22,213                | 22,213         | 24,435                | 24,435         |
| UK government departments and health authorities | 33,763                | 33,763         | 33,055                | 33,055         |
| UK Industry & Commerce                           | 4,935                 | 4,935          | 2,196                 | 2,196          |
| UK other   | 809                   | 809            | 231                   | 231            |
| EU charities                                     | 1,707                 | 1,707          | 1,198                 | 1,198          |
| EU Commission and other government bodies        | 12,816                | 12,816         | 16,765                | 16,765         |
| EU Industry & Commerce                           | 1,024                 | 1,024          | 1,217                 | 1,217          |
| EU other   | 1,731                 | 1,731          | 1,482                 | 1,482          |
| Charities based outside the EU                   | 28,701                | 28,701         | 30,590                | 30,590         |
| Government bodies outside the EU                 | 8,521                 | 8,521          | 11,721                | 11,721         |
| Industry and commerce outside the EU             | 2,345                 | 2,345          | 2,298                 | 2,298          |
| Other sources outside the EU                     | 12,911                | 12,911         | 14,554                | 14,554         |
|  | <b>169,968</b>        | <b>169,968</b> | <b>186,513</b>        | <b>186,513</b> |

### 5. Other income

|                                 | 2024                  |                | 2023                  |                |
|---------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                 | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Research consultancy            | 654                   | 654            | 1,206                 | 1,206          |
| Other non-research grant income | 3,579                 | 3,579          | 7,732                 | 7,732          |
|                                 | <b>4,233</b>          | <b>4,233</b>   | <b>8,938</b>          | <b>8,938</b>   |
| Refectory                       | 136                   | 136            | 287                   | 287            |
| Other income                    | 10,390                | 10,788         | 10,862                | 10,855         |
|                                 | <b>10,526</b>         | <b>10,924</b>  | <b>11,149</b>         | <b>11,142</b>  |
|                                 | <b>14,759</b>         | <b>15,157</b>  | <b>20,087</b>         | <b>20,080</b>  |

Other income consists of a number of non-research projects, none of them are individually material.

## Notes to the Financial Statements (continued)

### 6. Investment income

|                         | 2024                  |                | 2023                  |                |
|-------------------------|-----------------------|----------------|-----------------------|----------------|
|                         | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Other investment income | 4,770                 | 4,775          | 2,843                 | 2,897          |
|                         | <u>4,770</u>          | <u>4,775</u>   | <u>2,843</u>          | <u>2,897</u>   |

### 7. Donations and endowments

|                             | 2024                  |                | 2023                  |                |
|-----------------------------|-----------------------|----------------|-----------------------|----------------|
|                             | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Endowment investment income | 565                   | 565            | 969                   | 969            |
| Donations with restrictions | 5,628                 | 5,628          | 8,143                 | 8,143          |
|                             | <u>6,193</u>          | <u>6,193</u>   | <u>9,112</u>          | <u>9,112</u>   |

### 8. Interest and other finance costs

|                                      | 2024                  |                | 2023                  |                |
|--------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                      | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Loan interest                        | 564                   | 564            | 600                   | 600            |
| Net charge on the USS pension scheme | 1,376                 | 1,376          | 2,142                 | 2,142          |
|                                      | <u>1,940</u>          | <u>1,940</u>   | <u>2,742</u>          | <u>2,742</u>   |

### 9. Staff costs

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Salaries   | 103,305               | 103,305        | 102,170               | 102,165        |
| Social security costs  | 8,551                 | 8,551          | 8,094                 | 8,094          |
| Other pension costs  | 15,338                | 15,338         | 17,655                | 17,654         |
| Apprenticeship levy  | 348                   | 348            | 334                   | 334            |
| Movement in USS pension deficit recovery plan provision (Notes 18, 24) | (61,212)              | (61,212)       | (7,029)               | (7,010)        |
|  | <u>66,330</u>         | <u>66,330</u>  | <u>121,224</u>        | <u>121,237</u> |

## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

| <b>Emoluments of the Director:</b>          | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Basic salary                                | <b>245</b>   | 212          |
| Bonus                                       | <b>45</b>    | 40           |
| Allowances linked to clinical academic role | <b>78</b>    | 78           |
| Payment in lieu of pension contributions    | -            | 50           |
| Pension contributions                       | <b>55</b>    | 10           |
| Salary sacrifice                            | -            | (2)          |
|   | <b>423</b>   | <b>388</b>   |

Of the total emoluments of the Director set out above, £59k out of £78k of allowances (2023: £59k) was funded by the NHS in respect of the Director's contract as an NHS clinician.

#### **Pay Ratio Calculations based on the Director's salary**

The figures below set out the multiple of the Director's salary compared to the median LSHTM employee salary.

|                          | <b>2024</b> | <b>2023</b> |
|--------------------------|-------------|-------------|
| Basic salary ratio       | <b>4.9</b>  | 4.4         |
| Total remuneration ratio | <b>8.5</b>  | 8.0         |

#### **Justification for total remuneration package:**

LSHTM's Remuneration Committee reviews the performance and determines the terms and conditions of the Director and the Senior Office Holders. It ensures such staff are appropriately rewarded in terms of their recruitment, retention and motivation through a process which is robust and proportionate in its use of funds.

The Remuneration Committee is chaired by an independent member of Council, and also consists of the Chair of Council, Deputy Chair of Council, up to three other independent members of Council and up to three Co-opted members. The Director of HR attends in an ex officio capacity. The Remuneration Committee's terms of reference are published on the LSHTM website.

The Director's salary and performance are reviewed annually by the Remuneration Committee, following a performance assessment by the Chair of Council who undertakes an annual review of the Director's performance, considering progress against objectives over the past 12 months and sets agreed objectives and KPIs for the coming year(s).

The Director's remuneration has been reviewed against performance over the last year, where LSHTM has demonstrated continuing good performance academically and financially against the objectives set by LSHTM's Council. This good performance includes continued success in attracting research grant funding, world-leading research outputs and impact on global health and health policy and a stronger relatively healthy financial position. LSHTM's student enrolment for the current academic year is lower than anticipated, which has negatively impacted income received from student fees. A decline in post-graduate student enrolment at LSHTM reflects wider sector-level trends and is being explored further by LSHTM management. LSHTM's financial performance is explained more fully in the Treasurer's Report within these financial statements.

The Director's remuneration is also set in the context of LSHTM's global reputation as a leader in its field of academic and scientific endeavour and recognising that LSHTM is a truly global organisation with ongoing activity in many countries which adds leadership, organizational, regulatory and management complexity.

The Director's remuneration package reflects the leadership skills required of a globally recognised and high-performing higher education institution and his global influence in health sciences and global health policy development.

The Director does not have any accommodation provided by LSHTM.

## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

Number of staff with a LSHTM funded FTE basic salary of £100,000 or more (including the Director):

|                      | 2024<br>No. | 2023<br>No. |
|----------------------|-------------|-------------|
| £100,000 to £104,999 | 22          | 5           |
| £105,000 to £109,999 | 15          | 24          |
| £110,000 to £114,999 | 25          | 19          |
| £115,000 to £119,999 | 14          | 22          |
| £120,000 to £124,999 | 9           | 5           |
| £125,000 to £129,999 | 17          | 6           |
| £130,000 to £134,999 | 4           | 2           |
| £135,000 to £139,999 | 1           | -           |
| £140,000 to £144,999 | -           | -           |
| £145,000 to £149,999 | -           | 2           |
| £150,000 to £154,999 | 2           | 1           |
| £155,000 to £159,999 | 2           | 1           |
| £160,000 to £164,999 | 1           | -           |
| £165,000 to £169,999 | -           | 1           |
| £185,000 to £189,999 | 1           | -           |
| £210,000 to £214,999 | -           | 1           |
| £215,000 to £219,999 | 1           | -           |
| £245,000 to £249,999 | 1           | -           |
|                      | <u>115</u>  | <u>89</u>   |

Average staff numbers by major category:

|   | 2024<br>No.  | 2023<br>No.  |
|---|--------------|--------------|
| Teaching and Research staff in academic faculties | 815          | 867          |
| Support staff in academic faculties               | 272          | 263          |
| LSHTM/MRC research units in Gambia and Uganda     | 1,974        | 2,101        |
| Central services                                  | 339          | 309          |
| Premises  | 81           | 81           |
|   | <u>3,481</u> | <u>3,621</u> |

#### Key management personnel

Key management personnel are members of the Executive Team who have authority and responsibility for the planning, directing and controlling of activities of LSHTM.

|   | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| Key management personnel total remuneration             | <u>2,451</u>  | <u>2,335</u>  |
|   | No.           | No.           |
| Number of key management personnel (no. of individuals) | 14            | 15            |
| Number of key management personnel (FTEs)               | 13            | 13            |



## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

#### Key management personnel who served during the year are:

|  |   |
|--|---|
| Prof Liam Smeeth                           | Director  |
| Dr Matthew Lee                             | Chief Operating Officer                         |
| Prof Caroline Relton                       | Pro-Director, Research and Academic Development |
| Mr Craig Higgins (until August 2024)       | Pro-Director, Education                         |
| Prof Elizabeth Allen                       | Dean of EPH Faculty                             |
| Ms Katie Steels                            | Director, Communications & Engagement           |
| Prof Umberto D'Alessandro                  | Director, MRC Unit The Gambia at LSHTM          |
| Prof Pontiano Kaleebu (until March 2024)   | Director, MRC/UVRI & LSHTM Uganda Research Unit |
| Prof Moffat Nyirenda (from April 2024)     | Director, MRC/UVRI & LSHTM Uganda Research Unit |
| Mr Kessar Kalim                            | Director, Human Resources                       |
| Prof Alison Grant                          | Dean of ITD Faculty                             |
| Prof Kara Hanson                           | Dean of PHP Faculty                             |
| Mr Andrew Dyer                             | Director, Finance                               |
| Dr Roshni Mooneeram (until September 2024) | Director, Equity, Diversity and Inclusion       |

#### Council members

No Council member has received any remuneration/waived payments from the Group during the financial year 2024. The total expenses paid on behalf of Council members was £nil (2023: £nil).

#### Compensation for loss of office

During the year three people (2023: five) received £62k (2023: £63k) as compensation for loss of office.

### 10. Analysis of total expenditure by activity

|                                       | 2024                  |                |                 | 2023                  |         |         |
|---------------------------------------|-----------------------|----------------|-----------------|-----------------------|---------|---------|
|                                       | Consolidated<br>£'000 |                |                 | Consolidated<br>£'000 |         |         |
|                                       | Staff                 | Other          | Total           | Staff                 | Other   | Total   |
| Academic faculties:                   |                       |                |                 |                       |         |         |
| General funds                         | 25,427                | 1,541          | <b>26,968</b>   | 24,067                | 2,091   | 26,158  |
| Projects:                             |                       |                |                 |                       |         |         |
| Research grants and contracts         | 62,112                | 75,399         | <b>137,511</b>  | 65,492                | 89,489  | 154,981 |
| LSHTM/MRC Units                       | 9,565                 | 4,762          | <b>14,327</b>   | 9,166                 | 6,926   | 16,092  |
| Consultancy agreements                | 270                   | 384            | <b>654</b>      | 635                   | 571     | 1,206   |
| Provision – onerous research projects | -                     | (1,650)        | <b>(1,650)</b>  | -                     | 2,000   | 2,000   |
| Other grants                          | 1,829                 | 3,272          | <b>5,101</b>    | 2,370                 | 6,178   | 8,548   |
| Total academic faculties' expenditure | <b>99,203</b>         | <b>83,708</b>  | <b>182,911</b>  | 101,730               | 107,255 | 208,985 |
| Academic services                     | 10,169                | 6,512          | <b>16,681</b>   | 9,064                 | 6,522   | 15,586  |
| Administrative services               | 13,479                | 4,844          | <b>18,323</b>   | 12,837                | 6,947   | 19,784  |
| Maintenance of premises               | 2,673                 | 4,170          | <b>6,843</b>    | 2,467                 | 3,692   | 6,159   |
| Equipment and furniture               | -                     | 123            | <b>123</b>      | -                     | 327     | 327     |
| Refectory                             | 283                   | 56             | <b>339</b>      | 286                   | 178     | 464     |
| USS pension provision                 | (61,212)              | -              | <b>(61,212)</b> | (7,029)               | -       | (7,029) |
| Annual leave accrual                  | (352)                 | -              | <b>(352)</b>    | (1,149)               | -       | (1,149) |
| General education expenditure         | 1,710                 | 3,966          | <b>5,676</b>    | 1,483                 | 3,928   | 5,411   |
| Studentships                          | -                     | 3,391          | <b>3,391</b>    | -                     | 3,727   | 3,727   |
| Other expenditure                     | 377                   | 3,909          | <b>4,286</b>    | 1,535                 | 2,987   | 4,522   |
| Currency exchange rate losses         | -                     | 559            | <b>559</b>      | -                     | 1,576   | 1,576   |
|                                       | <b>(32,873)</b>       | <b>27,530</b>  | <b>(5,343)</b>  | 19,494                | 29,884  | 49,378  |
|                                       | <b>66,330</b>         | <b>111,238</b> | <b>177,568</b>  | 121,224               | 137,139 | 258,363 |

## Notes to the Financial Statements (continued)

### 10. Analysis of total expenditure by activity (continued)

| Other operating expenses include (including irrecoverable VAT): | 2024       | 2023       |
|---|------------|------------|
|   | £'000      | £'000      |
| LSHTM financial statements audit                                | 169        | 148        |
| Subsidiary financial statements audit                           | 23         | 14         |
| US Loans FFELP audit  | 9          | 9          |
|   | <b>201</b> | <b>171</b> |

|                          |     |     |
|--------------------------|-----|-----|
| Operating lease rentals: |     |     |
| Property                 | 173 | 173 |
| Other                    | 13  | 13  |

|                                       | 2024<br>LSHTM<br>£'000 |                |                 | 2023<br>LSHTM<br>£'000 |         |         |
|---------------------------------------|------------------------|----------------|-----------------|------------------------|---------|---------|
|                                       | Staff                  | Other          | Total           | Staff                  | Other   | Total   |
| Academic faculties:                   |                        |                |                 |                        |         |         |
| General funds                         | 25,427                 | 1,541          | <b>26,968</b>   | 24,067                 | 2,091   | 26,158  |
| Projects:                             |                        |                |                 |                        |         |         |
| Research grants and contracts         | 62,112                 | 75,399         | <b>137,511</b>  | 65,492                 | 89,489  | 154,981 |
| LSHTM/MRC Units                       | 9,565                  | 4,762          | <b>14,327</b>   | 9,166                  | 6,926   | 16,092  |
| Consultancy agreements                | 270                    | 384            | <b>654</b>      | 635                    | 571     | 1,206   |
| Provision – onerous research projects | -                      | (1,650)        | <b>(1,650)</b>  | -                      | 2,000   | 2,000   |
| Other grants                          | 1,829                  | 3,272          | <b>5,101</b>    | 2,370                  | 6,178   | 8,548   |
| Total academic faculties' expenditure | <b>99,203</b>          | <b>83,708</b>  | <b>182,911</b>  | 101,730                | 107,255 | 208,985 |
| Academic services                     | 10,169                 | 6,512          | <b>16,681</b>   | 9,064                  | 6,521   | 15,585  |
| Administrative services               | 13,479                 | 4,844          | <b>18,323</b>   | 12,831                 | 6,947   | 19,778  |
| Maintenance of premises               | 2,673                  | 4,170          | <b>6,843</b>    | 2,467                  | 3,692   | 6,159   |
| Equipment and furniture               | -                      | 123            | <b>123</b>      | -                      | 327     | 327     |
| Refectory                             | 283                    | 56             | <b>339</b>      | 286                    | 178     | 464     |
| USS pension provision                 | (61,212)               | -              | <b>(61,212)</b> | (7,010)                | -       | (7,010) |
| Annual leave accrual                  | (352)                  | -              | <b>(352)</b>    | (1,149)                | -       | (1,149) |
| General education expenditure         | 1,710                  | 3,966          | <b>5,676</b>    | 1,483                  | 3,928   | 5,411   |
| Studentships                          | -                      | 3,391          | <b>3,391</b>    | -                      | 3,727   | 3,727   |
| Other expenditure                     | 377                    | 3,579          | <b>3,956</b>    | 1,535                  | 3,319   | 4,854   |
| Currency exchange rate losses         | -                      | 559            | <b>559</b>      | -                      | 1,576   | 1,576   |
|                                       | <b>(32,873)</b>        | <b>27,200</b>  | <b>(5,673)</b>  | 19,507                 | 30,215  | 49,722  |
|                                       | <b>66,330</b>          | <b>110,908</b> | <b>177,238</b>  | 121,237                | 137,470 | 258,707 |

Notes to the Financial Statements (continued)

11. Intangible assets

| Consolidated and LSHTM   | Intangible<br>asset in the<br>course of<br>construction<br>£'000 | Software<br>£'000   | Total<br>£'000      |
|--------------------------|--|---------------------|---------------------|
| <b>Cost or valuation</b> |  |                     |                     |
| At 1 August 2023         | 241  | 2,914               | 3,155               |
| Additions                | 773  | -                   | 773                 |
| <b>At 31 July 2023</b>   | <b><u>1,014</u></b>  | <b><u>2,914</u></b> | <b><u>3,928</u></b> |
| <b>Amortisation</b>      |  |                     |                     |
| At 1 August 2023         | -  | 2,604               | 2,604               |
| Charge for the year      | -  | 165                 | 165                 |
| <b>At 31 July 2024</b>   | <b><u>-</u></b>  | <b><u>2,769</u></b> | <b><u>2,769</u></b> |
| <b>Net book value</b>    |  |                     |                     |
| <b>At 31 July 2024</b>   | <b><u>1,014</u></b>  | <b><u>145</u></b>   | <b><u>1,159</u></b> |
| At 31 July 2023          | <u>241</u>   | <u>310</u>          | <u>551</u>          |

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets

| <b>Consolidated</b>                    |  |   |   |   |                       |
|--|--|---|---|---|-----------------------|
|  | <b>Freehold<br/>Land and<br/>Buildings</b> | <b>Leasehold<br/>Land and<br/>Buildings</b> | <b>Plant,<br/>Machinery,<br/>Fixtures,<br/>Fittings and<br/>Equipment</b> | <b>Assets in the<br/>Course of<br/>Construction</b> | <b>Total</b>          |
|  | <b>£'000</b>                               | <b>£'000</b>                                | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>          |
| <b>Cost or valuation</b>               |  |   |   |   |                       |
| At 1 August 2023                       | 234,386                                    | 41,030                                      | 33,356  | 8,495   | <b>317,267</b>        |
| Additions                              | -  | 20  | 558   | 9,617   | <b>10,195</b>         |
| Transfers                              | 5,651                                      | 443   | 3,145   | (9,239)   | -                     |
| Surplus on revaluation                 | -  | 147   | -   | -   | <b>147</b>            |
| Disposals                              | -  | (4,295)                                     | (812)   | -   | <b>(5,107)</b>        |
| <b>At 31 July 2024</b>                 | <b><u>240,037</u></b>                      | <b><u>37,345</u></b>                        | <b><u>36,247</u></b>  | <b><u>8,873</u></b>                                 | <b><u>322,502</u></b> |
| <b>Depreciation and<br/>impairment</b> |  |   |   |   |                       |
| At 1 August 2023                       | 32,580                                     | 3,869                                       | 26,339  | -   | <b>62,788</b>         |
| Charge for the year                    | 4,965                                      | 850   | 2,992   | -   | <b>8,807</b>          |
| Impairment on<br>revaluation           | 5,343                                      | 1,646                                       | -   | -   | <b>6,989</b>          |
| Written back on<br>revaluation         | (1,699)                                    | (193)                                       | -   | -   | <b>(1,892)</b>        |
| Disposals                              | -  | (1,753)                                     | (812)   | -   | <b>(2,565)</b>        |
| <b>At 31 July 2024</b>                 | <b><u>41,189</u></b>                       | <b><u>4,419</u></b>                         | <b><u>28,519</u></b>  | <b><u>-</u></b>                                     | <b><u>74,127</u></b>  |
| <b>Net book value</b>                  |  |   |   |   |                       |
| <b>At 31 July 2024</b>                 | <b><u>198,848</u></b>                      | <b><u>32,926</u></b>                        | <b><u>7,728</u></b>   | <b><u>8,873</u></b>                                 | <b><u>248,375</u></b> |
| At 31 July 2023                        | <u>201,806</u>                             | <u>37,161</u>                               | <u>7,017</u>  | <u>8,495</u>  | <u>254,479</u>        |
| <b>Leased assets included above:</b>   |  |   |   |   |                       |
| <b>Net book value</b>                  |  |   |   |   |                       |
| <b>At 31 July 2024</b>                 | <b><u>-</u></b>                            | <b><u>32,926</u></b>                        | <b><u>-</u></b>   | <b><u>-</u></b>                                     | <b><u>32,926</u></b>  |
| At 31 July 2023                        | <u>-</u>                                   | <u>37,161</u>                               | <u>-</u>  | <u>-</u>  | <u>37,161</u>         |

At 31 July 2024, freehold land and buildings included £58,674k (2023: £58,693k) in respect of land which is not depreciated.

A revaluation of LSHTM's freehold and leasehold land and buildings in London, Gambia and Uganda was carried out as at 31 July 2024 by external valuers Gerald Eve LLP, Sphinx Associates and Hillscape Valuers respectively. The revaluation as at 31 July 2024 resulted in a net decrease in the net book value of land and buildings of £4,950k (2023: net decrease of £3,952k).

The freehold property known as the London School of Hygiene and Tropical Medicine Estate was valued as at 31 July 2024 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (October 2023), the International Valuation Standards, and IFRS as adapted and interpreted by the Financial Reporting Manual (FRM).

Land in London (Keppel Street and Tavistock Place) is considered to be specialised in nature. The valuation has been determined by what other uses a buyer of an alternative site for the specialised use would have to pay to compete in the market. Given the lack of similar recent land sales, the valuation is judgement-led, taking account of wider trends in land values at a national level. The assessed value of land at Keppel Street is £137 per square foot (2023: £137 per square foot) and at Tavistock Place is £287 per square foot (2023: £287 per square foot).

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets (continued)

The building at Keppel Street is also considered to be specialised in nature. The valuation has been determined using a Depreciated Replacement Cost method. It is considered that any less specialised elements of the building will likely be integral to the functioning of the building as a whole and for the purposes of the valuation inseparable from the specialised higher education uses of the building. On the DRC method used, the assessed value of the Keppel Street building is £423 per square foot (2023: £417 per square foot).

The buildings at Tavistock Place are considered to be non-specialised property, and as such have been valued on an Existing Use Value basis, having regard to recent sales of office accommodation (Use Class E) in the vicinity. The assessed value, on this EUV basis, is £340 per square foot (2023: £388 per square foot) for Tavistock Place 1 (the older of the two buildings) and £581 per square foot (2023: £644 per square foot) for Tavistock Place 2 (the newer of the two buildings).

In April 2024, one of the Bedford Square properties was disposed of and as at the valuation date the other Bedford Square property was on the market for sale and was subsequently disposed of in September 2024.

Land and buildings in The Gambia are located at eight sites, spread throughout the country. The valuation methods used are consistent across all sites; EUV for land and DRC for buildings. The valuations vary greatly by location. For land, the value per hectare ranges from £6,832 to £858,603 (2023: £6,003 to £786,300). The lower value represents a small remote rural site and the higher value reflects a sea-front location in a sought after area. For buildings, the value varies according to building construction type, with a range from £70 per square metre to £376 per square metre (2023: £113 per square metre to £458 per square metre). The lower value represents a site with simple concrete construction non-research buildings and the higher value reflects a site with a large proportion of specialist research facilities including laboratories.

| LSHTM                              | Freehold<br>Land and<br>Buildings | Leasehold<br>Land and<br>Buildings | Plant,<br>Machinery,<br>Fixtures,<br>Fittings and<br>Equipment | Assets in the<br>Course of<br>Construction | Total          |
|------------------------------------|-----------------------------------|------------------------------------|--|--|----------------|
|                                    | £'000                             | £'000                              | £'000  | £'000                                      | £'000          |
| <b>Cost or valuation</b>           |                                   |                                    |  |  |                |
| At 1 August 2023                   | 232,216                           | 41,030                             | 33,356   | 8,495                                      | <b>315,097</b> |
| Additions                          | -                                 | 20                                 | 558  | 9,617                                      | <b>10,195</b>  |
| Transfers                          | 5,651                             | 443                                | 3,145  | (9,239)                                    | -              |
| Surplus on revaluation             | -                                 | 147                                | -  | -  | <b>147</b>     |
| Disposals                          | -                                 | (4,295)                            | (812)  | -  | <b>(5,107)</b> |
| <b>At 31 July 2024</b>             | <b>237,867</b>                    | <b>37,345</b>                      | <b>36,247</b>  | <b>8,873</b>                               | <b>320,332</b> |
| <b>Depreciation and impairment</b> |                                   |                                    |  |  |                |
| At 1 August 2023                   | <b>32,580</b>                     | <b>3,869</b>                       | <b>26,339</b>  | -  | <b>62,788</b>  |
| Charge for the year                | 4,965                             | 850                                | 2,992  | -  | <b>8,807</b>   |
| Impairment on revaluation          | 5,323                             | 1,646                              | -  | -  | <b>6,969</b>   |
| Written back on revaluation        | (1,699)                           | (193)                              | -  | -  | <b>(1,892)</b> |
| Disposals                          | -                                 | (1,753)                            | (812)  | -  | <b>(2,565)</b> |
| <b>At 31 July 2024</b>             | <b>41,169</b>                     | <b>4,419</b>                       | <b>28,519</b>  | -  | <b>74,107</b>  |
| <b>Net book value</b>              |                                   |                                    |  |  |                |
| <b>At 31 July 2024</b>             | <b>196,698</b>                    | <b>32,926</b>                      | <b>7,728</b>   | <b>8,873</b>                               | <b>246,225</b> |
| At 31 July 2023                    | 199,634                           | 37,161                             | 7,018  | 8,495                                      | 252,309        |

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets (continued)

Leased assets included above:

#### Net book value

|                 |   |               |   |   |               |
|-----------------|---|---------------|---|---|---------------|
| At 31 July 2024 | - | <b>32,926</b> | - | - | <b>32,926</b> |
| At 31 July 2023 | - | 37,161        | - | - | 37,161        |

At 31 July 2024, freehold land and buildings included £56,610k (2023: £56,610k) in respect of land which is not depreciated.

### 13. Non-current investments

| Consolidated  | Subsidiary<br>companies         | Other fixed<br>asset<br>investments          | Total          |
|---|---------------------------------|--|----------------|
|   | £'000                           | £'000  | £'000          |
| As 1 August 2023  | -                               | 23,726                                       | <b>23,726</b>  |
| Additions   | -                               | 150  | <b>150</b>     |
| Net change in cash invested for trades within portfolio |                                 | (3,500)                                      | <b>(3,500)</b> |
| Investment management costs                             |                                 | (58)   | <b>(58)</b>    |
| Total return released to SOCI                           | -                               | (482)  | <b>(482)</b>   |
| Expenditure   | -                               | (847)  | <b>(847)</b>   |
| Income  | -                               | 960  | <b>960</b>     |
| Unrealised gains  | -                               | 2,079  | <b>2,079</b>   |
| <b>At 31 July 2024</b>                                  | <b>-</b>                        | <b>22,028</b>                                | <b>22,028</b>  |
| <b>LSHTM</b>  | <b>Subsidiary<br/>companies</b> | <b>Other fixed<br/>asset<br/>investments</b> | <b>Total</b>   |
|   | £'000                           | £'000  | £'000          |
| As 1 August 2023  | 100                             | 23,699                                       | <b>23,799</b>  |
| Additions   | -                               | 150  | <b>150</b>     |
| Net change in cash invested for trades within portfolio |                                 | (3,500)                                      | <b>(3,500)</b> |
| Investment management costs                             |                                 | (58)   | <b>(58)</b>    |
| Total return released to SOCI                           | -                               | (482)  | <b>(482)</b>   |
| Expenditure   | -                               | (847)  | <b>(847)</b>   |
| Income  | -                               | 960  | <b>960</b>     |
| Unrealised gains  | -                               | 2,079  | <b>2,079</b>   |
| <b>At 31 July 2024</b>                                  | <b>100</b>                      | <b>22,001</b>                                | <b>22,101</b>  |

## Notes to the Financial Statements (continued)

### 13. Non-current investments (continued)

Non-current investments consist of:

|   | Consolidated<br>£    | School<br>£           |
|---|----------------------|-----------------------|
| <b>Subsidiary companies:</b>                    |                      |                       |
| Chariot Innovations Limited                     | -                    | 100,000               |
| LSHTM Developments Limited                      | -                    | 2                     |
| MRC/UVRI and LSHTM Uganda Research Unit Limited | -                    | 211                   |
| Sustainable Climate Impact Fund Limited         | -                    | -                     |
|   | <u>-</u>             | <u>100,213</u>        |
|   | <u><u>-</u></u>      | <u><u>100,213</u></u> |
| <b>Other fixed asset investments</b>            | <b>£'000</b>         | <b>£'000</b>          |
| Endowment asset investments (see note 19)       | 19,683               | 19,683                |
| Fixed asset investments                         | 2,345                | 2,318                 |
|   | <u>22,028</u>        | <u>22,001</u>         |
|   | <u><u>22,028</u></u> | <u><u>22,001</u></u>  |

The endowments and fixed asset investments are invested through fund managers and are shown at market value as at the balance sheet date.

The subsidiary companies owned/controlled by LSHTM are as follows:

| Company   | Principal Activity   | Status     |
|---|--|------------|
| Chariot Innovations Limited                     | Non-trading since 1 August 2022. Holds investments in associates | 100% owned |
| LSHTM Developments Limited                      | Design and Building Company                                      | 100% owned |
| Sustainable Climate Impact Fund Limited         | Environmental consulting   | 100% owned |
| MRC/UVRI and LSHTM Uganda Research Unit Limited | Holding land assets  | 49% owned  |

LSHTM has control over MRC/UVRI and LSHTM Uganda Research Unit Limited through a shareholder's agreement with the other party who holds the remaining 51% of the shares. This agreement limits his rights to take independent decisions regarding the operations or assets of the company. As such, the company is considered to be a subsidiary undertaking and all financial transactions have been consolidated within the Group figures in these financial statements. This company is incorporated in Uganda. Chariot Innovations Limited, Sustainable Climate Impact Fund Limited and LSHTM Developments Limited are incorporated in England.

### 14. Investment in joint venture

LSHTM holds a 20% share of London International Development Centre which is a collaboration between five specialist Bloomsbury Colleges of the University of London and operates as a membership organisation, and which does not create a separate legal entity. Each college accounts for (i) the assets that it controls and the liabilities it incurs; (ii) the expenses that it incurs, and the share of income it earns from the sale of goods or services which fall within the terms of the arrangement. The arrangement is treated as a jointly controlled operation, such that 20% of the membership's gross assets and liabilities, income and expenditure are incorporated into the consolidated balance sheet and statement of comprehensive income of LSHTM. LIDC is currently in the process of being wound down with existing grant being transferred to LSHTM for completion in February 2025.

|   | 2024<br>£'000       | 2023<br>£'000       |
|---|---------------------|---------------------|
| <b>Income and expenditure account (LSHTM share)</b> |                     |                     |
| Income  | 78                  | 200                 |
| Expenditure   | (442)               | (363)               |
|   | <u>(364)</u>        | <u>(163)</u>        |
|   | <u><u>(364)</u></u> | <u><u>(163)</u></u> |

## Notes to the Financial Statements (continued)

### 15. Trade and other receivables

|  | 2024                  |                | 2023                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Amounts falling due within one year:             |                       |                |                       |                |
| Research expenditure recoverable                 | 23,139                | 23,139         | 28,400                | 28,400         |
| Other trade receivables                          | 26,641                | 26,629         | 31,567                | 30,879         |
| Prepayments and accrued income                   | 8,508                 | 8,508          | 5,308                 | 5,308          |
| Social security and other taxation<br>receivable | 324                   | 317            | 4,993                 | 403            |
| Amounts due from subsidiary<br>companies         | -                     | 887            | -                     | 4,489          |
|  | <u>58,612</u>         | <u>59,480</u>  | <u>70,268</u>         | <u>69,479</u>  |

### 16. Creditors: amounts falling due within one year

|                              | 2024                  |                | 2023                  |                |
|------------------------------|-----------------------|----------------|-----------------------|----------------|
|                              | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Unsecured loans              | 755                   | 755            | 733                   | 733            |
| Trade payables               | 3,563                 | 3,933          | 5,496                 | 5,605          |
| Accruals and deferred income | 84,258                | 84,274         | 105,035               | 104,656        |
| Derivatives                  | 871                   | 871            | 1,018                 | 1,018          |
|                              | <u>89,447</u>         | <u>89,833</u>  | <u>112,282</u>        | <u>112,012</u> |

The derivatives relate to interest rate swaps on the long-term unsecured loans held at fair value using the discount rates at the balance sheet date and forward currency contracts.

#### Accruals and deferred income

Included within accruals and deferred income are the following items:

|                                     | 2024                  |                | 2023                  |                |
|-------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                     | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Research grants received on account | 45,718                | 45,718         | 62,077                | 62,077         |
| Accrued expenses                    | 10,499                | 10,515         | 17,304                | 16,925         |
| Deferred income                     | 28,041                | 28,041         | 25,654                | 25,654         |
|                                     | <u>84,258</u>         | <u>84,274</u>  | <u>105,035</u>        | <u>104,656</u> |

### 17. Creditors: amounts falling due after one year

|                 | 2024                  |                | 2023                  |                |
|-----------------|-----------------------|----------------|-----------------------|----------------|
|                 | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Deferred income | 69,565                | 69,565         | 66,379                | 66,379         |
| Derivatives     | 7,918                 | 7,918          | 7,515                 | 7,515          |
| Unsecured loans | 10,494                | 10,494         | 11,249                | 11,249         |
|                 | <u>87,977</u>         | <u>87,977</u>  | <u>85,143</u>         | <u>85,143</u>  |



## Notes to the Financial Statements (continued)

### 17. Creditors: amounts falling due after one year (continued)

The derivative financial instruments above are designated as hedges of variable interest rate risk which comprise of interest rate swaps and hedging against movements in currency exchange rates which are affected by currency forward contracts.

#### **Hedge of variable interest rate risk arising from bank loan liabilities**

During the year, LSHTM held borrowed funds from its bankers under long term unsecured loans of £11m and £6m, which are repayable in February 2038.

To hedge the potential volatility in future interest cash flows arising from movements in SONIA, LSHTM has entered into floating to fixed interest rate swaps with a nominal value equal to those initial borrowings, the same term as the loans and interest re-pricing dates identical to those of the variable rate loans. These result in SONIA paying 5.16% and 4.83% respectively for the two loans, and receiving SONIA (though cash flows are settled on a net basis) and effectively fix the total interest cost on loans and interest rate swaps.

The derivatives are accounted for as a hedge of variable rate interest rate risk, in accordance with FRS102 and had a fair value of £715k (2023: £363K) at the balance sheet date. The cash flows arising from the interest rate swaps will continue until their maturity in February 2038, coincidental with the repayment of the term loans. The change in fair value in the period was an increase in the liability of £352k (2023: reduction of £2,220k), with the entire change being recognised in other comprehensive income as the swaps are considered to be fully effective.

#### **Hedge of currency exchange rates**

At the balance sheet date LSHTM had in place a number of currency forward contracts to hedge against volatility in currency exchange rates against Sterling. These derivatives are accounted for in accordance with FRS102 and had a fair value of £8,073k (2023: £8,169k) at the balance sheet date. The change in fair value in the period was a reduction in the liability of £96k (2023: £748k), with the entire difference being recognised as a charge to other comprehensive income.

#### **Analysis of unsecured loans:**

|   | 2024                  |                | 2023                  |                |
|---|-----------------------|----------------|-----------------------|----------------|
|   | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Due within one year or on demand<br>(note 16) | 755                   | 755            | 733                   | 733            |
| Due between one and two years                 | 778                   | 778            | 755                   | 755            |
| Due between two and five years                | 2,168                 | 2,168          | 2,249                 | 2,249          |
| Due in five years or more                     | 7,548                 | 7,548          | 8,245                 | 8,245          |
| Due after more than one year                  | 10,494                | 10,494         | 11,249                | 11,249         |
|   | <b>11,249</b>         | <b>11,249</b>  | <b>11,982</b>         | <b>11,982</b>  |

#### **LSHTM's unsecured loan facilities comprise:**

|                               | Amount<br>£'000 | Maturity | Borrower |
|-------------------------------|-----------------|----------|----------|
| National Westminster Bank plc | 7,662           | 2038     | LSHTM    |
| National Westminster Bank plc | 3,113           | 2038     | LSHTM    |
| Salix Finance Limited         | 474             | 2027     | LSHTM    |
|                               | <b>11,249</b>   |          |          |

## Notes to the Financial Statements (continued)

### 18. Provisions

| Consolidated           | Obligation to fund deficit on USS pension<br>£'000 | Onerous contract provisions<br>£'000 | Total provisions<br>£'000 |
|------------------------|--|--------------------------------------|---------------------------|
| As 1 August 2023       | 59,835   | 4,750                                | 64,585                    |
| Released in year       | (59,835)   | (1,650)                              | (61,485)                  |
| <b>At 31 July 2024</b> | <b>-</b>   | <b>3,100</b>                         | <b>3,100</b>              |

| School                 | Obligation to fund deficit on USS pension<br>£'000 | Onerous contract provisions<br>£'000 | Total provisions<br>£'000 |
|------------------------|--|--------------------------------------|---------------------------|
| As 1 August 2023       | 59,835   | 4,750                                | 64,585                    |
| Released in year       | (59,835)   | (1,650)                              | (61,485)                  |
| <b>At 31 July 2024</b> | <b>-</b>   | <b>3,100</b>                         | <b>3,100</b>              |

There were no pension scheme enhancements in 2024 (2023: Nil).

### Pension Provisions

The obligation to fund the past deficits on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Further information around the release of the pension provision is provided in Note 24.

### 19. Endowments

Restricted net assets relating to endowments are as follows:

|  | Restricted permanent endowments<br>£'000 | Unrestricted permanent endowments<br>£'000 | Expendable endowments<br>£'000 | 2024 Total<br>£'000 | 2023 Total<br>£'000 |
|--|--|--|--------------------------------|---------------------|---------------------|
| <b>Balances at 1 August</b>                              |  |  |                                |                     |                     |
| Expendable endowments                                    | -  | -  | 4,016                          | 4,016               | 3,852               |
| Permanent endowment base value                           | 9,718                                    | 1,371                                      | -                              | 11,089              | 11,088              |
| Unapplied total return                                   | 2,502                                    | 475  | -                              | 2,977               | 3,565               |
|  | <b>12,220</b>                            | <b>1,846</b>                               | <b>4,016</b>                   | <b>18,082</b>       | 18,505              |
| New endowments   | -  | -  | 150                            | 150                 | -                   |
| Investment income  | 266                                      | 56   | 636                            | 958                 | 1,510               |
| Increase/(decrease) in market value of investments       | 1,229                                    | 176  | 476                            | 1,881               | (397)               |
| Total return allocated to income in the reporting period | (400)                                    | (82)                                       | -                              | (482)               | (482)               |
| Expenditure  | -  | -  | (847)                          | (847)               | (996)               |
| Management fees  | (49)                                     | (10)                                       | -                              | (59)                | (58)                |
|  | <b>1,046</b>                             | <b>140</b>                                 | <b>415</b>                     | <b>1,601</b>        | (423)               |
| <b>At 31 July</b>  | <b>13,266</b>                            | <b>1,986</b>                               | <b>4,431</b>                   | <b>19,683</b>       | 18,082              |

## Notes to the Financial Statements (continued)

### 19. Endowments (continued)

At end of reporting period:

|                                   | Restricted<br>permanent<br>endowments<br>£'000 | Unrestricted<br>permanent<br>endowments<br>£'000 | Expendable<br>endowments<br>£'000 | 2024<br>Total<br>£'000 | 2023<br>Total<br>£'000 |
|-----------------------------------|--|--|-----------------------------------|------------------------|------------------------|
| Expendable endowments             | -  | -  | 4,431                             | 4,431                  | 4,016                  |
| Permanent endowment<br>base value | 9,718  | 1,371  | -                                 | 11,089                 | 11,089                 |
| Unapplied total return            | 3,548  | 615  | -                                 | 4,163                  | 2,977                  |
|                                   | <b>13,266</b>                                  | <b>1,986</b>                                     | <b>4,431</b>                      | <b>19,683</b>          | 18,082                 |

#### Represented by:

|                    |               |              |              |               |        |
|--------------------|---------------|--------------|--------------|---------------|--------|
| Capital            | 13,266        | 1,986        | 2,348        | 17,600        | 16,412 |
| Accumulated income | -             | -            | 2,083        | 2,083         | 1,670  |
|                    | <b>13,266</b> | <b>1,986</b> | <b>4,431</b> | <b>19,683</b> | 18,082 |

#### Analysed by type and purpose:

|  |               |              |              |               |        |
|--|---------------|--------------|--------------|---------------|--------|
| Scholarships and bursaries             | 2,571         | -            | 2,712        | 5,283         | 5,019  |
| Research support and<br>Lectureships   | 3,405         | -            | 769          | 4,174         | 3,792  |
| Brass Blacker Chair                    | 3,294         | -            | 873          | 4,167         | 3,772  |
| Takeda Chair in Global<br>Child Health | 3,557         | -            | (101)        | 3,456         | 3,100  |
| Prize funds                            | 141           | -            | 53           | 194           | 178    |
| General                                | 298           | 1,986        | 125          | 2,409         | 2,221  |
|  | <b>13,266</b> | <b>1,986</b> | <b>4,431</b> | <b>19,683</b> | 18,082 |

#### Analysed by asset:

|                                  |  |  |  |               |        |
|----------------------------------|--|--|--|---------------|--------|
| Non-current asset<br>investments |  |  |  | 18,994        | 17,648 |
| Cash & cash equivalents          |  |  |  | 689           | 434    |
|                                  |  |  |  | <b>19,683</b> | 18,082 |

## Notes to the Financial Statements (continued)

### 20. Restricted reserves

Reserves with restrictions are as follows:

|  | 2024<br>Donations<br>reserve<br>£'000 | 2023<br>Donations<br>reserve<br>£'000 |
|--|---------------------------------------|---------------------------------------|
| <b>Balances as 1 August</b>                            | 8,892                                 | 8,910                                 |
| New donations  | 1,480                                 | 2,267                                 |
| Expenditure  | (2,480)                               | (2,285)                               |
| <b>Total restricted comprehensive loss in the year</b> | <u>(1,000)</u>                        | <u>(18)</u>                           |
| <b>At 31 July</b>                                      | <u><u>7,892</u></u>                   | <u><u>8,892</u></u>                   |
| <b>Analysis by type of purpose:</b>                    |                                       |                                       |
| Research support                                       | 4,322                                 | 5,055                                 |
| Capital  | 2,426                                 | 2,426                                 |
| Scholarships and bursaries                             | 564                                   | 634                                   |
| Lectureships   | 408                                   | 435                                   |
| General  | 134                                   | 141                                   |
| Prize funds  | 38                                    | 201                                   |
| <b>At 31 July</b>                                      | <u><u>7,892</u></u>                   | <u><u>8,892</u></u>                   |

### 21. Cash and cash equivalents

|                           | At 1 August<br>2023<br>£'000 | Cash flows<br>£'000 | At 31 July<br>2024<br>£'000 |
|---------------------------|------------------------------|---------------------|-----------------------------|
| <b>Consolidated</b>       |                              |                     |                             |
| Cash and cash equivalents | <u>79,970</u>                | <u>5,614</u>        | <u>85,584</u>               |

As at 31 July 2024, £5m (2023: £10m) is held as a short-term deposit and recognised separately on the Statement of Financial Position.

### Analysis of change in consolidated net debt

|                              | At 1 August<br>2023<br>£'000 | Cashflows<br>£'000  | Non-cash<br>changes<br>£'000 | At 31 July<br>2024<br>£'000 |
|------------------------------|------------------------------|---------------------|------------------------------|-----------------------------|
| Cash and cash equivalents    | <u>79,970</u>                | <u>5,614</u>        | -                            | <u>85,584</u>               |
| Borrowings due within 1 year | (733)                        | 733                 | (755)                        | (755)                       |
| Borrowings due after 1 year  | (11,249)                     | -                   | 755                          | (10,494)                    |
| Total borrowings             | <u>(11,982)</u>              | <u>733</u>          | -                            | <u>(11,249)</u>             |
| Derivatives                  | (363)                        | -                   | (352)                        | (715)                       |
|                              | <u><u>67,625</u></u>         | <u><u>6,347</u></u> | <u><u>(352)</u></u>          | <u><u>73,620</u></u>        |

## Notes to the Financial Statements (continued)

### 22. Capital and other commitments

| Committed          | 2024                  |                      | 2023                  |                      |
|--------------------|-----------------------|----------------------|-----------------------|----------------------|
|                    | Consolidated<br>£'000 | LSHTM<br>£'000       | Consolidated<br>£'000 | LSHTM<br>£'000       |
| Land and buildings | 4,601                 | 4,601                | 2,589                 | 2,589                |
| Other              | 1                     | 1                    | 202                   | 202                  |
|                    | <u>4,602</u>          | <u>4,602</u>         | <u>2,791</u>          | <u>2,791</u>         |
|                    | <u><u>4,602</u></u>   | <u><u>4,602</u></u>  | <u><u>2,791</u></u>   | <u><u>2,791</u></u>  |
| Authorised         | 2024                  |                      | 2023                  |                      |
|                    | Consolidated<br>£'000 | LSHTM<br>£'000       | Consolidated<br>£'000 | LSHTM<br>£'000       |
| Land and buildings | 29,162                | 29,162               | 35,320                | 35,320               |
| Other              | 1,373                 | 1,373                | 2,274                 | 2,274                |
|                    | <u>30,535</u>         | <u>30,535</u>        | <u>37,594</u>         | <u>37,594</u>        |
|                    | <u><u>30,535</u></u>  | <u><u>30,535</u></u> | <u><u>37,594</u></u>  | <u><u>37,594</u></u> |

The authorised land and buildings figure refers to capital project works at LSHTM's sites in London (£27,777k, 2023: £34,593k), Gambia research unit (£1,385k, 2023: £648k) and Uganda research unit (£nil, 2023: £79k).

The above commitments will be funded from retained cash reserves and funding body capital grants.

### 23. Lease obligations

#### Total rentals payable under operating leases:

| Property                                     | 2024              |                                 | Total             | 2023              |
|--|-------------------|---------------------------------|-------------------|-------------------|
|  | £'000             | Plant and<br>machinery<br>£'000 |                   | £'000             |
| Payable during the year                      | <u>173</u>        | <u>13</u>                       | <u>186</u>        | <u>186</u>        |
| <b>Future minimum lease payments due:</b>    |                   |                                 |                   |                   |
| Not later than 1 year                        | 173               | 10                              | 183               | 186               |
| Later than 1 year and not later than 5 years | <u>307</u>        | <u>-</u>                        | <u>307</u>        | <u>490</u>        |
| <b>Total lease payments due</b>              | <u>480</u>        | <u>10</u>                       | <u>490</u>        | <u>676</u>        |
|  | <u><u>480</u></u> | <u><u>10</u></u>                | <u><u>490</u></u> | <u><u>676</u></u> |

### 24. Pensions

#### a) The Universities' Superannuation Scheme (USS)

LSHTM participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. LSHTM is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", LSHTM therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since LSHTM has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, LSHTM recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £59,835k was released to the statement of consolidated income in 2023/24.

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

#### a) The Universities' Superannuation Scheme (USS) (continued)

The total credit released to the Statement of Comprehensive Income is £59,835k (2023: charge of £14,253k). Deficit recovery contributions due within one year for the institution are £nil (prior 2023: £4,374k).

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

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

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

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the USS Statement of Funding Principles.

| <b>Principal Actuarial Assumptions</b>        | <b>31 March 2023 valuation – technical provisions</b>  |
|---|--|
| Price inflation – Consumer Prices Index (CPI) | 3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long term market expectations)  |
| RPI/CPI gap                                   | 1.0% to 2030, reducing to 0.1% p.a. from 2030  |
| Pension increases (subject to a floor of 0%)  | Benefits with no cap:<br>- CPI assumption plus 3bps<br>Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):<br>- CPI assumption minus 3bps |
| Discount rate (forward rates)                 | Fixed interest gilt yield curve plus:<br>Pre-retirement: 2.5% p.a.<br>Post retirement: 0.9% p.a.   |

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

|                                  | <b>2020 valuation</b>   |
|----------------------------------|---|
| Mortality base table             | 101% of S2PMA “light” for males and 95% of S3PFA for females.   |
| Future improvements to mortality | CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females |

The current life expectancies on retirement at age 65 are:

|                                   | <b>2024</b> | <b>2023</b> |
|-----------------------------------|-------------|-------------|
| Males currently aged 65 (years)   | 23.7        | 24.0        |
| Females currently aged 65 (years) | 25.6        | 25.6        |
| Males currently aged 45 (years)   | 25.4        | 26.0        |
| Females currently aged 45 (years) | 27.2        | 27.4        |

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

#### b) The Superannuation Arrangements of the University of London (SAUL)

LSHTM participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings (“CARE”) basis.

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

#### **Funding Policy**

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

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL’s position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

At the valuation date, the value of the assets of the scheme was £3.1 billion and the value of the scheme’s technical provisions was £3.0 billion indicating a surplus of £0.1 billion and a funding ratio of 105%.

During 2023/24, LSHTM’s employer contributions totalled £1,642k (22/23: £1,519k).

At 31 March 2024, LSHTM had 253 active members participating in the scheme.

#### c) National Health Service Pension Scheme (NHSS)

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). These are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

Surpluses or deficits which arise at future valuations may impact on LSHTM’s future contribution commitments. A formal valuation of the scheme last took place on 31 March 2016. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis.

At 31 March 2023, LSHTM had 80 active members contributing to the Scheme.

The contribution rates payable by LSHTM was 16.18% of pensionable salaries totalling £841k (22/23: £658k) of employer contributions.

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

#### d) Medical Research Council (MRC)

At 31 March 2023, LSHTM had 16 active members participating in the Scheme.

The contribution rate payable by LSHTM during the year was 15.9% of the pensionable salaries totalling £165k (22/23: £188k) of employer contributions.

#### e) Pension costs for the year

The pension costs for all four schemes, which were charged to the Statement of Consolidated Income, were £15,358k (2023: £17,266k).

The movement in the provision in the pension deficit recovery plan for the USS schemes totalled a £59,835k decrease (2023: £7,029K decrease).

### 25. Related party transactions

It is inevitable that LSHTM will engage in transactions with organisations in which a member of Council may have an interest due to the nature of LSHTM's activities and Council's constitution (being comprised of individuals from global public and private sector organisations). All transactions involving an organisation in which a member of Council may have an interest are conducted at arm's length and in accordance with LSHTM's financial regulations and normal procurement procedures.

There have been no transactions with companies that meet the definition of a related party under FRS102.

All transactions involving organisations in which a member of Council or its committees may have an interest, including those identified, are conducted in accordance with the LSHTM's financial regulations and normal procurement procedures.

LSHTM has applied the exemption in FRS102 and has not disclosed transactions with its wholly owned subsidiaries, Chariot Innovations Limited, LSHTM Developments Limited and Sustainable Climate Impact Fund Limited.



## Notes to the Financial Statements (continued)

### 26. US Department of Education Supplementary Schedule

We have an obligation as part of our participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2020 / Rules and Regulations. The data presented below is prepared using UK GAAP and does not include any adjustments to enable compliance with US GAAP.

| Reference                                       | Statement of Financial Position   |  | 2024           |                | 2023    |         |
|---|---|--|----------------|----------------|---------|---------|
|   |   |  | £'000          | £'000          | £'000   | £'000   |
| Balance sheet, Statement of changes in reserves | Statement of Financial Position - Net assets without donor restrictions   | I&E unrestricted reserves                  | -              | <b>212,660</b> | -       | 150,011 |
| Balance sheet, Statement of changes in reserves | Statement of Financial Position - Net assets with donor restrictions  | I&E restricted reserves                    | -              | <b>27,575</b>  | -       | 26,974  |
| Note - Trade and other receivables              | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                   | -              | -              | -       | -       |
| Note - Trade and other receivables              | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                   | -              | -              | -       | -       |
| Balance sheet, Note - Fixed assets              | Statement of Financial Position - Property, Plant and equipment, net  | Fixed assets                               | <b>248,375</b> | -              | 254,480 | -       |
| Balance sheet, Note - Fixed assets              | Statement of Financial Position - Property, plant and equipment - pre-implementation  | Fixed assets                               | -              | <b>202,540</b> | -       | 202,540 |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase    | Fixed assets                               | -              | -              | -       | -       |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase | Fixed asset additions                      | -              | <b>43,504</b>  | -       | 49,986  |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Construction in progress   | Assets in course of construction additions | -              | <b>2,331</b>   | -       | 1,954   |
| Note - lease obligations                        | Statement of Financial Position - Lease right-of-use assets, net  | Finance lease asset                        | -              | -              | -       | -       |
| Note - lease obligations                        | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation  | Finance lease asset                        | -              | -              | -       | -       |
| Note - lease obligations                        | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation   | Finance lease asset                        | -              | -              | -       | -       |

| Reference  | Statement of Financial Position  |   | 2024   |        | 2023   |        |
|--|--|---|--------|--------|--------|--------|
|  |  |   | £'000  | £'000  | £'000  | £'000  |
| Balance sheet, Note - Intangible assets                                    | Statement of Financial Position - Goodwill   | Intangible assets                               | -      | 1,159  | -      | 551    |
| Balance sheet, Note - Provisions   | Statement of Financial Position - Post-employment and pension liabilities  | Pension provision                               | -      | -      | -      | 59,835 |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | 11,249 | -      | 11,982 | -      |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | -      | 11,350 | -      | 11,350 |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | -      | -      | -      | -      |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans secured on Assets under construction | -      | -      | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability   | Finance lease liability                         | -      | -      | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability pre-implementation  | Finance lease liability                         | -      | -      | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability post-implementation   | Finance lease liability                         | -      | -      | -      | -      |
| Balance sheet  | Statement of Financial Position - Annuities  | Annuities with donor restrictions               | -      | -      | -      | -      |
| Balance sheet  | Statement of Financial Position - Term endowments  | Term endowments with donor restrictions         | -      | -      | -      | -      |
| Balance sheet  | Statement of Financial Position - Life Income Funds  | Life income funds with donor restrictions       | -      | -      | -      | -      |
| Balance sheet, Statement of changes in reserves                            | Statement of Financial Position - Perpetual Funds  | I&E restricted reserves                         | -      | 27,575 | -      | 26,974 |

| Reference   | Statement of Activities – Total expenses and losses   | 2024  |       | 2023           |       |          |
|---|---|---|-------|----------------|-------|----------|
|   |   | £'000   | £'000 | £'000          | £'000 |          |
| Statement of comprehensive income and expenditure | Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)  | Total operating expenditure                           | -     | <b>190,526</b> | -     | 283,218  |
| Statement of comprehensive income and expenditure | Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments) | Non-operating and net investment (income)/expenditure | -     | <b>(4,708)</b> | -     | (13,052) |
| Statement of comprehensive income and expenditure | Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)  | Net investment (gain)/loss                            | -     | <b>(6,849)</b> | -     | (2,555)  |
| Statement of comprehensive income and expenditure | Statement of Activities - Pension related changes other than periodic pension   | Other pension movements                               | -     | -              | -     | -        |
| <b>Reference</b>                                  | <b>Modified net assets</b>  |   |       |                |       |          |
| Balance sheet, Statement of changes in reserves   | Statement of Financial Position - Net assets without donor restrictions   | Unrestricted reserves                                 | -     | <b>212,660</b> | -     | 150,011  |
| Balance sheet, Statement of changes in reserves   | Statement of Financial Position - total Net assets with donor restrictions  | Restricted reserves                                   | -     | <b>27,575</b>  | -     | 26,974   |
| Balance sheet                                     | Statement of Financial Position - Goodwill  | Intangible assets                                     | -     | <b>1,159</b>   | -     | 551      |
| Note - Trade and other receivables                | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                              | -     | -              | -     | -        |
| Note - Trade and other receivables                | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                              | -     | -              | -     | -        |

| Reference  | Modified assets  |   | 2024  |                | 2023  |         |
|--|--|---|-------|----------------|-------|---------|
|  |  |   | £'000 | £'000          | £'000 | £'000   |
| Balance sheet, Statement of changes in reserves                  | Statement of Financial Position - Total Assets   | Total Assets  | -     | <b>420,759</b> | -     | 438,995 |
| Note - lease obligations   | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation                                       | Finance lease asset   | -     | -              | -     | -       |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability pre-implementation  | Finance lease asset   | -     | -              | -     | -       |
| Balance sheet, Note - Intangible assets                          | Statement of Financial Position - Goodwill   | Intangible assets   | -     | <b>1,159</b>   | -     | 551     |
| Note - Trade and other receivables                               | Statement of Financial Position - Related party receivable and Related party note disclosure   | Related party receivable  | -     | -              | -     | -       |
| Note - Trade and other receivables                               | Statement of Financial Position - Related party receivable and Related party note disclosure   | Related party receivable  | -     | -              | -     | -       |
| <b>Reference</b>   |  |   |       |                |       |         |
|  | <b>Net income ratio</b>  |   |       |                |       |         |
| Statement of comprehensive income and expenditure, Balance sheet | Statement of Activities - Change in Net Assets Without Donor Restrictions  | Movement in I&E unrestricted reserve                                | -     | <b>62,648</b>  | -     | 5,537   |
| Statement of comprehensive income and expenditure, Balance sheet | Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses) | Income less investment income plus gain on disposal of fixed assets | -     | <b>249,067</b> | -     | 275,267 |

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