

# Liverpool School of Tropical Medicine

## Financial Statements for the year ended 31 July 2024

### Report to the Members of the Board of Trustees

#### 1. Constitution and Organisation

The Liverpool School of Tropical Medicine (LSTM) was formally inaugurated on 22 April 1898 and incorporated on 30 January 1905 as the Incorporated Liverpool School of Tropical Medicine. LSTM was registered as a charity on 11 October 1963. LSTM is a company limited by guarantee and holds no share capital and is governed by a Board of Trustees.

The Incorporated Liverpool School of Tropical Medicine changed its name on 30 November 1992 to Liverpool School of Tropical Medicine.

The Secretary of State for Business, Innovation and Skills, by an Order of Parliament, under section 129 of the Education Reform Act 1988, designated LSTM as a Higher Education Institute (HEI) on 19 July 2013. LSTM receives direct funding from the Office for Students (OfS) and UK Research and Innovation (including Research England).

#### 2. Memorandum of Association

LSTM's Memorandum and Articles of Association was previously amended by special resolution and adopted at the AGM on 24 November 2017. Additional amendments were approved at the Board of Trustees on 25 July 2024 for approval at the AGM on 10 December 2024. Its main objects are:

To engage in, promote and encourage research, study and instruction in connection with the origin, character, alleviation, prevention and cure of every or any type of tropical disease which is now or may hereafter become known in any part of the world where such disease either manifests itself or has effects; and to advance and encourage learning and the practice of all sciences and arts allied with or which may be usefully studied in connection with the matters aforesaid, and to collect and circulate information with regard to such diseases, sciences and arts.

#### 3. Statement of Public Benefit

LSTM is a registered charity subject to regulation by the OfS and the Charity Commission under the Charities Act 2016. LSTM reports annually on the ways in which it has delivered charitable purposes for public benefit.

The Board of Trustees, in reviewing LSTM's activities in this regard, has taken into account the Charity Commission's guidance on public benefit. The Board is satisfied that the activities of LSTM as described in these Reports and Financial Statements, and detailed in the Annual Report, fully meet the public benefit requirements.

#### 4. Vision and Mission

VISION: Healthy lives across the world.

MISSION: Improving health outcomes in disadvantaged populations globally through partnership in research and education.

#### 5. Objectives

The year ended 31 July 2024 is the first year of the new LSTM strategic plan which spans 2023-2028. Throughout this year our focus has been on embedding the new strategic objectives and developing enabling strategies and operational delivery plans.

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The new strategy is anchored around our four core pillars of Research, Education, Partnerships and Investing in our Future, which are supported by five enabling strategies; Digital, Estates, External Relations, Finance and People.

Our new Strategy was co-created with staff and has been developed to allow us to remain responsive to the external environment while continuing to deliver against our core mission and achieve our vision for *'Healthy Lives across the world'*.

These four core strategies build on our work to date and have guided our activities and objectives in this year; they will remain a key focus as we move into the next, and subsequent, periods.

### **Our priorities – 2023-28 Strategic Plan**

Our core strategies are expanded into a number of priorities which are the focus of our activities throughout this strategic cycle. We will:

1. In Research:
  - a. Generate high-quality, impactful multi-disciplinary research that is relevant and of benefit to global society, both now and in the future
  - b. Focus our innovation portfolio on the discovery, development and deployment of new solutions to improve global population health and wellbeing
  - c. Communicate and share the findings of our research locally, nationally and internationally, with a focus on high impact knowledge exchange
  - d. Create an environment that attracts and supports the brightest and best minds in multi-disciplinary global health research
2. In Education:
  - a. Develop a competitive portfolio of market informed Post graduate taught (PGT) and Post graduate research (PGR) awards that meet the needs of future generations in global health
  - b. Embed flexibility and accessibility in learning, teaching and assessment and student support, ensuring parity of experience across modes of study
  - c. Create a culture of organisational pride and ambition for teaching excellence
  - d. Maximise our equitable partnerships to provide opportunities for our students to research, practice and develop as global leaders
  - e. Develop digitised and automated systems capable of supporting growth while ensuring an enviable reputation for student experience
3. In Partnerships
  - a. Grow and develop strategic partnerships that strengthen our collective ability to have the greatest impact through research and education
  - b. Deliver a network of Partnership Hubs in Africa to expand scientific capability and capacity among the global community that we partner with
  - c. Increase partner representation, diversity and voice in shaping and implementing LSTM strategy and decision making
4. In investing in our future:
  - a. Create and foster a unifying culture of excellence, equity and inclusion built around an anti-racist one global LSTM community
  - b. Advance LSTM's position as a global employer of choice to attract and retain the most talented people
  - c. Transform our infrastructure, resources and governance for greatest impact, supported by clear, stretching and measurable KPIs and regular risk management.

- d. Build our financial sustainability to maintain resilience and generate resources to invest in LSTM in the longer term
- e. Build and enhance our reputation – nurturing our relationships with supporters and advocates, for maximum effect.

LSTM Executive undertakes regular monitoring and evaluation of the strategy, objectives and progress towards delivery, under the oversight of the Board of Trustees.

## **Operating and Financial Review**

### **6. The Nature, Objectives and Strategies of the Charity**

LSTM is a UK-headquartered Higher Education Institution, internationally recognised as a world leader in health-related scientific research and a specialist in postgraduate education and teaching. Our core mission is to improve health outcomes in disadvantaged populations globally, through partnership in research and education.

Working in partnership in over 70 countries, our multi-disciplinary approach sees researchers, scientists, clinicians and educators engaging with communities in the UK and internationally, undertaking cutting-edge research and translating findings into clinical practice and global policy. Our work, often with industry, is continuing to deliver the next generation of products to address some of the most challenging diseases.

We are also focused on developing the global health leaders, scientists and researchers of the future and are highly regarded as a leader in this field through our educational programmes.

We are committed to supporting capacity strengthening and true equity in our partnerships to deliver resilient health systems where they are most needed; leveraging our longstanding international relationships with civil society, NGOs, charities and others, for the benefit of those most in need.

Our strong position at the heart of the Liverpool City Region within the internationally recognised Life Sciences economy plays a critical role in our work. We will nurture and further strengthen our multi-sectoral partnerships with a wide range of organisations including the Liverpool City Region Combined Authority, Liverpool Strategic Partnership, the Liverpool University Hospitals NHS Foundation Trust, Knowledge Quarter, and other academic institutions, charities, NGOs and government.

In the last year, as we have sought to balance the impact of continued external challenges, including a new UK Government, widespread global political instability and conflicts, and the growing impacts of climate change, we have continued to invest in transforming our core activities, our people and our operations.

Like all Higher Education Institutions (HEIs) we have seen an increasingly competitive research funding landscape and challenging international student recruitment environment, although we have been able to mitigate well against these external challenges to date.

Thanks to a number of infrastructure grants received in recent years, we have seen significant capital development work begin in Liverpool, with construction of the new 12-bed academic in-patient human challenge facility (which will be the largest academic facility in the UK), alongside the redevelopment of our Mary Kingsley building to create new dedicated student learning spaces. Both projects will be opened in the coming year. We've also seen the realisation of a major partnership infrastructure project this year with the official opening of the new CREATOR building in Malawi as part of our longstanding partnership with Malawi Liverpool Wellcome programme (MLW).

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We have also seen significant transformation in our core systems, such as our new Finance system which was fully deployed to Liverpool-based teams in this year. Work to introduce a new research information system also progressed well with a new integrated system procured. We remain focused on underpinning our activities with effective and efficient operations which will continue to be a priority in the next period.

In the last year, we have welcomed a number of academic strategic appointments to further strengthen our academic, scientific, research and education portfolios, including a new Deputy Vice Chancellor, and made significant progress on the continued transformation of LSTM's Professional Services with the appointment of LSTM's first Chief Operating Officer. Further senior recruitment is underway as we seek to transform our professional service models and organisational structures.

We continue to develop our network of Partnership Hubs in Africa to expand scientific capability and capacity among the global community. In this year we have seen the new Global Hubs Council launched which is a significant step towards our aim of increasing partner representation, diversity and voice in LSTM's decision making. We have also formally endorsed the consensus statement on measures to promote equitable authorship in research publications, recognising the important role we play in driving more equitable approaches. Our commitment to gender equality has been recognised with a silver Athena Swan award and while we have much more work to do in this area we are proud of the progress made to date.

Building a truly inclusive and diverse culture also remains a core priority for LSTM. As we end our 125<sup>th</sup> anniversary year we have done much to acknowledge our history and have made progress towards becoming an actively anti-racist organisation. We have continued to undertake work in this year to address the issues identified in the 2021 Race Equity Review, moving to the next phase of delivery of our Race Equity Action Plan and preparing for a submission to the Race Equality Charter. While we have achieved progress towards our objectives, we recognise that we have more work to do in this area.

We continue to work on our role in safeguarding and protecting beneficiaries, research participants, patients and communities. We endorse and support the principles of the Universal Declaration of Human Rights, (UN, 1948); the UN Convention on the Rights of The Child (UNICEF, 1989); the Declaration on the Elimination of Violence Against Women (UN 1993) and the UN Global Compact (UN, 1997).

## 7. Financial Performance

### Principal Risks and Uncertainties

The full scope of principal risks is monitored and mitigated within the institution's risk register and include measured and mitigated risk around sources of income, particularly : Financial growth targets, student numbers/income, grant income and cost recovery and over dependency on specific funders/major clients.

*Other key financial risks include the following:*

- **Liability to finance the deficit on the University Superannuation Scheme (USS)** : Following the latest 2023 valuation of the scheme, the net asset position has improved from the previous 2020 valuation done at the start of the pandemic. As a result the £20.1m provision from 31 July 2023 has been fully released in the year to 31 July 2024.

**Inflationary pressures** : Regarding research grants, grants continue to be reviewed for any inflationary risks and no significant exposures have been identified. Inflationary increases are built into grant application where possible. The other area of concern is the rise in energy prices, but in mitigation,

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energy saving measures are being pursued, alongside continued membership of TEC, the industry's energy consortium.

- **Exposure to foreign exchange fluctuations on US\$ or Euro denominated grant income:** this is mitigated through hedging receipts in US\$ and Euros through forward exchange contracts. At grant application stage, a conservative budget exchange rate is used that factors in potential future adverse movements in the rate. Other measures include natural hedging of currencies when receiving and paying out funds.
- **Failure to maintain the pipeline of research grants and consultancy:** The principal risk to research income growth is the accessibility and success of research grant applications and this is mitigated through risk monitoring. Monthly tracking of the research pipeline takes place at a granular level and success rates are watched closely. Brexit has not had the feared impact of accessibility to EU grants and the re-opening of the chance to apply to the EU horizon programme offers more opportunities. The unexpended balance of live grants and applications at 31 July 2024 was £257m (2023 :£181m).

Sensitivity analysis shows that a reduction of 20% on the turnover from major funders has little effect on the bottom line of LSTM if sensibly managed due to a related reduction in expenses. However, any significant change in funding policy from LSTM's major donors could have a major effect in the longer term.

- **Improvement to the research infrastructure:** This is perceived as a direct contributor to the quality and timescale for achieving high quality scientific results and attracting additional funding to LSTM. Quality of facilities separates LSTM from other UK institutions and contextualises LSTM as a global player. In Liverpool, LSTM is currently improving teaching facilities and developing a human challenge facility in the Liverpool Life Science Accelerator Building. LSTM is also a contributing investor into a new research building in Malawi. This investment is enabled by the generation of surpluses and capital funding from Research England/Office for Students, the Wolfson Foundation and others. Strengthening key research partnerships is seen as an essential component of an enhanced research culture and environment.

### Financial Performance in the year

LSTM Group has reported total comprehensive income of £25.0m (2023 : £7.8m surplus). This includes the full release of the £20.1m USS pension provision.

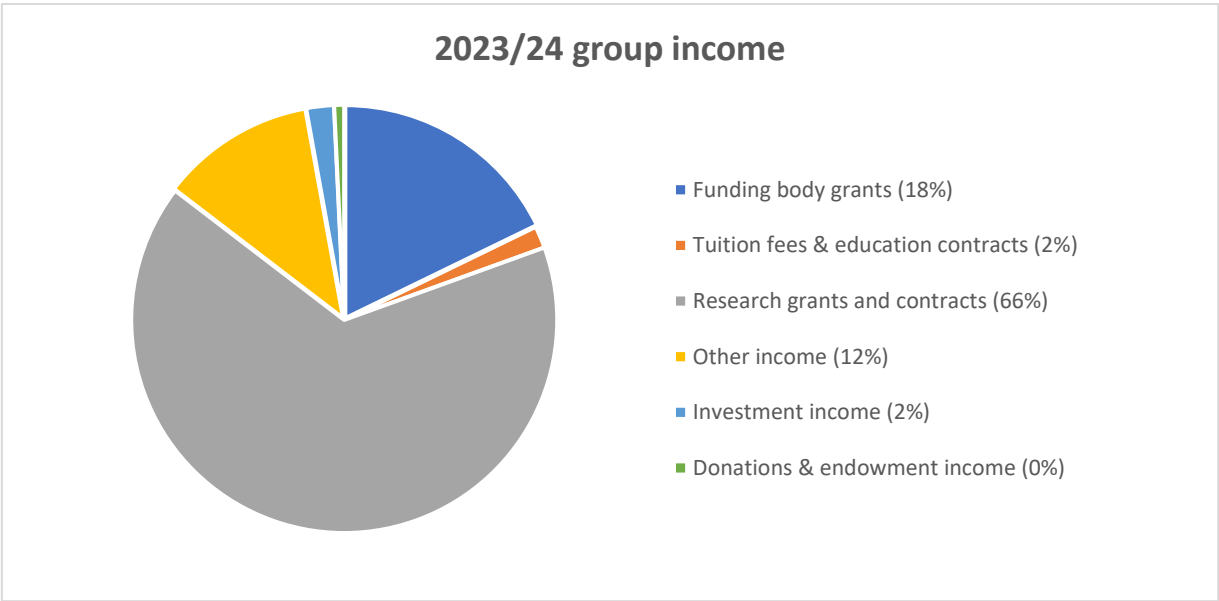
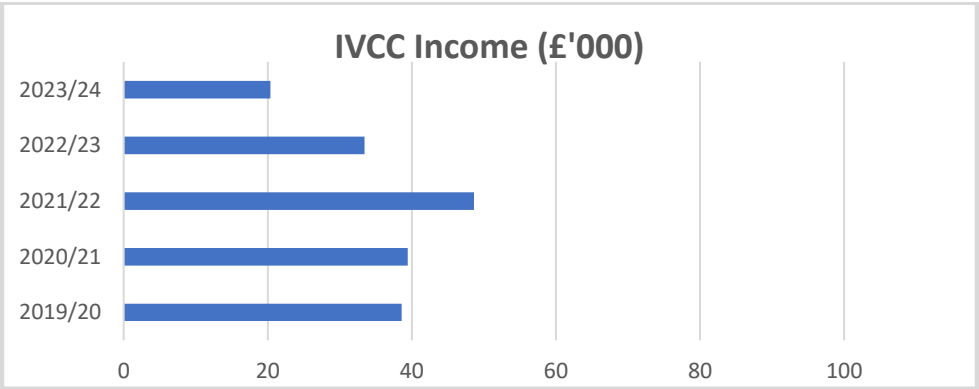
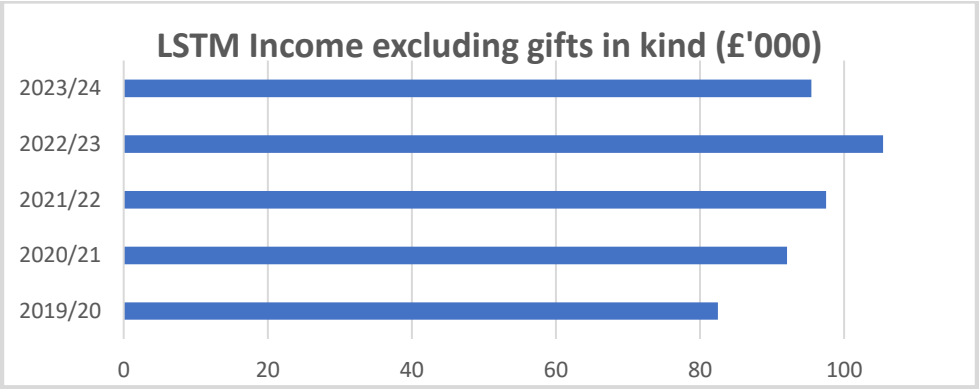
These financial statements report the results of LSTM and the Group's activities for the year ended 31 July 2024 and have been produced in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (2019 SORP) and in accordance with Financial Reporting Standards (FRS102). The results for the year include a number of accounting entries which influence the final Group comprehensive income of £25.0m in 2023/24. Stripping out these items, LSTM made underlying comprehensive income of £2.1m in the year, and the Group £2.8m, as shown in the table below.

	LSTM	Group
	£'000	£'000
<b>Total comprehensive income for the year</b>	<b>24,309</b>	<b>25,024</b>
USS pension deficit funding credit	(20,065)	(20,065)
Movements on investments and endowments	(2,555)	(2,555)
Unrealised exchange loss in relation to hedged currencies	381	362
<b>Revised comprehensive income for the year</b>	<b>2,070</b>	<b>2,766</b>

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Income

LSTM’s reported Group income decreased by 17% in the year but excluding gift in kind income (which decreased by 50%) Group income decreased by 15%. LSTM income excluding gift in kind income decreased by 10%, although funding body grants increased by 6%. IVCC income fell in the year, reflecting the anticipated end of the very successful UNITAID programme.



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### *Operating expenditure*

- LSTM's and the Group's reported total operating expenditure both decreased 28% (excluding gifts in kind and USS pension provision costs, expenditure decreased by 32% and 31% respectively), a reflection of the downturn in income after several years of steady increases, and also reflecting the end of the UNITAID programme in IVCC.

### *Capital expenditure*

In 2023/24 LLSA Ltd, a wholly owned subsidiary of LSTM, started to redevelop the ground floor of the Liverpool Life Science Accelerator building into a human challenge facility (HCF) which will open up considerable opportunities for further collaboration with industry and the NHS. This development will be completed early in 2025 at a cost of £7m.

Other capital investment expenditure for the year was £2.9m (2023: £3.5m). This included £1m investment in a new finance system which will transform financial services across the LSTM Group. The remaining balance was spent on a variety of smaller building and IT projects and research equipment.

LSTM is currently investing in several large building projects – in Liverpool, in addition to the start of the HCF development above, work continues on the next development of Education space with renovations to the Mary Kingsley building at a cost of £6.2m.

In Malawi, practical completion of the Creator building is imminent with full handover of the building due in January 2025. LSTM is working in partnership with Wellcome Trust and the University of Liverpool to fund and develop this new facility which will be owned locally and managed and operated by the Malawi Liverpool Wellcome partnership (MLW) under a long lease.

These investments have been funded through capital grants from Research England, OfS, the Liverpool City Region Combined Authority and internal LSTM funding.

### *Cash flow, financing and balance sheet*

During the year LSTM generated net cash outflows from operating activities of £12.8m (2023: £17.3m inflow). These net outflows reflect a reported surplus of £24.3m offset by non-cash adjustments including a net increase in working capital and the impact of releasing the £20.1m USS pension provision.

The net overall change in cash for LSTM for the year was an outflow of £10.5m (2023: £0.1m outflow).

Group net cash outflows from operating activities was £7.2m (2023: £15.7m inflow) and reflect the same items as for LSTM.

The net overall change in cash for the year for the Group was an outflow of £20.2m (2023: £4.0m outflow).

Group Cash and cash equivalents at the year end were £19.9m, representing 2.4 months of total operating expenditure (excluding pension provision movement, depreciation and gifts in kind expense). A proportion of this cash represents research project working capital and is therefore not available for operational or capital investment purposes. There are also money market investments with maturity under 1 year and investments currently held for the longer term on the balance sheet.

Total Group net assets increased by £25.0m from £55.7m to £80.7m, mainly reflecting the release of the £20.1m USS pension provision.

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### Group Key Performance Indicators

To measure performance and progress against the 5 year strategic plan LSTM uses a range of key performance indicators (KPIs), some of which are also part of LSTM's statutory reporting to Office for Students (OfS).

#### *Underlying operating surplus/(deficit) in the year*

£'000	2023/24	2022/23	2021/22	2020/21	2019/20
Underlying operating surplus/(deficit)	2,766	6,921	6,453	4,351	(428)

LSTM monitors the underlying operating surplus or deficit after excluding a number of accounting entries. With the exception of 2019/20, which was impacted by the COVID pandemic, LSTM has achieved a healthy level of surplus each year. 2023/24 has been a year of investing in infrastructure, staffing and overall capacity resulting in a lower surplus than recent years. This was expected and will continue into 2024/25 before increasing again.

#### *Overall financial health*

%	2023/24	2022/23	2021/22	2020/21	2019/20
General reserves as a % of income (excluding gifts in kind & pension provision)	40.2%	31.8%	27.0%	27.7%	27.8%

Excluding the distorting effects of pension provision movements and gifts in kind, general reserves have remained strong over the last few years, under-pinned by a steady growth in overall net assets.

#### *Research income trends*

£'m/%	2023/24	2022/23	2021/22	2020/21	2019/20
Research & consultancy income £'m (excluding gifts in kind)	89.5	110.4	120.1	106.2	96.9
% change	-18.9%	-8.0%	13.1%	9.6%	-3.9%

The reduction of group income reflects a number of factors.

During COVID, fewer grant applications were submitted causing the research pipeline to fall. It typically can take 2-3 years for grant submissions to influence the pipeline volume. At the same time, existing grants had no-cost extensions which had the effect of spreading the same income over a longer time period of time.

Another longer-term trend is the length of time it is taking contracting with funders. This has increased significantly over the past few years, causing delays to the start of research activity.

In IVCC, the drop in income was caused by a deliberate slowing down of activity, pending the outcome of several large grant application renewals with BMGF and FCDO. Linked to this was the completion of a large UNITAID funded programme, which came to a successful conclusion in 2023.

The expected drop in income is predicted to reverse during 2024/25, with a 20% increase forecasted. The current research applications pipeline is at the highest level ever seen and many of these will convert in to live research grants over the next 12 months.



## 8. Student Numbers

LSTM student retention, as monitored by OfS, was above threshold expectations in 2023/24. In the year 2023/24, 91 students were enrolled into Master's programmes, compared to 93 the previous year. We have seen increased interest from Science-based undergraduate students in our lab-based Masters programmes in the 2023/24 cycle. Stronger performance in our clinical Masters can be largely attributed to more Chevening and Commonwealth students than previous years.

Professional Diploma recruitment was once again impacted by NHS strikes. 108 students joined diploma courses in 2023/24, down from 138 the previous year. 39 students were recruited into Postgraduate Research programmes, compared to 48 the previous year. In 2022/23, PGR programmes benefitted from a double-intake of students via the MRC DTP programme, due to parallel recruitment to the 'DTP1' and 'DTP2' awards. PGR recruitment in 2023/24 exceeded forecast. LSTM recently received confirmation that its MRC DTP award has been extended for a further two student intakes. We continue to experience healthy growth and interest in our recently relaunched 'PhD by Prior Publication' programme route.

## 9. Curriculum Developments

The 2023-24 academic year was the second year of the redesigned on-campus programme curriculum structure and repeat run of new modules and saw a period of stability as the new structure bedded in. This stability was reflected in positive feedback across the module evaluation questionnaires & rise to a ranking of 2nd nationally in the Postgraduate Taught Experience Survey, 2024, a rise of two places above an impressive 6<sup>th</sup> in 2023.

In response to feedback from External Examiners and students regarding over-assessment, we engaged with module teams to review and refine the assessment strategies across our programmes. This review, as part of the annual monitoring review, has led to a significant reduction in the number of assessment tasks required for each module. Modules now have only one or two assessment tasks and make use of marking rubrics and assessment briefs.

For Global Health, our flagship distance learning, we revised the curriculum structure in response to student feedback about the challenges about the heavy time demands and difficulty in completing course-related work. To address this, we have reduced content and introduced a two-week consolidation period midway through each distance learning module. This period allows students to reflect on their learning up to that point in the module and prepare for the second half of the module.

The year also saw significant developments to push forward the focus on short courses and professional education. The year represented a building phase to get the foundations in place for a significant push for 2024-2025. This included establishing a core Short Courses team, a tiered quality approval process to allow rapid approval of simple courses through to full validation of larger credit-bearing courses, a costing framework to inform fee-setting, and a dedicated section on the Education Sharepoint site designed to ease the process of proposing ideas for staff. These foundations should provide a robust platform to enable rapid expansion of this area in the coming years.

In terms of new courses, planning and development of a new One Health programme started for a 2025/26 launch as well as new partnerships at undergraduate level with University of Liverpool for Politics and Edge Hill University for Bio-science.

### Immersive Learning

The last 12 months has seen 5 new immersive learning opportunities being developed and delivered across 4 different programmes. These included roleplaying simulations, interactive walkthroughs, lab tours and hands-

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on applications. A pilot project was also produced in collaboration with University of Liverpool, allowing students to experience an immersive scenario whilst studying at a distance.

Initial feedback from students on their experience with immersive learning was very positive. Looking ahead, we aim to further expand our immersive learning offerings across other programmes and develop partnerships with Edge Hill, Liverpool Hope and John Moores Universities.

### 10. Staff and Student Involvement

The 2023/24 year continued to see students play an integral role in shaping the educational fabric and experience. As a result of student feedback, we have enhanced our approach to induction on-campus, to better support international students' transition; we have embedded Student Social Reps to help develop a stronger sense of student community, guide extra-curricular and social activity, and ensure the social spaces designed into Pembroke House are optimised.

A new Student Experience and Wellbeing team was created in the Faculty of Education to ensure the student voice plays a central role in shaping developments. This includes a newly appointed Student Academic Support Officer playing a key role who for the first time conducted a full synthesised analysis across all student feedback. This feedback is leading to direct enhancements in the curriculum for 2024/25, with a reduction in teaching intensity modelled in as a response to clear feedback that workload and timetabling intensity were causing students stress.

LSTM performed very impressively in the national Postgraduate Taught Experience Survey (PTES), with a strong response rate of 57.5% against a sector average of 24.7%. We ranked 2<sup>nd</sup> out of 107 institutions for overall satisfaction, with 94% satisfied compared to 84% nationally), and ranked 1<sup>st</sup> among overseas students and those aged 30 and under. The areas we performed best in were students' views that the course enhanced their academic ability (98% agreement against a sector 88%), and satisfaction with supervisor feedback on the dissertation (96% compared to 84% nationally).

During the 2023/24 year, PGR students continued to lead on shaping the fabric and feel of the doctoral student experience at LSTM. With the guidance and support of our recently appointed Student Academic Support Officer, a group of student representatives facilitate regular student focus groups. Insights provided via this mechanism have ensured that we invest into training in a way that is aligned directly to student need, evident in student involvement in planning LSTM's annual PGR Student Conference, a flagship activity in our PGR calendar.

As per the recent Postgraduate Research Experience Survey (PRES), we observed a 6% increase in overall satisfaction (81% in 2023/24 compared to 75% in 2022/23) and rank highly in several key areas including 'Research Culture' (2<sup>nd</sup> nationally), and 'Professional Development' (3<sup>rd</sup> nationally). While there is some improvement to be made with regard to activities such as induction, it is pleasing to see that enhancement in this area in 2023/24 has resulted in stronger satisfaction amongst students earlier in their programmes, who have been able to benefit most directly.

The Faculty of Education continued to facilitate wider engagement across LSTM to progress Education-related strategic goals. Education now has a prominent role in Career Track onboarding and early engagement to agree contributions and priorities. A senior Education presence at department meetings and forums continued along with a visit to CeSSHAR.

### 11. Fundraising

#### Context

During the financial year of 2023/24 LSTM continued its fundraising efforts around its 125th Anniversary. This has included working closely with our 125 Anniversary Campaign Board (a small group of volunteers who lend

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their expertise and advice to our fundraising efforts), continuing to identify and nurture relationships with potential donors, and building affinity amongst our alumni community. In addition, this year brought to a close our partnership as 'Charity of the Year' with the Liverpool Chamber of Commerce.

#### **Approach to fundraising**

This year we have taken time to refocus and refresh our approach to fundraising to align with LSTM's institutional strategy. Our renewed approach to philanthropy and alumni engagement is built around 5 overarching strategic pillars to best enable us to deliver a sustainable fundraising model.

#### **Brand, profile and reputation**

We work to continue supporting the LSTM brand, profile and reputation by refreshing our fundraising narrative, hosting cultivation events that introduce new audiences and funders to our work, and harnessing our LSTM champions to best advocate amongst their networks.

#### **Pipeline and income generation**

We are diversifying our pipeline of donors and focusing more robustly on building meaningful relationships. Philanthropic income is always dependent on a number of factors, we look to introduce consistent ways of driving our income so that we can identify where growth will come from.

#### **Alumni and community engagement**

We work with our alumni as advocates, volunteers and as role models to support student recruitment and student success. While not all alumni who 'engage' with communications, events or volunteering opportunities go on to become donors, by building greater affinity, pride and awareness of philanthropy, we can help to strengthen our supporter/advocate community.

#### **Donor Stewardship**

We look to define and demonstrate the impact of giving to LSTM to help build trust and affinity with our donors. In addition, we are working to build a sense of community amongst our donors to demonstrate the impact of collective generosity at all levels.

#### **Operational excellence**

We are refining our approach to effective systems, processes, reporting and governance to enable enhanced data-informed approaches, prioritisation and high levels of compliancy with legal and regulatory guidelines and in line with fundraising best practices.

#### **Work with, and oversight of, any commercial participators/professional fundraisers**

In 2023/24 we did not use any commercial participators or professional fundraisers. Nor do we have any intentions or plans to use commercial participators/professional fundraisers in the coming year.

#### **Fundraising conforming to recognised standards**

LSTM has core processes and commitments in place to ensure that our fundraising is conducted legally and responsibly in line with relevant laws, recognised standards and best practice. These include gift acceptance and

due diligence policies which are regularly reviewed and due for standard policy update in December 2024. This also includes ensuring that our fundraising strategy is in line with our institutional values and progress is regularly and transparently monitored and reported to Trustees.

LSTM is registered with the Fundraising Regulator and is committed to fundraising in line with the Code of Fundraising Practice in a way that is legal, open, honest and respectful.

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This coming year, we anticipate updated information from the fundraising regulator in line with their 2022-25 Code Review. We will look to make any recommended updates to our practices and policies in line with the updated Code of Fundraising Practice as it is released in 2025.

In 2023/24 our fundraising and alumni engagement roles were updated with new job descriptions and clear operational objectives to ensure that all fundraising staff have clarity on their roles, responsibilities and what is needed to be successful.

#### **Monitoring of fundraising carried out on our behalf**

On occasions where LSTM is approached by volunteers, alumni or staff wishing to fundraise for LSTM's behalf, we work closely with them to ensure they understand the boundaries within which they must work when representing LSTM.

Our Board of Trustees and 125th Anniversary Campaign Board continue to be supportive of LSTM's fundraising and introduce contacts and networks as appropriate. In all instances of introductions, the Fundraising team work to ensure that relationships and any subsequent gifts are conducted and agreed in line with our policies and procedures.

#### **Fundraising complaints**

Any formal complaints received in relation to our fundraising, advertising or communications directly to LSTM via the Fundraising Regulator, Advertising Standards Agency, Charity Commission or changes to communications via the Fundraising Preference Service will be reviewed and appropriately actioned and/or responded to. Serious complaints will be referred to the Vice-Chancellor of LSTM and/or the Chair of the Board of Trustees for review and appropriate action.

As per LSTM's wider processes, safeguarding concerns continue to be referred to and managed by LSTM's Safeguarding Lead. FOIs are reviewed and managed by LSTM's Data Protection team and are responded to in a timely and transparent manner.

#### **Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate**

LSTM does not currently undertake any public campaigns utilising telephone, door-to-door or street fundraising. Any mass-participation fundraising campaigns are primarily conducted via direct communication with individuals who are alumni, friends, staff, members of LSTM whose data we hold in our database under legitimate interest.

All communications have clear ways for recipients to opt out of future contact or fundraising, any such request to opt out is processed in a timely fashion.

### **12. Taxation**

LSTM's activities are not subject to corporation tax, given that income and gains are applied for and used exclusively for charitable purposes. LSTM's subsidiaries fall under the scope of corporation tax, except for IVCC and LLSA Limited, which have charity status, and the overseas subsidiaries. Due to the continued growth of LSTM, a tax strategy is updated and issued annually (available on the website). LSTM continue to comply with all relevant regulations and to contact HMRC as relevant on specific issues.

### **13. Employment of Disabled Persons**

LSTM strives to be an inclusive employer and welcomes applications from people with disabilities, appointing on merit alone. We are reviewing our branding and recruitment practices to ensure they are inclusive and equitable for all underrepresented demographics – this includes those who identify as disabled.

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We continue to work to the social model of disability and provide adjustments and required support in the workplace. We are working to identify barriers to progression and development and implement identified actions to address these as part of our long-term Equity, Diversity and Inclusion (ED&I) commitments.

We acknowledge that people can become disabled and may also be temporarily disabled across their lives. Our efforts include ensuring that necessary support mechanisms are put in place both practically and holistically to support our people. We are people led and have recently established a Disability and Carers Network.

Over the past academic year 2023 – 2024 we have done the following in relation to disability:

- Supported the set-up of a Disability and Carers Network for staff and students
- Hosted webinars on Neurodiversity for all staff and students
- Committed to development of workflows/guidance on neurodiversity in the workplace for staff and students
- Appointed a HR representative to the Disability and Carers Network
- Ensured Disability access considerations in the redesign and capital project of our Mary Kingsley building.

#### 14. Disability Statement

As a public sector higher education research institution, we comply with both the Equality Act 2010 and the Public Sector Equality Duty. As an employer, we work to go beyond legal statutory requirements to support people with disabilities including but not limited to physical disability, neurodiversity and progressive conditions and impairments.

We accept the accessibility regulations as good practice, and as part of our commitment to the Public Sector Equality Duty. A priority action for us as an organisation includes working to ensure our website and documents are compliant with legal accessibility requirements.

#### 15. Equality at LSTM

Over the past academic year we have delivered a number of initiatives and efforts against our stated goals:

1. ED&I Strategy: We have started working on our new EDI strategy, which will be published in the next academic year.
2. History and Heritage: We have commissioned and funded a two year research project, focusing on our our history and colonial origins.
3. Progression and Retention: We extended our Career programme to include colleagues from global partner organisations, providing opportunities for academic progression and capacity strengthening. We are developing a programme to address underrepresentation of Black and Ethnic Minority staff at senior academic levels through support for progression.
4. Culture and Engagement: In terms of culture and engagement initiatives we have delivered events in partnership with our ED&I Staff Networks, including Chinese New Year, and LCR Pride, and also organised activities with local partners. We have delivered training on leading an Anti-Racist Organisation for senior leaders and organised a programme of activities to raise and develop awareness. We have launched new externally hosted platforms to support staff and students who want to raise concerns of bullying or harassment.
5. Institutional Charters and Action Plans and Data Capture : We are preparing for our first submission for recognition through the Race Equity Charter in November 2025 and for renewal of our exiting Athena Swan award in 2027. To support this we have reviewed our EDI data capture to enable improved analysis and monitoring of trends.

# Liverpool School of Tropical Medicine

## Financial Statements for the year ended 31 July 2024

### 16. Transparency Arrangements

The Board of Trustees conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Board. Minutes of all meetings are available from the Secretary to the Board at: Liverpool School of Tropical Medicine, Pembroke Place, Liverpool, L3 5QA.

The Secretary to the Board maintains a register of financial and personal interests of the Board members. The register is available for inspection at the above address.

### 17. Planned Maintenance Programme

LSTM's management, through the Building Steering Committee, review the funding available for maintenance and identify an appropriate budget to deliver a prioritised planned maintenance programme for the year. All buildings are maintained to a high standard and LSTM scores highly in the sector in this regard.

### 18. Endowments

LSTM holds endowment funds from the following:

Andrew Campbell Prize, Corlett Prize, David Haddock Prize, John Hay Prize, Jephcott Prize, Jervis Prize, Toosey Prize, White Waller Prize, W. Glynn Williams Prize, Blacklock Medal, Holt Medal, Milne Medal, Cicely Williams Medal, Yorke Medal, William Hesketh Leverhulme Scholarship, Joseph P. Caplan Bursary, Jean Clayton Fellowship, Mildred Ellerker Award, Gatsby, Sir Eric Griffith-Jones Memorial Fellowship Fund, Thomas Mark Fund, Kenneth Newell Bursary, Rhodes-Gilles Fund, Gwendolen Clayton Memorial Scholarships, David Smith Fund, A. M. Browne Bursary, Katherine Elliot Fund, Annie Evans Fund, Mamco Selab Scholarship Fund, Professorial Fund.

### 19. Professional Advisers

LSTM's current professional advisers are:

#### **Financial Statement & Funding Auditor:**

Crowe U.K. LLP  
55, Ludgate Hill  
London, EC4M 7JW

#### **Internal Auditors:**

RSM Risk Assurance Services LLP  
3, Hardman Street  
Manchester, M3 3HF

#### **Bankers:**

The Royal Bank of Scotland plc  
1, Dale Street  
Liverpool, L2 2PP

#### **Solicitors:**

Brabners LLP  
Exchange Flags  
Liverpool, L2 3YL

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## 20. Members

The Board of Trustees are also the nominated directors under the Companies Act 2006 and their term of office is for three years. The members who served on the Board during the year were as follows :

Name	Date of appointment/ retirement* re-appointment **	Status of appointment	Capacity and Committees Served
Jim McKenna	December 2023**	Elected	<b>Chair of the Board of Trustees</b> Nominations & Governance Remuneration Finance & Investment
John O'Brien, B.Comm, FCA	December 2023**	Elected	<b>Hon Treasurer</b> Chair of Finance & Investment Nominations & Governance Remuneration
Prof David Laloo MB, BS, FRCP, MD, FFTM, RCPS (Glasg), FMedSci	January 2019	Ex Officio/staff	<b>Vice Chancellor of LSTM</b> Nominations & Governance Finance & Investment
Mark Allanson	December 2022**	Elected	Remuneration Champion for PREVENT
Joanathan Ball BSc (Hons), PhD, PGCHE, FHEA,	January 2024	Ex Officio/staff	Deputy Vice Chancellor of LSTM
Joanne Dodd BA ACA	December 2022**	Elected	Deputy Treasurer Finance & Investment Champion for Environment and Sustainability
Ingrid Etoke MSc	February 2022	Elected	Finance & Investment
Prof Nyovani Madise, PhD, DSc	December 2022**	Elected	Remuneration Committee Champion for Equality and Diversity
Prof Sabrina Rashid PhD, MSc	September 2022	Elected	Trustee
Sue Russell LLB (Hons)	December 2022**	Elected	<b>Vice Chair of the Board of Trustees</b> Chair of Audit Nominations & Governance IVCC Board Member (Feb 2023) Champion for GDPR
Dr Helen Savage, MBChB, MRes, MRCP, DTMH	July 2024*	Elected	Student Trustee
Prof Neil Squires, MBCh, MPH, DTMH, FFPH	March 2022	Elected	Audit Committee
Prof Stephen Ward BSc, PhD	October 2023*	Ex Officio / staff	Deputy Director of LSTM
Catherine West MP BA BSW MA	July 2024*	Elected	Trustee
Andrew Wright, BSc, MSc	December 2022**	Elected	Audit Committee Remuneration Committee Champion for Safeguarding
Robert Einion Holland FCCA, MBA	July 2024*	Non- member	Secretary to the Board
Joanne Clague	July 2024*	Non-member	Secretary to the Board

## 21. LSTM Statement of Corporate Governance and Internal Controls

The Liverpool School of Tropical Medicine is a company limited by guarantee and currently has 61 members, 10 of whom (plus 2 staff Trustees) make up the Board of Trustees. Members meet at the Annual General Meeting where they elect the Board of Trustees, effectively the company board of directors. It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

LSTM operates under the following principal governance arrangements:

- LSTM Memorandum and Articles of Association, incorporating the instrument and articles of government.
- Committee of University Chairs – The Higher Education Code of Governance September 2020.
- UK Charity Legislation.
- Equality Challenge Unit – Governing bodies, Equality and Diversity and the Equality Act 2010.
- Office for Students Guidelines.

And with due regard to best practice within - The UK Corporate Governance Code.

The Board of Trustees conducts its business through a number of formal committees, delegating the day-to-day management of LSTM to the Vice Chancellor of LSTM and its subsidiary Boards. The Trustees comply with the requirements of the Companies Act, the Office for Students and of the Charities Act as to keeping financial records, the audit of accounts and the preparation and transmission to the Register of Companies. The Trustees also ensure that annual reports, annual returns and annual statements of account are completed by LSTM. Proper records of all proceedings at general meetings, meetings of Trustees, committees and all professional advice obtained are kept by the Secretary to the Board for the Chairman of the Board.

The Board is provided with regular and timely information on the overall financial performance of LSTM together with other strategically important information including performance against corporate targets, capital expenditure, quality matters and personnel related matters such as safeguarding, equality and diversity, health and safety and environmental issues. The Board of Trustees meet five times a year in addition to having annual away days and an AGM and retain authority to request and conduct extraordinary meetings.

All Board members are able to take independent professional advice in furtherance of their duties at LSTM's expense and have access to the Secretary and Clerk who are responsible to the Board of Trustees for ensuring compliance with all applicable procedures and regulations. The appointment, evaluation and removal of the Secretary are matters for the Board of Trustees as a whole. Formal agendas, papers and reports are supplied to members in a timely manner prior to Board meetings. Briefings are also supplied on an ad-hoc basis.

The Board has a strong and independent non-executive membership and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business relationships, which could materially interfere with the exercise of the independent judgement. Declarations of interest are made at the start of each meeting and annual related party disclosures obtained from Trustees and close family members. There is a clear division of responsibility in that the roles of the Chair, Deputy Chairs, and Director are separate.

Each committee chair, deputies and members receive delegated responsibility from the Board of Trustees. The Board of Trustees has approved terms of reference for each committee.

- Audit Committee
- Finance and Investment Committee



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## Financial Statements for the year ended 31 July 2024

- Nomination & Governance Committee
- Remuneration Committee

Collectively, these set out governance principles and arrangements for ensuring that LSTM is committed to maintaining the highest standards of corporate governance and are appropriate for the size and complexity of the organisation.

### **Appointments to the Board of Trustees**

Any new appointments to the Board are a matter for consideration of the Board as a whole. The Board of Trustees has a Nominations & Governance Committee comprised of 4 members which is responsible for the selection and nomination of any new member for the Board's consideration. Ahead of, and during appointment, it is incumbent upon LSTM to ensure that "fit and proper persons" checks are in place to notify LSTM and the Chair of the Board of Trustees if there are any declarations that may require intervention.

Members of the Board of Trustees are appointed for a term of office of three years. Retiring Trustees shall be eligible for re-election subject to paragraph 5.5, 5.5.1 and paragraph 5.5.2 of the Articles (November 2017).

The Board of Trustees appoint five members as "Board Champions" who have career experience in equity, diversity and inclusion, PREVENT duty, GDPR, safeguarding and environment and sustainability, and these act as conduits across the organisation and lead on engagement activity. The Board is responsible for ensuring that appropriate training is provided as required to its members.

Members are expected to promote LSTM's values and protect its reputation by discharging their duties and principles as set out in the code of conduct. The code of conduct provides clear guidance on what is expected of staff, students, volunteers, Trustees and other representatives, as well as providing examples of conduct that will always be unacceptable.

### **Patron**

LSTM is honoured to have Her Royal Highness The Princess Royal KG KT GCVO as Patron. She succeeded her father, HRH the Duke of Edinburgh, in 1991. LSTM has enjoyed Royal Patronage since 1932 when HM King George VI became LSTM's first Patron.

### **President & Vice-Presidents**

LSTM's Chancellor and Vice-Presidents are distinguished individuals drawn from the field of academia, business and politics and are committed to assisting LSTM in fulfilling its mission. They willingly give their help and advice and support in approaches for charitable donations.

### **Audit Committee**

The Audit Committee has a maximum of 7 members and is comprised of at least 2 members of the Board (Chair and Deputy), 1 IVCC Board member and at least 1 co-opted independent member. The Committee operates in accordance with written terms of reference approved by the Board of Trustees. The Committee is comfortable that the Board representation is sufficient given the additional expertise of the co-opted members.

The Audit Committee meets on a termly basis and provides a forum for reporting by LSTM's internal and financial statements auditors who have access to the Committee for independent discussion without the presence of LSTM management.

LSTM's internal auditor team provide LSTM with independent advice and assurance in regard to the adequacy of systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of the agreed recommendations and internal auditors undertake periodic follow up

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### Financial Statements for the year ended 31 July 2024

reviews. LSTM is able to ensure that such recommendations have been implemented. Management actions are reported to LSTM Executive Committee alongside a summary of all reports received.

The Audit Committee also advises the Board of Trustees on the appointment of internal and financial statements auditors and their remuneration for both audit and non-audit work.

#### **Finance and Investment Committee**

The Finance and Investment Committee has a maximum of 7 members and is comprised of at least 2 members of the Board. The Committee operates in accordance with written terms of reference approved by the Board of Trustees.

The Finance and Investment Committee advise the Board on financial policy, provide oversight, monitor and approve relevant returns to OfS/UKRI, HESA and other stakeholders and review in depth annual financial statements, management accounts, cashflows, budgets. It reviews the performance of the investment portfolio with assistance from an investment review committee.

#### **Remuneration Committee**

Throughout the year ended 31 July 2024, LSTM's Remuneration Committee comprised the Chairman, Treasurer, and at least 2 other Board members. The Committee's responsibility is to review the remuneration policy for all staff and to make recommendations on the remuneration and benefits of the Vice Chancellor and other senior members of staff in LSTM.

#### **Internal Control**

The Board of Trustees is ultimately responsible for LSTM's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives & can provide only reasonable, not absolute, assurance against material misstatement or loss.

The Board of Trustees has delegated to the Vice Chancellor of LSTM as Accountable Officer, the day-to-day responsibility for reviewing the adequacy of the system of internal control and making any appropriate amendments. The Vice Chancellor is also responsible for reporting to the Board any material weaknesses or breakdowns in internal financial control.

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing LSTM's significant risks that have been in place and operational for the year ended 31 July 2024. The Board regularly review this risk framework and the approach to internal control is risk-based. The process continues to be embedded with the adoption of a prioritised strategic risk register to include timescales and responsible officers. The process is now embedded within all levels of LSTM and covers business, operational, compliance and financial risk procedures.

#### **Value for Money**

LSTM strives to apply value for money considerations to all its processes and activities, and this is supported by strong awareness and vigilance across the executive management team. The Audit Committee receives an annual report on LSTM's value for money activity from a dedicated committee established several years' ago. The committee is made up from a cross section of the organisation. Each internal audit review undertaken and submitted to the Audit Committee makes specific observations and judgements concerning the value for money demonstrated. The report for the year ended 31 July 2024 detailed the progress made against the 8 Value for money objectives for the year and sets out the objectives for the year to 31 July 2025.

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## Financial Statements for the year ended 31 July 2024

### **Risk Management**

A comprehensive risk management framework, defined in LSTM's Risk Management Policy, assists the management of LSTM in the identification of the key risks inherent in the delivery of its strategy. This is overseen by the Audit Committee in order to gain the necessary assurances on the efficacy of the framework and relay them to the Board of Trustees.

The Board of Trustees, through the Audit Committee, evaluates the risks inherent in all major plans and proposals, including the identification of the steps that would be required to mitigate, eliminate and control such risks. The Risk Register is reviewed by the LSTM Executive Committee on a routine basis and is presented to the Board of Trustees at each meeting.

The Board has been provided with assurance of enhanced internal management controls around business continuity and recovery through the LSTM executive team, where response and recovery planning provide further assurance to the Board that responsible and timely management of stakeholder funding and investment continues to support sustainable operations.

### **Statement by the Trustees on performance of their statutory duties in accordance with S172(1) of the Companies Act 2006**

The Board of Trustees of LSTM consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the Group for the benefits of its members as a whole (having regard to the stakeholders and other matters set out in s172(1) of the Act) in the decisions they made during the year ended 31 July 2024.

The LSTM Board of Trustees comprises largely non-executive members, with two executive directors and a student representative. There are now five full board meetings each year plus meetings of several sub-committees, which are also attended by various senior staff. The AGM is open to all staff, students and key stakeholders.

Other than the executive members of the Board, Trustees are not remunerated, and they join the LSTM Board to contribute their skill and expertise to help LSTM to achieve its vision and mission, as detailed in section 4 of this report. The Board of Trustees follows the terms set out in the memorandum and articles of association, and Board members receive regular external training on the duties of Trustees of both a charity and an HEI. There is also a code of conduct and members are required to declare any conflicts of interest at every meeting.

The Board's key stakeholders have been identified as the following :

- Members
- Students
- Employees
- Funders
- Local, national and international governments
- Research partners

The Board engage with each of these groups throughout the year through face-to-face meetings, surveys, seminars and written correspondence to promote LSTM's mission.

Key decisions made by the Board this year include:

*Approval of the 2024/25 annual budget* : This year's budget was approved by the Board following a comprehensive review of our strategic priorities and risks to our business. The Budget was approved, showing a small surplus. It is viewed very much as an investment for the future budget, with significant growth in strategic positions throughout both academic and professional service posts

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*Strategic Plan 2023-2028:* : The Board of Trustees approved the institution level KPIs that will be used to monitor and track progress against the 2023-2028 Strategic Plan. The Board's role in developing the organisational KPIs is key to the future success of LSTM.

*Governance Effectiveness:* : The Board of Trustees continued to support the transformation of the professional services function. During the year, capability gaps were identified, new functions created, and existing functions realigned, and significant recruitment was undertaken. The Board supported an overhaul of the risk review process, and a new set of corporate risks were identified. Board members, along with senior management, were involved in the appointment of new external auditors and after a rigorous process, Crowe UK were appointed.

*Capital approvals:* The Board of Trustees continued to be engaged with the ongoing capital development projects at LSTM which included the Human Challenge Facility within the newly acquired LLSA building and supporting the ongoing Creator investment within MLW in Malawi. New projects approved and started included the refurbishment of the Mary Kingsley and Maegraith areas for an enhanced students experience, and the commencement of the AIR-HC Laboratory in the LLSA building. The facility will be one of the first fully automated containment level 3 human organoid labs driven by closed loop artificial intelligence (AI), to provide medium throughput screening of human organoids with new drug candidates and NTD pathogens of relevance to humans.

*Race Equity:* LSTM's Board of Trustees welcomed the ongoing commitment of LSTM staff to address the recommendations from the independent report into Race Equity. The Board approved the six focus areas developed by the Race Equity Action Group: Dignity at work and study, history and heritage, developing racial literacy, positive action, improved communication and the student experience. The Board continued to receive direct updates from the Race Equity Action Group and significant progress was made in all areas. A new set of priorities will be developed for 2024/25.

#### **Employee engagement statement**

The Board of Trustees engage with employees using multiple channels, via the Vice Chancellor of LSTM and senior team, through the work of the executive team, ensuring that key messaging is delivered via LSTM-wide communications. Where appropriate, staff are fully engaged in strategic discussion and decision making under the delegated duties of Committees. The Board of Trustees are presented with executive summaries of LSTM's Executive agreed actions and are fully briefed by the Vice Chancellor on all activity in relation to staff engagement.

There is also positive engagement by many staff through the various Board committees, where employees often present research activity updates to Board members. The Audit Committee works with HR staff in relation to equity, diversity and inclusion and the effectiveness of the HR processes. The Remuneration Committee, in addition to considering the remuneration of senior staff, received information and discusses overall reward policy and strategy including the gender and ethnicity pay gap.

LSTM wide engagement includes a monthly staff forum (SSF), attended by the Vice Chancellor, chaired by the executive committee member for SSF and is also open to IVCC and other subsidiary company employees. Staff can also apply to work on a variety of projects or working groups addressing issues of sustainability, gender equality, LGBTQ+, race equity, disability and as LSTM addresses key strategic issues, staff are frequently engaged through Town Hall events, surveys or focus groups. Board champions engage with Committee chairs in the areas of Equity and Inclusion, Prevent, Safeguarding and UK GDPR, supporting and engaging with the work of LSTM committees. LSTM regularly runs staff engagement surveys, the results of which are presented to the Board.

### **Statement on business relationships**

The LSTM Board of Trustees and its committees comprise people with a variety of skills and backgrounds. Through their networks Board members can foster additional benefit with LSTM through their association with our stakeholders, this brings a greater breadth of knowledge into the organisation, particularly in relation to key decisions made by the Board.

Delivering our strategy requires strong mutually beneficial relationships with all stakeholders. LSTM continuously assesses its priorities related to its major funding partners, and the Board engages on this through regular strategy updates through the committees' structure in place.

LSTM's activity within the External Relations Committee also supports a strategic approach to stakeholder engagement that contributes to objectives of the strategic plan.

### **Sustainability and Carbon Reporting**

LSTM is a world-leading specialist provider of education and plays an influential role in shaping a sustainable future. LSTM is committed to promoting and contributing to the Sustainable Development Goals (SDG). The Sustainability and Environment Committee provides strategic direction, coordination, and guidance to LSTM for integration of sustainability principles and practices throughout core of teaching, research, and operational activities. The institution is fully committed to the challenges of climate change by monitoring and reducing carbon emissions from its operations and activities, through supporting and encouraging collaboration, innovation, and engagement across the LSTM community.

During the year 2023/24 LSTM has continued assessing and identifying opportunities to reduce carbon emissions from our research, teaching and operational activities. This has included several 'green' initiatives mainly towards understanding our emission base. These initiatives include:

- Sign up to the Laboratory Efficiency Assessment Framework (LEAF) to improve the sustainability and efficiency of our laboratories
- Carrying out comprehensive energy review of all LSTM buildings to identify potential energy savings, reduce energy consumption, reduce our carbon footprint, and increase efficiency
- Reinstate active monitoring of data on energy generated from Solar PVs on our two buildings (PVs generated 19572kWh of electricity used in the buildings between September 23 – July 24)
- Carried out comprehensive review of our flight travel and implement initial measures to reduce flights emissions including review of Travel Policy to include guidance in sustainable travel and mandatory offsetting of business class flight emissions
- Carried out a Local Travel Survey to understand staff and student travel behaviours and develop local travel plan to support low carbon travel choices
- Change water provider for more robust monitoring of our water consumption
- Implement new total Waste Management Service in March 2024, improving waste monitoring and management
- Maintain zero waste to landfill policy
- Roll out indoors planting scheme to increase and enhance biodiversity within our estate
- Continue to actively promote green practices by staff and students
- Incorporate energy efficiency measures in refurbishment projects including replace existing lighting with new energy efficient LED lighting, installation of new energy efficient AHU etc
- Carry out waste assessment and classification of construction and demolition waste, resulting in zero waste landfilled, 7% recycled, 90% recovered and approx. 4% to RDF

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LSTM endeavours to continue evolving reporting methodologies by improving our data management systems and accuracy of information/data collected. This will help monitoring and managing our buildings energy consumptions more efficiently.

This report was produced in accordance with 'GHG Reporting Protocol - Corporate Standard' and used the 2024 UK Government's Conversion Factors for Company Reporting. Some GHG sources were excluded since they account for non-significant GHG emissions or quantification was technically not possible due to lack of data.

The following table provide a breakdown of LSTM GHG emissions between 1<sup>st</sup> August 2023 and 31<sup>st</sup> July 2024 :

	Scope	Year ended 31 <sup>st</sup> July 2024		Year ended 31 <sup>st</sup> July 2023	
Emissions for combustion of gas for heating	Scope 1	5,134,580.84 kWh	939.1148356 tCO <sub>2</sub> e	5,169,307 kWh	930.475 tCO <sub>2</sub> e
Emissions from combustion of oil products	Scope 1	-	-	-	-
Emissions from refrigerants used for air conditioning	Scope 1	-	-	90kg	168.97 tCO <sub>2</sub> e
Emissions from combustions of fuel for LSTM own vehicles and fuel used in personal/hire cars for business use	Scope 1	-	-	-	-
Emissions from purchased electricity	Scope 2	5086270.1 kWh	1053.112224 tCO <sub>2</sub> e	4,845,344.24 kWh	1,003.345 tCO <sub>2</sub> e
Other indirect emissions	Scope 3	-	-	-	-
<b>Total Scope 1&amp;2 (location based)</b>					<b>2,102.790 tCO<sub>2</sub>e</b>
Total LSTM operational buildings floor area		-	26,004.62 m <sup>2</sup>	-	26,004.62 m <sup>2</sup>
<b>Carbon Intensity ratios (Total tCO<sub>2</sub>e per operational floor area, excluding the institutional wider land holding)</b>		-	<b>0.077 tCO<sub>2</sub>e/m<sup>2</sup></b>	-	<b>0.081 tCO<sub>2</sub>e/m<sup>2</sup></b>

**Location-based** method of calculating emissions reflects the average emissions intensity of grids on which energy consumption occurs. This includes electricity delivered to LSTM by a local utility or another direct-line grid at standard commercial rates and grid-connected onsite renewable energy installations.

**Scope 1:** DIRECT GHG EMISSIONS are emissions issued from sources directly controlled by the LSTM, such as stationary combustion equipment used for building heating, fuel consumption, and fugitive emissions from refrigerants leaks/maintenance.

**Scope 2:** ENERGY INDIRECT EMISSIONS are emissions issued from electricity production, or from the imported heat or vapor consumed in the buildings and equipment operation, provided by an external entity (sources out of the organizational boundaries).

**Scope 3:** OTHER INDIRECT GHG EMISSIONS are emissions issued from the LSTM activities but from sources controlled by external enterprises, such as waste disposal (transport and processing) and the transportation means of staff and students (business and commuting).

**Intensity ratios factors:** We have chosen the total gross emissions in metric tonnes CO<sub>2</sub>e per total operational building floor area as it provides most meaningful data in relation to LSTM operations.

## 22. Going Concern

These financial statements have been prepared on a going concern basis. The research pipeline continues to look strong. The new macro economic risks of inflation and rising energy costs which emerged the last couple of years remain but appear to have levelled off making forecasting less unpredictable. All research grants continue to be reviewed for inflationary risks and no significant exposures have been found. With regard to energy prices, LSTM's fixed prices ended in April 2023 and we currently operate on a Flexible Arrangement Agreement with TEC that provides risk management on utilities price fluctuation.

In assessing going concern management analysed the 2024/25 budget, extrapolated to end of November 2025 and produced related cashflow forecasts. On the basis of this the Board of Trustees consider that it continues to be appropriate to account for the group and LSTM as a going concern for the foreseeable future.

## 23. Strategic Reporting

As LSTM is a registered charity, the strategic report is contained in the following sections:

- 4 Vision and Mission
- 5 Objectives
- 6 The Nature, Objectives and Strategies of the Charity
- 7 Principal risks and uncertainties, financial performance in the year & key performance indicators (KPIs)

## 24. Responsibilities of the Trustees

In accordance with LSTM's Memorandum and Articles of Association, the Governing Body is responsible for the administration and management of the affairs of LSTM and are required to present audited financial statements for each financial year.

The Governing Body (the Governors, also referred to as the Trustees are also the directors of LSTM for the purposes of company law) is responsible for preparing the Report of the Members of the Board of Trustees including the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees are required to prepare the financial statements in accordance with 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'. In addition, the Trustees are required to prepare the financial statements in accordance with Office for Student's ('OfS') terms and conditions of funding for higher education institutions (issued March 2019) and the terms and conditions of its funding agreement with Research England through its accountable officer. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true & fair view of the state of affairs of LSTM and the Group and of the surplus or deficit, gains & losses, changes in reserves & cash flows of LSTM & the Group for that year.

In preparing the financial statements, the Trustees are required to:

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

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The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain LSTM's transactions and disclose with reasonable accuracy at any time the financial position of LSTM and enable it to ensure that the financial statements comply with the Statement of Recommended Practice - Accounting for Further and Higher Education, OfS terms and conditions of funding for higher education institutions (issued March 2019), the Office for Students Accounts Direction (issued October 2019) and the Companies Act 2006. They are also responsible for safeguarding the assets of LSTM and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have taken reasonable steps to:

- ensure that funds from OfS, Research England and other funding bodies are used only for the purposes for which they have been given and seek to achieve value for money in accordance with OfS' terms and conditions of funding for higher education institutions (issued March 2019) and the funding agreement with Research England and any other conditions which the funding body may from time to time prescribe;
- ensure that LSTM has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage LSTM's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of LSTM and OfS;
- ensure there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- ensure an effective framework – overseen by LSTM's academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS' assessment of LSTM's risks specifically in relation to these funding purposes.

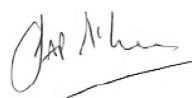
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on LSTM's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that:

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

A resolution to reappoint Crowe UK LLP will be proposed at the Annual General Meeting, under the heading "Independent Auditors", subject to the outcome of a procurement tender exercise.

Signed on behalf of the Board of Trustees



**Jim McKenna**  
**Chair – 28 November 2024**



# Liverpool School of Tropical Medicine

## Financial Statements for the year ended 31 July 2024

### Statement on the System of Internal Financial Control to 31 July 2024

As HEI Accountable Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by LSTM.

The system can provide only reasonable and not absolute, assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines, where appropriate.

LSTM has a subcontracted internal audit service, which operates in accordance with the requirements of the Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which LSTM is exposed and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board of Trustees on the recommendation of the Audit Committee. The Chair of the Audit Committee provides the Board with a report on internal audit activity in LSTM at a minimum annually. The report includes the financial statement, grant and internal auditors' independent opinions on the adequacy and effectiveness of LSTM's system of internal control, risk management controls and governance processes, including internal financial control. The role of the external auditors is specifically to audit the year end financial statements, but they also report on the control environment and on any control issues identified during the annual audit, and report to the Finance and Investment Committee and the Audit Committee in that regard. No significant control weaknesses or failures were reported in relation to the year ended 31 July 2024.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within LSTM who have responsibility for the development and maintenance of the financial control framework and comments made by LSTM's financial statement and grant auditors in their management letters and other reports. The audit committee report annually to the Board in November regarding any control weaknesses or failures during the past financial year; there have been no significant control weaknesses or failures in the year ended 31 July 2024.

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**Professor David Laloo**

**MB, BS, MD, FRCP, FTM, RCPS (Glasg)**

**Vice Chancellor  
28 November 2024**

## **Independent Auditor's Report to the Members of Liverpool School of Tropical Medicine**

### **Opinion**

We have audited the financial statements of Liverpool School of Tropical Medicine (LSTM) and its subsidiaries (the group) for the year ended 31 July 2024 which comprise the group and LSTM's statement of comprehensive income, the group and LSTM's statement of changes in reserves, the group and LSTM's balance sheets, the group and LSTM's statement of cash flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and LSTM's affairs as at 31 July 2024 and of the group and LSTM's income and expenditure, gains and losses, changes in reserves and the group and LSTM's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- in all material aspects, funds received for specific purposes administered by the group and LSTM have been applied only for the purposes for which they were received and managed in accordance with relevant legislation;
- in all material aspects, funds from the Office for Students have been applied in accordance with the relevant terms and conditions;
- the requirements of the Office for Students' accounts direction to higher education institutions have been met;
- the group and LSTM's grant and fee income, as disclosed in the note to the accounts, has not been materially misstated; and
- the provider's expenditure on access and participation activities for the financial year has not been materially misstated

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and LSTM'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.

## Liverpool School of Tropical Medicine Financial Statements for the year ended 31 July 2024

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

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and LSTM and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- grant and fee income, as disclosed in the note to the accounts, has not been materially misstated; and
- expenditure on access and participation activities for the financial year has not been materially misstated.

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 23-24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the

## Liverpool School of Tropical Medicine Financial Statements for the year ended 31 July 2024

preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the group and LSTM operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were: the Charities Act 2011, the Companies Act 2006, the Further and Higher Education Act 1992, the Office for Students Accounts Direction 2019, together with taxation legislation.

We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the group and LSTM's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the group and LSTM for fraud. The laws and regulations we considered in this context for the UK operations were: Anti-fraud, bribery and corruption legislation, Data Protection Regulation (GDPR), Health and safety legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

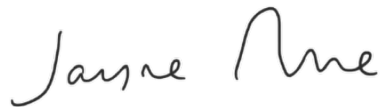
Liverpool School of Tropical Medicine  
Financial Statements for the year ended 31 July 2024

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of income and management override of controls, the assumptions adopted by management to calculate the pension liability and managements assumptions and managements judgements in respect of loan accounting. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Use of our report**

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



**Jayne Rowe**

Senior Statutory Auditor

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

**London**

**29 November 2024**

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Statement of Comprehensive Income**

		Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
	Notes				
<b>Income</b>					
Funding body grants	5	21,812	21,812	20,601	20,601
Tuition fees and education contracts	6	2,051	2,051	2,319	2,319
Research grants and contracts	7	86,051	66,690	115,050	80,225
Other income	8	14,413	7,424	15,383	11,766
Investment income	9	2,567	1,842	1,026	642
Donations and endowment income	10	921	921	417	417
<b>Total income</b>		<b>127,815</b>	<b>100,740</b>	<b>154,796</b>	<b>115,970</b>
<b>Expenditure</b>					
Staff costs	11	39,989	36,703	40,497	34,931
Pension deficit funding costs	23	(20,065)	(20,065)	(1,318)	(1,318)
Other operating expenditure	13	82,309	59,845	104,737	73,701
Depreciation	16	2,858	2,570	2,656	2,460
Interest payable	14	500	200	326	115
<b>Total expenditure</b>		<b>105,591</b>	<b>79,253</b>	<b>146,898</b>	<b>109,889</b>
<b>Surplus on continuing operations before other gains/(losses)</b>		<b>22,224</b>	<b>21,487</b>	<b>7,898</b>	<b>6,081</b>
Unrealised surplus/(deficit) on revaluation of investments and endowments		3,022	3,040	(2,202)	(2,139)
(Deficit)/surplus on disposal of investments		(218)	(218)	2,266	2,266
Deficit on disposal of tangible assets		-	-	(188)	(188)
<b>Surplus on continuing operations before taxation</b>		<b>25,028</b>	<b>24,309</b>	<b>7,774</b>	<b>6,021</b>
Taxation	15	(4)	-	(4)	-
<b>Surplus for the year</b>	15	<b>25,024</b>	<b>24,309</b>	<b>7,770</b>	<b>6,021</b>
<b>Total Comprehensive Income for the year</b>		<b>25,024</b>	<b>24,309</b>	<b>7,770</b>	<b>6,021</b>

*Represented by :*

Restricted endowment comprehensive Income for the year	1,140	1,140	67	67
Unrestricted endowment comprehensive Income/(Expenditure) for the year	462	462	(113)	(113)
Expendable restricted endowment comprehensive (Expenditure) for the year	(32)	(32)	(206)	(206)
Unrestricted comprehensive Income for the year	23,351	22,702	6,813	6,329
Restricted comprehensive Income/(Expenditure) for the year	103	37	1,210	(56)
<b>Total Comprehensive Income for the year</b>	<b>25,024</b>	<b>24,309</b>	<b>7,770</b>	<b>6,021</b>

The income and expenditure account is in respect of continuing activities and there were no operations that were acquired or discontinued by the Liverpool School of Tropical Medicine Group during the year or in the previous year.

The surplus for the year and total comprehensive income for the year is attributable to the Liverpool School of Tropical Medicine. There are no non-controlling interests.

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Statement of Changes in Reserves**

<b>GROUP</b>	<b>Unrestricted General Reserve £'000</b>	<b>Restricted General Reserve £'000</b>	<b>Permanent Unrestricted Endowments £'000</b>	<b>Permanent Restricted Endowments £'000</b>	<b>Expendable Restricted Endowments £'000</b>	<b>TOTAL  £'000</b>
<b>Balance at 31 July 2022</b>	<b>19,075</b>	<b>10,603</b>	<b>9,641</b>	<b>7,950</b>	<b>594</b>	<b>47,863</b>
Surplus/(deficit) for the year	6,738	1,326	(113)	67	(206)	7,812
Movement between reserves	56	(56)	-	-	-	-
Surplus/(deficit) from statement of comprehensive income	6,794	1,270	(113)	67	(206)	7,812
<b>Balance at 31 July 2023</b>	<b>25,869</b>	<b>11,873</b>	<b>9,528</b>	<b>8,017</b>	<b>388</b>	<b>55,676</b>
Surplus/(deficit) for the year	23,388	66	462	1,140	(32)	25,024
Movement between reserves	(32)	37	-	-	-	5
Surplus/(deficit) from statement of comprehensive income	23,356	103	462	1,140	(32)	25,029
<b>Balance at 31 July 2024</b>	<b>49,225</b>	<b>11,976</b>	<b>9,990</b>	<b>9,157</b>	<b>356</b>	<b>80,705</b>

<b>LSTM</b>	<b>Unrestricted General Reserve £'000</b>	<b>Restricted General Reserve £'000</b>	<b>Permanent Unrestricted Endowments £'000</b>	<b>Permanent Restricted Endowments £'000</b>	<b>Expendable Restricted Endowments £'000</b>	<b>TOTAL  £'000</b>
<b>Balance at 31 July 2022</b>	<b>19,244</b>	<b>643</b>	<b>9,641</b>	<b>7,950</b>	<b>594</b>	<b>38,072</b>
Surplus/(deficit) for the year	6,272	-	(113)	67	(206)	6,020
Movement between reserves	56	(56)	-	-	-	-
Surplus/(deficit) from statement of comprehensive income	6,328	(56)	(113)	67	(206)	6,020
<b>Balance at 31 July 2023</b>	<b>25,572</b>	<b>587</b>	<b>9,528</b>	<b>8,017</b>	<b>388</b>	<b>44,092</b>
Surplus/(deficit) for the year	22,739	-	462	1,140	(32)	24,309
Movement between reserves	(35)	37	-	-	-	2
Surplus/(deficit) from statement of comprehensive income	22,704	37	462	1,140	(32)	24,311
<b>Balance at 31 July 2024</b>	<b>48,276</b>	<b>624</b>	<b>9,990</b>	<b>9,157</b>	<b>356</b>	<b>68,403</b>

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

Company registration number : 00083405

**Balance Sheets as at 31 July**

	Notes	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
<b>Fixed Assets</b>					
Tangible assets	16	70,083	51,493	68,711	52,588
Intangible assets	16	2,755	2,707	53	609
Investments in subsidiaries	17	-	54	-	54
		<b>72,838</b>	<b>54,254</b>	<b>68,764</b>	<b>53,251</b>
<b>Current Assets</b>					
Stock	18	97	-	3,785	3,710
Debtors	19	23,770	30,925	23,552	28,449
Investments and endowments	20	65,604	48,791	45,818	41,122
Cash at bank and in hand	29	19,870	12,300	40,081	22,843
		<b>109,341</b>	<b>92,016</b>	<b>113,236</b>	<b>96,124</b>
Creditors : amounts falling due within 1 year	21	54,636	35,203	63,899	47,982
<b>Net Current Assets</b>		<b>54,705</b>	<b>56,813</b>	<b>49,337</b>	<b>48,142</b>
<b>Total Assets less Current Liabilities</b>		<b>127,543</b>	<b>111,067</b>	<b>118,101</b>	<b>101,393</b>
Creditors : amounts falling due after 1 year	22	43,830	38,330	38,127	32,427
Provisions : pension provisions	23	-	-	20,065	20,065
Provisions : other provisions	24	3,008	4,334	4,233	4,809
<b>NET ASSETS</b>		<b>80,705</b>	<b>68,403</b>	<b>55,676</b>	<b>44,092</b>
<b>Reserves</b>					
Permanent restricted endowments	26	9,156	9,156	8,017	8,017
Expendable restricted endowments	26	356	356	388	388
		<b>9,512</b>	<b>9,512</b>	<b>8,405</b>	<b>8,405</b>
Restricted general reserve	27	11,976	624	11,873	587
<b>Unrestricted Reserves</b>					
Permanent unrestricted endowments	26	9,991	9,991	9,528	9,528
Unrestricted general reserve		49,226	48,276	25,869	25,572
		<b>59,217</b>	<b>58,267</b>	<b>35,397</b>	<b>35,100</b>
<b>TOTAL FUNDS</b>		<b>80,705</b>	<b>68,403</b>	<b>55,676</b>	<b>44,092</b>

The Financial Statements were approved by the Board of Trustees on 28 November 2024 and were signed on behalf of the Directors by :



J O'Brien - Honorary Treasurer



Professor D Lalloo - Director



**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Statement of Cash Flows**

		Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
	Notes				
Surplus for the year		25,024	24,309	7,770	6,021
<b>Adjustment for non-cash items :</b>					
Depreciation	16	2,858	2,570	2,656	2,460
Depreciation on release of Finance lease		-	-	(1,243)	(1,243)
Write off of assets		-	-	187	187
Gift aid not yet received from subsidiary		-	-	-	(18)
Unwinding of finance lease		-	-	10,900	10,900
Deferred capital grants released to income	25	(2,320)	(2,320)	(2,833)	(2,833)
Deficit on disposal of investments & endowments		-	-	2,474	1,570
Decrease/(increase) in stock		3,688	3,710	(3,626)	(3,635)
(Increase) in debtors		(218)	(2,476)	(1,671)	(7,185)
(Decrease)/increase in creditors		(9,396)	(12,913)	781	10,091
(Decrease)/increase in other provisions		(1,223)	(475)	292	868
(Decrease) in USS pension provision	23	(20,065)	(20,065)	(1,318)	(1,318)
Unrealised revaluation (gains)/losses on investments and endowments	20	(3,022)	(3,040)	2,202	2,139
Interest payable	14	500	200	326	115
Interest receivable		(2,998)	(2,273)	(1,209)	(825)
Taxation	15	4	-	8	-
		(32,192)	(37,082)	7,926	11,273
<b>Cash flow from operating activities</b>		<b>(7,168)</b>	<b>(12,773)</b>	<b>15,696</b>	<b>17,294</b>
Taxation paid		(4)	-	(8)	-
<b>Net cash (utilised)/generated from operating activities</b>		<b>(7,172)</b>	<b>(12,773)</b>	<b>15,687</b>	<b>17,294</b>
<b>Cash flows from investing activities :</b>					
Income from long term investments and unrestricted permanent endowments		618	618	730	346
Other interest received	9	2,380	1,655	479	479
Decrease in investments in subsidiaries		-	-	-	72
Purchase of tangible fixed assets	16	(6,911)	(3,571)	(18,954)	(3,467)
Receipts from sales of tangible fixed assets		14	-	-	-
Payments to acquire investment & endowment assets	20	(115,812)	(64,023)	(50,685)	(50,686)
Receipt from sale of investments and endowments		99,049	59,857	43,794	36,567
Movements through equity		(32)	(463)	43	-
Deferred capital grants received	25	8,357	8,357	4,450	4,450
<b>Net cash generated from/(used in) investing activities</b>		<b>(12,337)</b>	<b>2,430</b>	<b>(20,143)</b>	<b>(12,239)</b>
<b>Cashflows from financing activities :</b>					
(Repayment)/receipt of external loans		(200)	-	9,900	4,000
Interest paid on external loans		(500)	(200)	(326)	(115)
Release of finance lease liability		-	-	(9,075)	(9,075)
<b>Net cash used in financing activities</b>		<b>(700)</b>	<b>(200)</b>	<b>499</b>	<b>(5,190)</b>
<b>(Decrease) in cash in the year</b>		<b>(20,210)</b>	<b>(10,543)</b>	<b>(3,957)</b>	<b>(135)</b>
Cash and cash equivalents at beginning of the year		40,081	22,843	44,038	22,978
Cash and cash equivalents at end of the year		19,870	12,300	40,081	22,843
<b>Cash and cash equivalents movements in year</b>		<b>(20,211)</b>	<b>(10,543)</b>	<b>(3,957)</b>	<b>(135)</b>

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Notes to the Accounts**

**1 Company Information**

The Liverpool School of Tropical Medicine (LSTM) was formally inaugurated on 22 April 1898 and incorporated on 30 January 1905 as the Incorporated Liverpool School of Tropical Medicine. LSTM was registered as a charity on 11 October 1963. LSTM is a company limited by guarantee and holds no share capital and is governed by a Board of Trustees.

The Incorporated Liverpool School of Tropical Medicine changed its name on 30 November 1992 to Liverpool School of Tropical Medicine. The registered office is at Pembroke Place, Liverpool, L3 5QA, UK.

The Secretary of State for Business, Innovation and Skills, by an Order of Parliament, under section 129 of the Education Reform Act 1988, designated LSTM as a Higher Education Institute (HEI) on 19 July 2013. LSTM receives direct funding from the Office for Students (OfS) and UK Research and Innovation (including Research England).

**2 Basis of Preparation**

**i) Basis of Preparation**

These financial statements have been prepared in accordance with the Statements of Recommended Practice (SORP) : Accounting for Further and Higher Education 2019, and in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102 (FRS 102), 'the Financial Reporting Standard applicable to the United Kingdom and the Republic of Ireland' and the Companies Act 2006. LSTM is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of current asset investments and derivative financial instruments).

The financial statements are presented in Sterling (£).

**ii) Going Concern**

These financial statements have been prepared on a going concern basis. The research pipeline continues to look strong. The new macro economic risks of inflation and rising energy costs which emerged the last couple of years remain but appear to have levelled off making forecasting less unpredictable. All research grants continue to be reviewed for inflationary risks and no significant exposures have been found. With regard to energy prices, LSTM's fixed prices ended in April 2023 and we currently operate on a Flexible Arrangement Agreement with TEC that provides risk management on utilities price fluctuation.

In assessing going concern management analysed the 2024/25 budget, extrapolated to end of November 2025 and produced related cashflow forecasts. On the basis of this the Board of Trustees consider that it continues to be appropriate to account for the group and LSTM as a going concern for the foreseeable future.

**iii) Basis of Consolidation**

The Consolidated financial statements include LSTM and entities controlled, both unilaterally and jointly, by LSTM, for the financial year to 31 July 2024. Where LSTM does not exercise control over an entity and is not in a position to extract economic benefits, the results of that entity are not consolidated. A full list of subsidiaries and NGOs in which LSTM has an interest is shown in note 17.

**3 Significant Judgements and Estimates**

Preparation of the Financial statements requires management to make significant judgements and estimates. The items in the Financial statements where these judgements and estimates have been made include :

*Judgements*

**i) Deferral of balances**

Due to the nature of research grants, which in the majority of cases span over several years, judgement is exercised in the decision over deferral or accrual of these balances to ensure income and expenditure are accounted for in the appropriate and matching period or when performance conditions have been met.

**Notes to the Accounts**

**ii) Accounting for the Malawi Liverpool Wellcome Organisation**

LSTM works closely with the Malawi Liverpool Wellcome Organisation (MLW). MLW is funded by the UK Wellcome Trust and all funding is directed via LSTM UK. Management analysed the organisational structure to determine the level of influence and whether MLW should be considered a subsidiary, associate or jointly controlled entity. Local management rests with the executive committee, made up of representatives of 5 organisations including LSTM. LSTM holds only 3 seats out of 21 (14%) and Kamuzu University of Health Sciences holds the position of Chair. Therefore, in the judgement of LSTM management, due to the independent local management and operations, LSTM does not exercise sufficient control to consider this entity as a subsidiary, associate or joint venture.

*Estimates*

**iii) Provisions**

Provisions have been set up in relation to operational receipts : Provisions have been made where cash receipts have a possibility that an element may have to be repaid or where a liability has been incurred prior to 31 July 2024 and where the amount can be reasonably calculated or estimated.

Provisions have also been set up in relation to onerous research grants where activity on some research grants has been impacted. Provisions are ascertained through the forecasting and monitoring process that the research management services team undertake on a quarterly basis with delivery teams. This process monitors progress and highlights any issues within projects which may impact receipt of income or overrun of costs, which are reflected in the financial statements as a provision where the amount can be reliably calculated or estimated.

**iv) Gifts in Kind**

Gifts in kind include 2 material items where significant estimates have been made :

a) Gifts contributed towards 3 projects which form part of the iiCon collaboration of £1,472,000 (2023 : £961,000). Three companies have provided primarily staff time along with some consumables, materials and space, as part of a 5 year research project which falls under the iiCon collaboration. The value of the gift is based on actual costs incurred by the donors.

b) Mosquito nets gifted for an effectiveness study in Uganda of £ 3,793,000 (2023 : £9,466,000). The valuation of the gifts is based on the purchase cost of the nets had LSTM had to purchase the nets directly for the study. The quantification of the number of nets included as the purchase cost as a gift in kind was based on the number of nets distributed during the financial year under the control and direction of LSTM.

**v) Accounting for the USS pension deficit**

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

At 31 July 2023, LSTM's balance sheet included a liability of £ 20,065,000 for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. 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 £20,065,000 was fully released to the profit and loss account. Further disclosures relating to the release of the USS pension provision can be found in note 23.

**4 Statement of Principal Accounting Policies**

**i) Income Recognition**

Student fee income is stated gross of any expenditure which is not a discount and credited to the Statement of comprehensive income over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

# Liverpool School of Tropical Medicine

## Financial Statements for year ended 31 July 2024

### Notes to the Accounts

Income from contracts and other services rendered is credited to the Statement of comprehensive income when the goods or services are supplied to the external customers or the terms of the contract, including performance related conditions, have been satisfied. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions to overhead costs. Any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Investment income is credited to the Statement of comprehensive income on a receivable basis.

Funds LSTM receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of LSTM where it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by LSTM; this is normally upon notification of the interest paid or payable by the Bank.

#### ii) Grant Funding

Government revenue grants including recurrent teaching and research grants from Office for Students (OfS) and UK Research and Innovation (UKRI), including Research England, are recognised in income over the periods in which LSTM 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 within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Grants (including research grants) from non-government sources are recognised in income when LSTM is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### iii) Expenditure and Irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources. Grants are reflected in the Balance sheet when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### iv) Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when LSTM 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.

Donations with no restrictions are recognised in income when LSTM is entitled to the funds.

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

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. 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 LSTM.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and LSTM has the power to use the capital.
4. 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.

#### v) Gifts in Kind

Gifts in kind are recognised within research grant income and other income, and within operating expenses, where performance conditions have been met and when a value to the entity can be reasonably estimated. The value to the company is estimated using market values at the date of the gift but where the date of the gift cannot be accurately determined it is estimated when information has been collected and verified.

**Notes to the Accounts**

**vi) Accounting for Retirement Benefits**

The two principal pension schemes for LSTM's staff are the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF). ULPF is a defined benefit scheme and USS changed from a defined benefit scheme to a hybrid scheme on 1 October 2016, providing defined benefits (for all members) as well as contribution benefits. LSTM also participates in the National Health Service Pension Fund, which is a defined benefit scheme. All three schemes are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

Liverpool International Health Ventures Limited operates a defined contribution scheme for its staff.

Both the USS and ULPF are multi-employer schemes for which it is not possible to identify the assets and liabilities related to LSTM's members due to the mutual nature of the scheme and therefore these schemes are accounted for as defined contribution retirement benefit schemes.

LSTM participates in Universities Superannuation Scheme. 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. LSTM 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", LSTM therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. LSTM recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 23.

**vii) Defined Contribution Plan**

A defined contribution plan is a post-employment benefit plan under which LSTM pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions in defined contribution pension plans are recognised as an expense in the Statement of comprehensive income in the periods during which services are rendered by employees.

The assets of the three main LSTM pension schemes are held in separate trustee-administered funds. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. LSTM 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", LSTM therefore accounts for the schemes as if they were a wholly defined contribution scheme. As a result, the amount charged to the Statement of comprehensive income represents the contributions payable to the schemes.

**viii) Employment Benefits**

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

**ix) Holiday Pay Accrual**

The liability for untaken staff holiday entitlement at 31 July 2024 is accrued. The accrual is based on actual hours untaken at 31 July and valued using an estimate made of average salaries within LSTM. A 50% weighting factor is applied to acknowledge the limited probability that such a pay-out would be required for 100% of staff - LSTM is a going concern and 100% pay-out would only likely be required in the event of a wind up of an organisation.

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Notes to the Accounts**

**x) Foreign Currency**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the Statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated at the exchange rate ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other comprehensive income. Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in reserves.

**xi) Finance Leases**

Leases in which LSTM assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of a finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**xii) Operating Leases**

Rentals under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

**xiii) Tangible assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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

LSTM capitalises all items, individual or purchased as a group with a cost of greater than £5,000.

***Land and Buildings***

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over a period of 50 years.

Leasehold buildings are depreciated on a straight line basis over 50 years.

Leasehold improvements are depreciated at the same rate as the building they relate to.

No depreciation is charged on assets in the course of construction.

***Fixtures and Equipment***

Fixtures and equipment, including computers and software, costing less than the de minimis of £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment (including computer and other equipment) is stated at cost and depreciated over 4 years.

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

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**Notes to the Accounts**

**Intangible assets**

***Computer software systems***

LSTM capitalises all items, individual or purchased as a group with a cost of greater than £5,000.

Historically such software has been depreciated at the fixtures and equipment rate over 4 years. From 2022/23 large software systems will be depreciated over 10 years which aligns more closely to the expected life of such large and complex systems.

**xiv) Investments**

Endowment asset investments and current asset investments are included in the Balance sheet at market value. Investments in the subsidiary undertakings are stated at cost, adjusted by any necessary impairment.

LSTM's treasury management policy is for all endowments to be invested in a portfolio of long term investments, while working capital balances and revenue reserves are invested short term with interest received credited to the Statement of comprehensive income. The investment objective is to achieve maximum return with minimum risk.

Non-endowment investments are held as current assets as they are available to be drawn down on demand.

**xv) Stock**

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula. Where necessary provision is made for obsolete, slow moving and defective stocks.

**xvi) Cash and Cash Equivalents**

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

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

**xvii) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

**xviii) Creditors**

Creditors are recognised where LSTM has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**xix) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised in the Financial Statements when:

- (a) LSTM and the Group 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 LSTM a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of LSTM. 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 LSTM and the Group a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of LSTM and the Group.

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

**Notes to the Accounts**

**xx) Financial Instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks, loans from related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

All loans, investments and short term deposits held by LSTM are classified as basic financial instruments in accordance with FRS 102. These transactions are measured and held at transaction price less any transaction costs (historic cost).

***Derivative instruments***

Derivative instruments are considered to be non-basic financial instruments and are initially measured at transaction price, then subsequently measured to fair value each reporting date. Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of comprehensive income. Outstanding derivatives at the reporting date are included under the appropriate category depending on the nature of the derivative.

LSTM and the Group hold derivative financial instruments in the form of foreign currency sterling forward currency contracts and an interest rate swap. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the balance sheet date. Changes in the fair value of derivatives are recognised in the surplus or deficit as appropriate.

**xxi) Taxation**

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

LSTM is registered for VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Irrecoverable VAT allocated to fixed assets is included in their cost.

Some of LSTM's subsidiary entities are trading companies and are liable to Corporation Tax in the same way as any other commercial organisation.

**xxii) Reserves**

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

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

The Board of Trustees approved a strategic plan covering a six year period to 31 July 2028. This plan anticipates LSTM's general reserves being augmented by the end of the period. The Board has targeted for cash reserves to represent a minimum of 6 months pay expenditure. Unrestricted reserves at 31 July 2024 are £49,226,000 (2023 : £25,869,000)



**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**5 Funding Body Grants**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Recurrent teaching grants	1,254	1,254	1,828	1,828
Recurrent research grants	14,523	14,523	13,376	13,376
Specific grants	5,214	5,214	4,596	4,596
Release of deferred capital grants (note 25) :				
Buildings	228	228	188	188
Equipment	593	593	613	613
	<b>21,812</b>	<b>21,812</b>	<b>20,601</b>	<b>20,601</b>

**6 Tuition Fees and Education Contracts**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Masters fee income	616	616	951	951
PhD fee income	187	187	158	158
Fee income from diplomas	420	420	588	588
Fee income from short courses	33	33	17	17
Training and other courses	325	325	347	347
Fee income from University of Liverpool	470	470	258	258
	<b>2,051</b>	<b>2,051</b>	<b>2,319</b>	<b>2,319</b>

Total grant and fee income is also split as shown below :

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Grant income from the OfS	1,254	1,254	1,828	1,828
Grant income from other bodies	20,558	20,558	18,773	18,773
	<b>21,812</b>	<b>21,812</b>	<b>20,601</b>	<b>20,601</b>
Fee income for taught awards (exclusive of VAT)	1,524	1,524	1,842	1,842
Fee income for research awards (exclusive of VAT)	493	493	460	460
Fee income for non-qualifying courses (exclusive of VAT)	33	33	17	17
	<b>2,051</b>	<b>2,051</b>	<b>2,319</b>	<b>2,319</b>
	<b>23,863</b>	<b>23,863</b>	<b>22,920</b>	<b>22,920</b>

**7 Research Grants and Contracts**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Research Councils	10,761	10,527	13,027	12,831
UK based charities	21,456	21,420	29,553	29,555
UK Central Government and other bodies	16,787	11,904	14,815	10,215
UK industry and commerce	2,562	2,565	1,977	1,973
European Union	4,148	3,705	8,791	8,017
Other overseas bodies	30,090	16,306	46,837	17,590
Other	247	263	50	44
	<b>86,051</b>	<b>66,690</b>	<b>115,050</b>	<b>80,225</b>

## Liverpool School of Tropical Medicine

### Financial Statements for year ended 31 July 2024

Included within LSTM is £2,180,000 (2023 : £2,130,000) allocated to LSTM by IVCC, a UK registered charity under the control of LSTM. This income has been recognised as other overseas bodies income of £1,244,000 (2023 : £1,077,000) and UK central government and other bodies income of £935,000 (2022 : £ 1,053,000), by being matched against the related charitable expenditure incurred by the Group. IVCC allocates funding to research institutions on a competitive basis as validated by its External Scientific Advisory Committees.

Also included in UK Charities are amounts relating to gifts of mosquito nets of £3,793,000 from UK charities (2023 : £ 9,466,000), included in UK Industry are amounts relating mainly to donated staff time of £1,425,000 (2023 : £916,000) from UK Industry donors, and included in UK Charities (competitive )are amounts relating mainly to donated staff time of £ 46,000 (2023 : £45,000) from UK charity donors. In accordance with FRS 102 the income has been shown above and offsetting costs are included in Other Operating Expenses (note 13).

Details of the estimates and judgements made in relation to these gifts are given in note 3 iv.

#### 8 Other Income

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Diagnostic lab	480	480	412	412
Travel health related activities	1,242	-	1,071	-
Implementation research consultancy	8,754	2,085	5,864	3,091
Gifts in kind : Training programmes	-	-	38	38
Forward currency contracts	18	-	1,733	1,623
Interest rate swap contracts	-	-	166	-
Health authority contracts	226	226	109	109
Health authority funded posts	212	212	572	572
Non Government capital grant income	1,084	1,084	563	563
Non-funding council releases of deferred capital grants (Note 25)	1,500	1,500	2,033	2,033
Other	897	1,837	2,822	3,307
Gift aid from subsidiary	-	-	-	18
	<b>14,413</b>	<b>7,424</b>	<b>15,383</b>	<b>11,766</b>

Gifts in kind in the current year include £ Nil (2023 : £ 38,000) in relation to training projects in various countries in Africa. In accordance with FRS 102 the income has been shown above and offsetting costs are included in Other Operating Expenses (note 13).

Details of the estimates and judgements made in relation to these gifts are given in note 3 iv.

#### 9 Investment Income

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Dividend income and interest receivable	187	187	547	163
Other interest receivable	2,380	1,655	479	479
	<b>2,567</b>	<b>1,842</b>	<b>1,026</b>	<b>642</b>

#### 10 Donations and Endowment Income

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Endowment income	431	431	183	183
Unrestricted donations	274	274	15	15
Restricted donations	216	216	219	219
	<b>921</b>	<b>921</b>	<b>417</b>	<b>417</b>

**Liverpool School of Tropical Medicine**  
**Financial Statements for year ended 31 July 2024**

**11 Staff Costs**

	Group Year ended 31 July 2024 Number	LSTM Year ended 31 July 2024 Number	Group Year ended 31 July 2023 Number	LSTM Year ended 31 July 2023 Number
The number of persons (including senior post holders) employed at 31 July each year, expressed as full-time equivalents, was :				
<i>Academic contracts</i>				
Teaching staff	10	10	10	10
Research staff	120	120	134	134
Teaching and research staff	81	81	60	60
Clinicians	21	21	26	26
<i>Non-academic contracts</i>				
Other	588	357	575	334
	<b>820</b>	<b>589</b>	<b>805</b>	<b>564</b>

The increase in other staff in the Group largely reflects an increase in staff in CeSHHAR Zimbabwe.

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Staff costs for the above persons were :				
Salaries	32,501	29,292	32,731	27,317
Social security costs	3,059	3,014	2,987	2,846
Pension costs	4,219	4,187	4,689	4,677
Restructuring and redundancy costs	62	62	53	53
Accrued but untaken holiday costs	148	148	37	37
<b>Staff costs before adjusting for pension provision costs</b>	<b>39,989</b>	<b>36,703</b>	<b>40,497</b>	<b>34,931</b>
Pension deficit funding costs	(20,524)	(20,524)	(1,979)	(1,979)
<b>Total staff costs</b>	<b>19,465</b>	<b>16,179</b>	<b>38,518</b>	<b>32,951</b>

The pension provision costs represent the commitment by LSTM to fund the underlying deficit on the USS hybrid pension scheme. Under FRS 102 these amounts need to be provided for. The total provision at 31 July 2024 is £Nil following release of the full provision (2023 : £20,065,000) (see note 24).

Salaries of the higher paid staff, excluding employer's pension contributions were within the following ranges :

	Group Year ended 31 July 2024		Group Year ended 31 July 2023	
	Number of Key Management Personnel	Number of Other Staff	Number of Key Management Personnel	Number of Other Staff
£100,000 - £104,999	-	3	-	3
£105,000 - £109,999	-	8	-	6
£110,000 - £114,999	-	1	1	3
£115,000 - £119,999	1	3	-	4
£120,000 - £124,999	-	7	1	5
£125,000 - £129,999	-	3	1	6
£130,000 - £134,999	2	8	1	1
£135,000 - £139,999	-	1	-	-
£140,000 - £144,999	1	3	1	2
£145,000 - £149,999	1	1	-	-
£150,000 - £154,999	-	1	-	1
£155,000 - £159,999	-	2	-	-
£170,000 - £174,999	1	1	-	1
£175,000 - £179,999	1	1	-	-
£180,000 - £184,999	-	-	-	2
£190,000 - £194,999	-	1	-	-
£195,000 - £199,999	-	1	-	-
£210,000 - £214,999	-	-	-	1
£215,000 - £219,999	-	1	-	-
£220,000 - £224,999	-	-	2	-
£230,000 - £234,999	1	1	-	-
£300,000 - £304,999	-	-	1	-
£320,000 - £324,999	1	1	-	-
	<b>9</b>	<b>48</b>	<b>8</b>	<b>35</b>

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**12 Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the school. The figures below include compensation paid to key management personnel.

	<b>Group/LSTM Year ended 31 July 2024 Number</b>	<b>Group/LSTM Year ended 31 July 2023 Number</b>
The number of key management personnel including the Vice Chancellor was :	<u>9</u>	<u>8</u>

Key management personnel include the Vice Chancellor. In 2022/23 all key management personnel earned a salary of over £100,000 (see salary bandings note 11). In 2023/24 there were 2 new members of KMP, taking over from 2 KMP retiring. One retiree was still in post at 31 July 2024. One new KMP joined late in the year and therefore is not included in the bandings above but their remuneration is included below for the last 3 months of the year they were in post.

Key management personnel's total emoluments were made up as follows:

	<b>Group/LSTM Year ended 31 July 2024 £'000</b>	<b>Group/LSTM Year ended 31 July 2023 £'000</b>
Salaries	1,494	1,465
Social security costs	152	196
Pension Contributions	195	146
<b>Total emoluments</b>	<u><b>1,841</b></u>	<u><b>1,807</b></u>

Remuneration specifically for the Vice Chancellor, Prof David Laloo is as follows :

	<b>Group/LSTM Year ended 31 July 2024 £'000</b>	<b>Group/LSTM Year ended 31 July 2023 £'000</b>
Salaries	320	298
Social security costs	43	41
Pension Contributions	-	-
<b>Total emoluments</b>	<u><b>363</b></u>	<u><b>339</b></u>

The pension contributions of the Vice Chancellor and key management personnel are in respect of employer's contributions to the USS and NHS pension schemes and are paid at the same rate as for other employees.

The members of the Board other than the Vice Chancellor and the staff members did not receive any payment from LSTM other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

The total expenses paid to or on behalf of trustees was £6,870 (2023 : £4,010). This represents travel and subsistence expenses incurred in attending meetings and events in their official capacity.

**Senior staff pay**

LSTM is a world leading research institution. We benchmark our rates of pay and HR practices against the higher education sector in general, and our key comparator group is Russell Group institutions. This reflects where we need to be in order to attract and retain the most talented people in our predominantly research field, particularly against global and national competition.

The Vice Chancellor's pay is linked to a pay scale. Incremental progression is not automatic, however any pay awards are based on consideration of an individual's contribution, supported by evidence of exceptional performance. Determinations of pay for senior executive staff are made by the Remuneration Committee, the members of which are Board trustees, and which is chaired by the Chair of the Board. The remuneration Committee adopts the CUC's Higher Education Senior Staff Remuneration Code. The Committee meets annually to review LSTM's pay policy and consider any awards for LSTM's executive leadership team.

For 2023-2024, Remuneration Committee has met and considered the Vice Chancellor's pay, which included close consideration of relevant external benchmarks

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**Median salary info**

The FTE salary of the Director, expressed as a multiple of the median salary of all LSTM UK staff is 7.45 (2023 : 7.41).

The FTE total remuneration of the Director, expressed as a multiple of the median total remuneration of all LSTM UK staff is 6.55 (2023 : 6.23).

The basis of the calculation is as follows:

All staff costs are grossed up to reflect amounts payable on a full time equivalent basis.

Total remuneration includes employer pension payments and allowances.

Salary details for atypical and agency staff have been excluded due to difficulties in obtaining the data from third parties.

**Overseas activities**

LSTM's business is such that a substantial amount of overseas activities are carried out by all staff, which includes senior post-holders and higher paid staff. It is not believed appropriate to account for this expenditure in a separate note.

**13 Other Operating Expenditure**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Projects				
Research Grants and Contracts	55,408	41,720	77,496	50,376
Consultancy Contracts	8,183	1,514	5,041	1,770
Gifts in kind : Nets	3,793	3,793	9,466	9,466
Gifts in kind : Combined staff time, consumables and space	1,472	1,472	1,000	1,000
Gifts in kind : smaller items	10	10	-	-
Forward currency contracts	380	380	-	-
Premises costs	4,294	4,193	4,288	4,185
Academic and related expenditure	3,294	3,294	2,768	2,768
Administrative and central services	5,475	3,469	4,678	4,136
	<b>82,309</b>	<b>59,845</b>	<b>104,737</b>	<b>73,701</b>

Other operating expenses include :

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Financial statements auditor's remuneration				
Financial statements audit	191	81	210	111
Taxation compliance services	-	-	13	13
Taxation advisory services	-	-	47	47
Other auditors' remuneration				
Taxation compliance services	14	3	-	-
Taxation advisory services	36	25	-	-
Internal audit	66	66	49	49
Component auditors	16	-	25	-
Research grant audit services	14	14	14	14

**14 Interest Payable**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Loan interest	500	200	326	115
	<b>500</b>	<b>200</b>	<b>326</b>	<b>115</b>

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**15 Taxation**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Tax charge in year	4	-	4	-
	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>
	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Surplus before taxation	25,028	24,309	7,774	6,021
Corporation tax in LSTM Consulting USA	(4)	-	(4)	-
Surplus after taxation	<u>25,024</u>	<u>24,309</u>	<u>7,770</u>	<u>6,021</u>

**16 Tangible and intangible Assets**

	Leasehold Buildings £'000	Freehold land and buildings £'000	Fixtures & Equipment £'000	TOTAL £'000
<b>Group</b>				
<b>Cost or valuation</b>				
At 1 August 2023	3,323	79,005	9,531	91,859
Additions	-	4,026	719	4,745
Disposals	-	-	(14)	(14)
Write offs	-	-	(1,511)	(1,511)
Transfers to intangible assets	-	(68)	(2,517)	(2,585)
<b>At 31 July 2024</b>	<u><b>3,323</b></u>	<u><b>82,963</b></u>	<u><b>6,208</b></u>	<u><b>92,494</b></u>
<b>Depreciation</b>				
At 1 August 2023	787	16,256	6,105	23,148
Charge for the year	126	1,455	1,204	2,785
Eliminated in respect of disposals	-	-	(35)	(35)
Write offs	-	-	(1,511)	(1,511)
Transfers to intangible assets	-	-	(1,976)	(1,976)
<b>At 31 July 2024</b>	<u><b>913</b></u>	<u><b>17,711</b></u>	<u><b>3,787</b></u>	<u><b>22,411</b></u>
<b>Net book value at 31 July 2024</b>	<u><b>2,410</b></u>	<u><b>65,252</b></u>	<u><b>2,421</b></u>	<u><b>70,083</b></u>
Net book value at 31 July 2023	<u>2,536</u>	<u>62,749</u>	<u>3,426</u>	<u>68,711</u>
Financed by Funding body capital grants	-	20,640	-	20,640
Financed by government capital grants	1,291	17,506	-	18,797
Financed by other grants and LSTM	1,119	27,106	2,421	30,646
	<u><b>2,410</b></u>	<u><b>65,252</b></u>	<u><b>2,421</b></u>	<u><b>70,083</b></u>

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Intangible assets	Software Systems £'000	TOTAL £'000
Group		
<b>Cost or valuation</b>		
At 1 August 2023	55	55
Additions	2,166	2,166
Transfers from tangible assets	2,585	2,585
<b>At 31 July 2024</b>	<b>4,806</b>	<b>4,806</b>
<b>Depreciation</b>		
At 1 August 2023	2	2
Charge for the year	73	73
Transfers from tangible assets	1,976	1,976
<b>At 31 July 2024</b>	<b>2,051</b>	<b>2,051</b>
<b>Net book value at 31 July 2024</b>	<b>2,755</b>	<b>2,755</b>
Net book value at 31 July 2023	53	53
Financed by Funding body capital grants	-	-
Financed by government capital grants	-	-
Financed by other grants and LSTM	2,755	2,755
	<b>2,755</b>	<b>2,755</b>

The amount for freehold land and buildings includes a value for land of £3,907,000 in LSTM and £1,650,000 in Liverpool Life Science Accelerator Limited (LLSAL) which is not depreciated.

LLSAL bought the Liverpool Life Science Accelerator building on 29 November 2022 for £15,000,000. Valuation is at cost and the building is being depreciated over 50 years

At 31 July 2024 additions to freehold land and buildings include £3,572,000 in respect of assets under construction which have not been depreciated (2023 : £158,000).

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<b>Tangible assets</b>	<b>Leasehold Buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures &amp; Equipment £'000</b>	<b>TOTAL £'000</b>
<b>LSTM</b>				
<b>Cost or valuation</b>				
At 1 August 2023	2,971	63,575	9,436	75,982
Additions	-	659	747	1,406
Disposals	-	-	-	-
Write offs	-	-	(1,511)	(1,511)
Transfers	-	(68)	(2,517)	(2,585)
<b>At 31 July 2024</b>	<b>2,971</b>	<b>64,166</b>	<b>6,155</b>	<b>73,292</b>
<b>Depreciation</b>				
At 1 August 2023	686	16,073	6,025	22,784
Charge for the year	119	1,183	1,200	2,502
Eliminated in respect of disposals	-	-	-	-
Write offs	-	-	(1,511)	(1,511)
Transfers	-	-	(1,976)	(1,976)
<b>At 31 July 2024</b>	<b>805</b>	<b>17,256</b>	<b>3,738</b>	<b>21,799</b>
<b>Net book value at 31 July 2024</b>	<b>2,166</b>	<b>46,910</b>	<b>2,417</b>	<b>51,493</b>
Net book value at 31 July 2023	2,285	47,502	3,411	53,198
Financed by Funding body capital grants	-	20,640	-	20,640
Financed by government capital grants	1,291	17,506	-	18,797
Financed by other grants and LSTM	875	8,764	2,417	12,056
	<b>2,166</b>	<b>46,910</b>	<b>2,417</b>	<b>51,493</b>
<b>Intangible assets</b>			<b>Software Systems £'000</b>	<b>TOTAL £'000</b>
<b>LSTM</b>				
<b>Cost or valuation</b>				
At 1 August 2023			-	-
Additions			2,166	2,166
Transfers			2,585	2,585
<b>At 31 July 2024</b>			<b>4,751</b>	<b>4,751</b>
<b>Depreciation</b>				
At 1 August 2023			-	-
Charge for the year			68	68
Transfers			1,976	1,976
<b>At 31 July 2024</b>			<b>2,044</b>	<b>2,044</b>
<b>Net book value at 31 July 2024</b>			<b>2,707</b>	<b>2,707</b>
Net book value at 31 July 2023			-	-
Financed by Funding body capital grants			-	-
Financed by government capital grants			-	-
Financed by other grants and LSTM			2,707	2,707
			<b>2,707</b>	<b>2,707</b>

At 31 July 2024 additions to freehold land and buildings include £659,000 in respect of assets under construction which have not been depreciated (2023 : £158,000).



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**17 Investments in Subsidiaries**

	LSTM Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2023 £'000
Cost at 1 August 2023/2022	54	126
Additions/(Disposals)	-	(72)
Cost at 31 July 2024/2023	<u>54</u>	<u>54</u>

LSTM owns 100% of the issued ordinary £1 shares of LSTM Consulting Limited, a company incorporated in England and Wales. Its principal business activity is carrying out technical assistance on health issues in tropical countries. LSTM Consulting became dormant effective 31 August 2022. LSTM Consulting Limited has interests in the following companies and NGOs :

- LATH Nigeria (Dormant NGO)
- LATH Umoyo, Malawi (Dormant) - 50%
- LSTM Kenya - 100% : Registered office - Rosami Court, House No. 4, Muringa Rd, PO Box 24672-00100, Nairobi, Kenya
- LSTM Consulting USA - 100% : Registered office - 124, Cardinal Ridge Road, Chapel Hill, NC 27516, USA
- LMS (Dormant) - 100%
- LATH South Sudan (NGO) (Dormant)

LSTM owns 100% of the issued ordinary £1 shares of Liverpool International Health Ventures Limited, a company incorporated in England and Wales. Its principal business activity is being a vehicle to remunerate employees of fellow group companies and a holding company for the following :

- Well Travelled Clinics Limited (WTC) : Registered office - Pembroke Place, Liverpool, L3 5QA
- Liverpool International Health I.P. Limited (LIHIP) : Registered office - Pembroke Place, Liverpool, L3 5QA

LSTM owns 100% of the issued ordinary £1 shares of iiDiagnostics Limited, a company incorporated in England and Wales.. iiDiagnostics Limited's principal activity is research and experimental development. Its registered office is at Pembroke Place, Liverpool, L3 5QA.

LSTM is the sole member of IVCC, a company and registered charity incorporated in England and Wales. IVCC is a company limited by guarantee and holds no share capital. Its principal business activity is to carry out research into controlling vector-borne diseases such as malaria and dengue. Its registered office is at Pembroke Place, Liverpool, L3 5QA.

LSTM is the sole member of Liverpool Life Science Accelerator Limited, a company and registered charity incorporated in England and Wales. LLSAL is a company limited by guarantee and holds no share capital. Its principal business activity is the advancement of health for public benefit and advance related education. Its registered office is at Pembroke Place, Liverpool, L3 5QA.

The registered office of all UK subsidiaries is : Pembroke Place, Liverpool, L3 5QA, UK.

LSTM owns 99% of the issued ordinary 10 Rupee shares of Liverpool School of Tropical Medicine India Private Limited, a company incorporated in India. The company was put into liquidation in January 2022 which is expected to be complete late in 2024. The investment in India of £72,000 was fully written off in the prior year due to the closure.

LSTM also has an interest in the following, which are all NGOs :

Consolidated in LSTM Group Financial Statements

- CeSHHAR Zimbabwe (Charity)

Registered office : 4, Bath Road, Belgravia, Harare, Zimbabwe

Not consolidated due to negligible activity

- Liverpool Initiative for Health Development (Nigeria)
- LSTM Sierra Leone
- LSTM Uganda

Registered office : Bakuli-Mergo Road, PO Box 3341, Kampala, Uganda

**18 Stock**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Stock of consumables	97	-	84	9
Gift in kind treated as stock	-	-	3,701	3,701
	<u>97</u>	<u>-</u>	<u>3,785</u>	<u>3,710</u>

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**19 Debtors : Amounts falling due within 1 year**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Trade debtors	1,481	1,225	607	344
Amounts owed by subsidiary undertakings	-	1,860	-	817
Amounts owed by subsidiary undertakings - LLSA loan due in more than 1 year	-	9,000	-	9,000
Balances due on research grants and contracts	18,671	15,902	19,802	15,405
Prepayments and accrued income	2,681	2,001	1,776	1,516
Forward currency contracts	937	937	1,367	1,367
	<b>23,770</b>	<b>30,925</b>	<b>23,552</b>	<b>28,449</b>

A bad debt provision of £295,000 (2023 : £330,000) has been recognised against debtors of LSTM and the Group.

Prepayments and accruals include an amount of £14,000 (2023 : £ 166,000) in relation to an interest rate swap on the long term secured loan, held at fair value at the balance sheet date.

The intercompany loan from LSTM to LLSAL of £9m is based on an intercompany loan agreement. The loan is due in November 2027, interest is calculated daily at 1% above the Bank of England base rate.

**20 Investments and Endowments**

	Group Investments Year ended 31 July 2024 £'000	Group Endowments Year ended 31 July 2024 £'000	Group Total Year ended 31 July 2023 £'000	Group Total Year ended 31 July 2023 £'000
Cost at 1 August 2023/2022	30,206	15,423	45,629	39,000
Additions	111,813	3,999	115,812	50,685
Disposals	(96,203)	(2,846)	(99,049)	(43,794)
<b>Cost at 31 July 2024/2023</b>	<b>45,817</b>	<b>16,576</b>	<b>62,393</b>	<b>45,891</b>
Realised loss on disposals in year	(218)	-	(218)	(2,474)
Unrealised revaluation reserve at 1 August 2023/2022	1,608	793	2,401	4,603
Restatement of prior year realised loss as unrealised loss	(1,994)	-	(1,994)	-
Unrealised revaluation in the year	1,038	1,984	3,022	(2,202)
<b>Unrealised revaluation reserve at 31 July 2024/2023</b>	<b>652</b>	<b>2,777</b>	<b>3,429</b>	<b>2,401</b>
<b>Market value at 31 July 2024/2023</b>	<b>46,251</b>	<b>19,353</b>	<b>65,604</b>	<b>45,818</b>
<i>Represented by :</i>				
Fixed interest stocks (listed)	2,668	3,595	6,263	9,785
Equities (listed)	4,049	13,685	17,734	15,997
Other	39,534	2,073	41,607	20,036
	<b>46,251</b>	<b>19,353</b>	<b>65,604</b>	<b>45,818</b>
<i>Represented by :</i>				
Fellowships and scholarship funds	2,668	3,595	6,263	8,043
Prize funds	4,049	13,685	17,734	153
Other funds	39,534	2,073	41,607	37,622
	<b>46,251</b>	<b>19,353</b>	<b>65,604</b>	<b>45,818</b>

Investments include bank deposits of greater than 3 months duration of £10,236,000 (2023 : £17,576,000).

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	LSTM Investments Year ended 31 July 2024 £'000	LSTM Endowments Year ended 31 July 2024 £'000	LSTM Total Year ended 31 July 2023 £'000	LSTM Total Year ended 31 July 2023 £'000
Cost at 1 August 2023/2022	25,510	15,423	40,933	26,815
Additions	60,487	3,999	64,486	50,685
Disposals	(57,011)	(2,846)	(59,857)	(36,567)
<b>Cost at 31 July 2024/2023</b>	<b>28,986</b>	<b>16,576</b>	<b>45,562</b>	<b>40,933</b>
Realised loss on disposals in year	(218)	-	(218)	(1,570)
Unrealised revaluation reserve at 1 August 2023/2022	966	793	1,759	3,898
Restatement of prior year realised loss as unrealised loss	(1,570)		(1,570)	-
Unrealised revaluation in the year	1,274	1,984	3,258	(2,139)
<b>Unrealised revaluation reserve at 31 July 2024/2023</b>	<b>670</b>	<b>2,777</b>	<b>3,447</b>	<b>1,759</b>
<b>Market value at 31 July 2024/2023</b>	<b>29,438</b>	<b>19,353</b>	<b>48,791</b>	<b>41,122</b>
<i>Represented by :</i>				
Fixed interest stocks (listed)	2,668	3,595	6,263	9,608
Equities (listed)	4,049	13,685	17,734	15,997
Other	22,721	2,073	24,794	15,517
	<b>29,438</b>	<b>19,353</b>	<b>48,791</b>	<b>41,122</b>
<i>Represented by :</i>				
Fellowships and scholarship funds	2,668	3,595	6,263	8,043
Prize funds	4,049	13,685	17,734	153
Other funds	22,721	2,073	24,794	32,926
	<b>29,438</b>	<b>19,353</b>	<b>48,791</b>	<b>41,122</b>

Investments include bank deposits of greater than 3 months duration of £10,236,000 (2023 : £13,056,000).

**21 Creditors : Amounts falling due within 1 year**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Unexpended balances of research grants and contracts	37,607	25,001	42,262	32,994
Trade creditors	1,175	535	759	236
Amounts owed to subsidiary undertakings	-	-	-	-
Other taxation and social security	931	911	876	843
Holiday accrual	633	633	485	485
Accruals and deferred income	9,203	3,240	14,497	8,626
Forward currency contracts	16	12	83	61
Unsecured loan	4,000	4,000	4,000	4,000
Short term element of secured loan	200	-	200	-
Short term element of deferred capital grants (note 25)	871	871	737	737
	<b>54,636</b>	<b>35,203</b>	<b>63,899</b>	<b>47,982</b>

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**22 Creditors : Amounts falling due after 1 year**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Long term element of deferred capital grants (note 25)	38,330	38,330	32,427	32,427
Long term element of secured loan	5,500	-	5,700	-
	<b>43,830</b>	<b>38,330</b>	<b>38,127</b>	<b>32,427</b>

**Analysis of loans**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
<b>Unsecured loans</b>				
Due within 1 year or on demand (note 21)	4,000	4,000	4,000	4,000
<b>Secured loans</b>				
Due within 1 year or on demand (note 21)	200	-	200	-
Due between one and two years	200	-	200	-
Due between two and five years	5,300	-	5,500	-
Total due after more than one year	<b>5,700</b>	<b>-</b>	<b>5,900</b>	<b>-</b>
	<b>9,700</b>	<b>4,000</b>	<b>9,900</b>	<b>4,000</b>

*The unsecured and secured loan facilities comprise :*

			<b>Maturity</b>	<b>Borrower</b>
Unsecured loan with HSBC private bank	4,000	4,000	on demand	LSTM
Secured loan with HSBC commerical bank	5,700	-	2027	LLSA Limited
	<b>9,700</b>	<b>4,000</b>		

The LSTM loan with HSBC private bank is an on demand loan. There is no security held for this loan but HSBC does have defacto security due to LSTM holding investments greater than this loan value with HSBC. Interest is calculated daily and equals a margin above the HSBC base rate which is applied to private banking clients. Interest is paid quarterly.

The LLSAL loan with HSBC commerical bank is a 5 year loan. There is a covenant in place with 4 covenant requirements needing to be met each quarter. Capital repayments are fixed at £50,000 per quarter. The interest rate is calculated daily as the % rate p.a which is the aggregate of the margin and compounded reference rate for that day. Interest is paid quarterly. LLSAL has also entered into an interest rate swap with the agreement of HSBC to hedge against the movement in interest rates. The unrealised loss on the interest rate swap at 31 July 2024 (2023 : unrealised gain) is reflected in income in LLSAL and the consolidated financial statements. The loan is secured against the LLSA property

LSTM has provided a guarantee to HSBC for the £5,700,000 loan which LLSA holds with HSBC commercial bank.

**23 Pension Deficit Provision**

	Group/LSTM USS Year ended 31 July 2024 £'000
<b>At 31 July 2022</b>	<b>21,383</b>
Decrease in provision during the year (staff costs, see note 11)	(1,979)
Increase in provision during the year (interest costs)	661
<b>Total decrease in provision during the year</b>	<b>(1,318)</b>
<b>At 31 July 2023</b>	<b>20,065</b>
Decrease in provision during the year (staff costs, see note 11)	(20,524)
Increase in provision during the year (interest costs)	459
<b>Total decrease in provision during the year</b>	<b>(20,065)</b>
<b>At 31 July 2024</b>	<b>-</b>

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The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arose from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. Following the 2023 valuation the scheme is in surplus and the provision has been fully released

**24 Other Provisions**

	<b>Group</b> <b>Year ended</b> <b>31 July 2024</b> <b>£'000</b>	<b>LSTM</b> <b>Year ended</b> <b>31 July 2024</b> <b>£'000</b>
<b>At 31 July 2022</b>	<b>3,941</b>	<b>3,941</b>
Net movement of provisions in the year	292	868
<b>At 31 July 2023</b>	<b>4,233</b>	<b>4,809</b>
Net movement of provisions in the year	(1,225)	(475)
<b>At 31 July 2024</b>	<b>3,008</b>	<b>4,334</b>

Other provisions comprise primarily provisions for issues in meeting project deliverables on research grants of £2,227,000 (2023 : £3,316,000), provisions for costs relating to the Liverpool Life Sciences Accelerator (LLSA) research space of £682,000 (2023 : £512,000), A provision for additional costs for the Creator building in Malawi of £675,000 (2023 : £ Nil) and in LSTM only a provision for the negative assets for the subsidiary intellectual property company and Well Travelled Company of £750,000 (2023 : £576,000).

Information regarding settlement of the amounts provided for research grants and LLSA is anticipated in the next year.

**25 Deferred Capital Grants**

	<b>Group/LSTM</b> <b>Funding Council</b> <b>Year ended</b> <b>31 July 2024</b> <b>£'000</b>	<b>Group/LSTM</b> <b>Other Funding</b> <b>Year ended</b> <b>31 July 2024</b> <b>£'000</b>	<b>Group/LSTM</b> <b>TOTAL</b> <b>Year ended</b> <b>31 July 2024</b> <b>£'000</b>
<b>At 1 August 2023</b>			
Buildings	12,351	20,299	32,650
Equipment	514	-	514
<b>Cash received</b>			
Buildings	8,357	-	8,357
Equipment	-	-	-
<b>Released to Statement of comprehensive income</b>			
Buildings	(228)	(1,500)	(1,728)
Equipment	(592)	-	(592)
<b>At 31 July 2024</b>	<b>20,402</b>	<b>18,799</b>	<b>39,201</b>

Deferred capital grants are shown in Creditors and are split between Creditors : < 1 year and Creditors : > 1 year as follows :

Creditors < 1 year	871
Creditors > 1 year	38,330
	<b>39,201</b>
<b>At 1 August 2022</b>	
Buildings	8,760
Equipment	947
<b>Cash received</b>	
Buildings	3,780
Equipment	179
<b>Released to Statement of comprehensive income</b>	
Buildings	(188)
Equipment	(613)
<b>At 31 July 2023</b>	<b>12,865</b>
	<b>20,299</b>
	<b>33,164</b>

Deferred capital grants are shown in Creditors and are split between Creditors : < 1 year and Creditors : > 1 year as follows :

Creditors < 1 year	737
Creditors > 1 year	32,427
	<b>33,164</b>

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**26 Endowment Reserves**

	Group/LSTM Permanent endowments Restricted Year ended 31 July 2024 £'000	Group/LSTM Unrestricted Year ended 31 July 2024 £'000	Group/LSTM Expendable Restricted Year ended 31 July 2024 £'000	Group/LSTM TOTAL Year ended 31 July 2024 £'000
<b>At 1 August 2023</b>				
- Capital value	7,540	8,012	370	15,922
- Accumulated income	74	202	18	294
- TOTAL	<b>7,614</b>	<b>8,214</b>	<b>388</b>	<b>16,216</b>
Reclassification between restricted and unrestricted	-	-	-	-
Appreciation of endowment assets investments (realised)	464	227	-	691
Appreciation of endowment assets investments (unrealised)	943	398	-	1,341
Income for the year	170	-	10	180
Transferred to statement of comprehensive income	(138)	-	(42)	(180)
<b>At 31 July 2024</b>				
- Capital value	8,948	8,839	356	18,143
- Accumulated income	105	-	-	105
- TOTAL	<b>9,053</b>	<b>8,839</b>	<b>356</b>	<b>18,248</b>
<i>Representing :</i>				
Fellowship and scholarship funds	8,390	-	356	8,746
Prize funds	169	-	-	169
Other funds	494	8,839	-	9,333
Investments	9,053	8,839	356	18,248
Cash relating to endowments	103	1,152	-	1,255
<b>Reserves</b>	<b>9,156</b>	<b>9,991</b>	<b>356</b>	<b>19,503</b>
	<b>Year ended 31 July 2023 £'000</b>	<b>Year ended 31 July 2023 £'000</b>	<b>Year ended 31 July 2023 £'000</b>	<b>Year ended 31 July 2023 £'000</b>
<b>At 1 August 2022</b>				
- Capital value	7,412	7,499	576	15,487
- Accumulated income	73	202	18	293
- TOTAL	<b>7,485</b>	<b>7,701</b>	<b>594</b>	<b>15,779</b>
Reclassification between restricted and unrestricted	(107)	107	-	-
Drawdown of endowment capital	-	-	-	-
Appreciation of endowment assets investments (realised)	675	1,437	-	2,112
Appreciation of endowment assets investments (unrealised)	(647)	(1,031)	-	(1,678)
Income for the year	136	53	8	197
Transferred to statement of comprehensive income	(10)	(53)	(216)	(279)
Retained in reserves	81	-	2	83
Capital expenditure	-	-	-	-
<b>At 31 July 2023</b>				
- Capital value	7,540	8,012	370	15,922
- Accumulated income	74	202	18	294
- TOTAL	<b>7,614</b>	<b>8,214</b>	<b>388</b>	<b>16,216</b>
<i>Representing :</i>				
Fellowship and scholarship funds	7,025	-	388	7,413
Prize funds	153	-	-	153
Other funds	436	8,214	-	8,650
Investments	7,614	8,214	388	16,216
Cash relating to endowments	402	1,315	-	1,717
<b>Reserves</b>	<b>8,016</b>	<b>9,529</b>	<b>388</b>	<b>17,933</b>

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**27 Restricted General Reserve**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000
<b>At 31 July 2022</b>	<b>10,603</b>	<b>643</b>
Surplus from Statement of comprehensive income	1,270	(56)
<b>At 31 July 2023</b>	<b>11,873</b>	<b>587</b>
Surplus from Statement of comprehensive income	103	37
<b>At 31 July 2024</b>	<b>11,976</b>	<b>624</b>

The reserves of IVCC, LLSA and CeSHHAR Zimbabwe are considered to be restricted due to their status as charities/Private voluntary organisations (PVOs) and their objects being narrower than those of the group. In addition, at 31 July 2024 donations where there is a restriction over how they are used were transferred to this reserve from the general reserve.

**28 Financial Instruments**

The carrying value of the Group and LSTM's financial assets and liabilities are summarised by category below :

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
<b>Financial assets</b>				
<i>Financial assets that are debt instruments measured at amortised cost :</i>				
Trade, research and other receivables	20,934	19,938	20,942	17,305
Cash and cash equivalents	19,870	12,300	40,081	22,843
<i>Financial assets at fair value through surplus or deficit :</i>				
Listed investments and endowments	65,604	48,791	45,818	41,122
Forward currency contracts	937	937	1,367	1,367
Interest rate swap	13	-	166	-
	<b>107,358</b>	<b>81,966</b>	<b>108,374</b>	<b>82,637</b>
<b>Financial liabilities</b>				
<i>Financial liabilities measured at amortised cost</i>				
Trade, research and other payables and accruals	46,848	27,748	56,752	41,197
<i>Financial liabilities measured at fair value through surplus or deficit</i>				
Forward currency contracts	16	12	83	61
	<b>46,864</b>	<b>27,760</b>	<b>56,835</b>	<b>41,258</b>

Cash flows on both the US dollar and Euro research income and the foreign currency forward contracts are at regular intervals, and are based on predicted project related cash flows. The forward contracts had a mark to market valuation as at 31 July 2024 amounting to an asset of £921,000 (2023 : £1,284,000 liability). During 2023/24 a loss of £362,000 was recognised in income for the year (2023 : a gain of £1,733,000).

The foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates corresponding to the maturity of the contracts.

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The Group's income, expense, gains and losses in respect of financial instruments are summarised below :

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
<b>Financial assets</b>				
Total interest income for financial assets at amortised cost	2,380	1,655	479	479
<b>Fair value gains and (losses)</b>				
On financial assets measured at fair value through income and expenditure	(362)	(380)	1,733	1,623

**29 Cash and Cash Equivalents**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000
<b>At 1 August 2023</b>	40,081	22,843
Cashflows	(20,211)	(10,543)
<b>At 31 July 2024</b>	<b>19,870</b>	<b>12,300</b>

**30 Pension and similar obligations**

LSTM and the Group's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and University of Liverpool Pension Fund (ULPF) although a small number of staff belong to the National Health Service Superannuation Scheme (NHSSS) and WTC Pension scheme. All schemes apart from the WTC scheme are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

The defined benefit funds are normally valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by each fund's trustee on the advice of the actuary. In the intervening years the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employee's services. The total group pension cost for the year was £4,349,000 (2023 : £4,689,000).

**Universities Superannuation Scheme (USS)**

LSTM participates in the Universities Superannuation Scheme. 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. LSTM 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", LSTM therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income represents the contributions payable to the scheme. Since LSTM has entered into an agreement (the recovery plan) that determines how each employer within the scheme will fund the overall deficit, LSTM 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.

The total contributions charged to the Statement of comprehensive income is £3,992,000 (2023 : £4,568,000).

Deficit recovery contributions due within one year are £Nil following full release of the USS pension provision in the year (2023 : £1,346,000).

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%. As set out in Note --, 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 profit and loss account.

The latest available completed actuarial valuation of the USS Retirement Income Builder (defined benefit) is 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.



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The 2020 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 shortfall 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 Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)) .

#### CPI assumption

Term dependent rates in line with the difference between the fixed interest and index linked yield curves, less 1.1% p.a to 2030, reducing linearly by 0.1% p.a to a long term difference of 0.1% from 2040.

#### Pension increases (subject to a floor of 0%)

Benefits with no cap :

CPI assumption +3bps

Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):

CPI assumption minus 3bps

#### Discount rate (forward rates)

Fixed interest gilt yield curve plus :

Pre-retirement : 2.5%

Post-retirement : 0.9%

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

#### 2023 Valuation

#### Mortality base table

101% of S2PMA "light" for males and 95% of S3PFA for females

#### Future improvements to mortality

CMI\_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a 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 :

	2024	2023
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

#### University of Liverpool Pension Fund (ULPF)

LSTM participates in the University of Liverpool Pension Fund (ULPF), a defined benefit scheme in the UK. The final salary section of the Fund is closed to new entrants with effect from 31 July 2011 and from 1 August 2011 new members are eligible to join the CARE section of the Fund. A full actuarial valuation was carried out at 31 July 2021.

The contributions made by the employer over the period have been £113,000 (2023 : £167,000). The employer currently pays contributions at the rate of 16% of pensionable pay. Member contributions are payable in addition at the rate of 7.5% of pensionable pay for Final Salary members and 6.5% of pensionable pay for CARE members.

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The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the discount rate would be 4.90% per annum (2023 : 5.15%) and salary increases would be 3.05% per annum (2023 : 3.05%). The valuation was carried out using the projected unit method.

At the valuation date the market value of the assets of the scheme was £570.5m (2023 : £620.9m) and the value of the past service liabilities was £380.3m (2023 : £461.3m) leaving a surplus of £190.2m (2023 : £159.6m).

There was a total of 27 LSTM active members in this scheme at 31 July 2024.

### National Health Service Superannuation Scheme (NHSSS)

LSTM participates in the National Health Service Superannuation Scheme (NHSSS), a defined benefit scheme which is a statutory, unfunded, multi employer, defined benefit scheme in which LSTM is unable to identify its share of the underlying liabilities and assets and is accounted for on a contributions basis.

The contributions made by the employer over the financial year have been £306,000 (2023 : £310,000), equivalent to 14.38% of pensionable salaries.

There were a total of 40 LSTM active members in this scheme at 31 July 2024 (2023 : 35).

### 31 Contingent Liability

A composite cross guarantee structure exists between Liverpool School of Tropical Medicine, IVCC, Well Travelled Clinics Limited, Liverpool International Health Ventures Limited, Liverpool International Health I.P. Limited, LSTM Consulting Limited, iiDiagnostics Limited and Liverpool Life Sciences Accelerator Limited in respect of bank overdrafts. The aggregate amount outstanding under this agreement at the balance sheet date was £4,413,792 (2023: £1,308,547).

### 32 Operating Lease Commitments

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Amounts due in less than one year	38	1,021	68	1,018
Amounts due between one and five years	19	2,145	29	3,147
Amounts due after 5 years	-	6,427	-	6,978
	<b>57</b>	<b>9,593</b>	<b>97</b>	<b>11,143</b>

Operating Lease commitments in LSTM at 31 July 2024 reflect leases with subsidiary Liverpool Life Science Accelerator Limited (LLSA) for rental space in the Liverpool Life Science Accelerator building owned by LLSA.

### 33 Capital Commitments

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2023 £'000
Building capital works - Mary Kingsley building renovations	4,359	4,359	-	-
Building capital works - Human Challenge Facility	2,410	-	-	-
	<b>6,769</b>	<b>4,359</b>	<b>-</b>	<b>-</b>

### 34 Related Party Transactions

The Group has taken advantage of the exemptions included in FRS 102 section 33 in not disclosing the transactions with other group companies as all such transactions have been eliminated on consolidating the group results for the year.

Due to the nature of LSTM's operations and the composition of the Board of Trustees (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving an organisation in which a member of the Board may have an interest are conducted at arm's length and in accordance with LSTM's financial regulations and normal procurement procedures.

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**35 Foreign, Commonwealth and Development Office (FCDO) Funding (Formerly DFID)**

Included within UK central government and other bodies income (note 7) and implementation research consultancy income (note 8) are the following DFID funded research projects, together with their income for the year :

	Group Year ended 31 July 2024 £'000	Restated Group Year ended 31 July 2023 £'000
Sustainable Insecticides for Public Health	6,072	5,248
LIGHT RPC	1,750	1,122
ReBuild	1,565	1,100
READ-It	732	750
Reducing Maternal and Neonatal Deaths in Kenya	-	176
TDDAP	-	94
ACRC Foundation	82	37
SEMI : Essential services for maternal and child health programme in DRC	-	27
K4D	-	7
	<b>10,201</b>	<b>8,561</b>

**36 LifeArc**

In 2022/23 LSTM was awarded £2.7m funding from LifeArc relating to the LifeArc Translational Development Funds for 33 months, starting July 23. Funding in the year to 31 July 2024 was £143,000

**37 Consolidated Reconciliation of Net Funds**

	Group Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2024 £'000		
Net funds 1 August 2023	41,365	24,149		
Movement in cash and cash equivalents	(20,211)	(135)		
Other non-cash changes	(363)	(10,789)		
Net funds 31 July 2024	20,791	13,225		
Change in net funds	(20,574)	(10,924)		
Analysis of net funds :	Group Year ended 31 July 2024 £'000	Group Year ended 31 July 2023 £'000	LSTM Year ended 31 July 2024 £'000	LSTM Year ended 31 July 2023 £'000
Cash and cash equivalents	19,870	40,081	12,300	22,843
Borrowings: amounts falling due within one year				
Forward contracts	(921)	(1,284)	(925)	(1,306)
	(921)	(1,284)	(925)	(1,306)
	-	-	-	-
Net funds/(debt)	20,791	41,365	13,225	24,149