

# Annual Accounts 2024/25

LONDON  
SCHOOL of  
HYGIENE  
& TROPICAL  
MEDICINE



# **COUNCIL MEMBERSHIP**

## **EXTERNAL MEMBERS**

|                                   | <b>Appointed Until</b> |
|-----------------------------------|------------------------|
| Mr Don Robert - Chairman          | 30 September 2026      |
| Mr Hitesh Patel - Deputy Chair    | 30 September 2028      |
| Ms Angela Darlington              | 31 July 2026           |
| Mr Mohamed Osman                  | 31 July 2026           |
| Professor Mike Turner             | 31 July 2026           |
| Ms Diana Layfield                 | 31 July 2027           |
| Mr Richard Calvert                | 31 October 2027        |
| Professor Joanna Price            | 31 October 2027        |
| Dr Nazira Amra                    | 31 July 2028           |
| Mr Mark Poulton                   | 09 November 2028       |
| Rt Hon Baroness Lindsay Northover | 09 November 2028       |

## **ELECTED MEMBERS OF STAFF**

|                            |                  |
|----------------------------|------------------|
| Professor James Hargreaves | 01 February 2027 |
| Ms Naomi Stewart           | 01 February 2027 |
| Professor Clare Chandler   | 31 July 2026     |
| Dr Nambusi Kyegombe        | 31 July 2026     |

## **DIRECTOR**

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

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

|   |                   |
|---|-------------------|
| Lethukwenama Letsoalo (appointed 30 October 2024) | <i>ex officio</i> |
|---|-------------------|

## **SECRETARY TO THE COUNCIL**

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

## **IN ATTENDANCE**

### **CHIEF OPERATING OFFICER**

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

### **KEY ADVISORS:**

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

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

# Annual Accounts for the Year Ended 31 July 2025

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# Strategic and Financial Report

This report gives an overview of the London School of Hygiene and Tropical Medicine's (hereafter "LSHTM") activities and finances during 2024/25. In addition, the report highlights LSHTM's key strategic and operational objectives, and the progress made in the course of the year in meeting these objectives.

## LSHTM, its history and incorporation status

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

LSHTM was established in 1899 and is incorporated under a Royal Charter granted in 1924. Following approval by the Privy Council, a Supplemental Charter came into effect in March 2009. The Charter has recently been updated, and changes were approved by the Privy Council on 02 October 2024. LSHTM was granted a Supplementary Charter by the Privy Council on 05 February 2025 approving the use of its university title.

## Mission and purpose

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

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

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

## Competitive and regulatory environment and financial context

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

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

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

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

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

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

## Strategic and Financial Report (continued)

### Strategy 2022-2027

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

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

Our strategic priorities over the period are:

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

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

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

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

Over the last year, along with all other UK higher education institutions, LSHTM has needed to continue its work against a backdrop of geopolitical tensions and conflicts, sudden changes in funding for health research – especially related to international development aid, political negativity towards higher education, visa policy that has made it more difficult for certain students to come to the UK to study, continuing increases in costs, heightened concerns about the financial sustainability of the UK higher education sector, and the need to invest in infrastructure and digital transformation to remain competitive.

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

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

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

### Case study – organ donation in the UK

In the UK, over 7,000 people are on the waiting list for an organ transplant and there are inequalities in need, access and waiting time for organs, with notable differences between minority ethnic groups. In May 2020, England changed the law and introduced a 'soft' opt-out system of consent to organ donation with a view to increase consent rates.

This LSHTM-led study aimed to learn more about the impact of the law change on attitudes and views likely to be relevant to consent to deceased organ donation between different population subgroups (supportive donors (24%), unengaged donors (22%), uncommitted donors (46%), and unsupportive donors (9%)).

The study found that support for deceased organ donation remained high and stable in the general population (80%) but was 20% lower among ethnic minorities. From 2018 to 2022, an average of 58% of the general population was aware of the law change but this was lower among minority ethnic groups (31%).

Implementation of the law change has not been associated to date with any change in public attitudes and preferences likely to influence consent overall or in minority ethnic groups in England. Uncommitted donors may benefit from encouragement to express their organ donation decision, and unengaged donors from attempts to address mis/information, confusion, and uncertainty. Interventions to raise the consent rate need to take account of the significant role of the family as well as wider community influences on attitudes, preferences and decision-making, particularly among certain minority (ethnic) groups.

### Case study – change in household purchasing of soft drinks in the UK

The World Health Organisation recommends taxes on sugar sweetened beverages to improve population health. Evidence indicates these can successfully reduce population purchasing and consumption but impacts across demographic groups have been less studied.

This study (the first analysis to examine differential impacts of the UK soft drinks industry levy on changes in sugar from, and volume of, purchased soft drinks, and according to household income and composition) demonstrated that households with the lowest incomes (<£20 000/year) and with children (<16 years) living in them had the largest reductions in purchases of sugar from soft drinks, 19 months after the implementation of the levy.

Sugar purchased by households with the lowest incomes dropped by ~70 g of sugar per household per week, equivalent to just over two 250 mL servings of a drink containing 5g sugar per 100 mL per person per week. Households with children living in them reduced their purchasing of sugar from soft drinks by 56 g per household per week.

These findings suggest that the UK soft drinks industry levy may contribute to reducing existing inequalities in dietary intake with strongest benefits in households with the lowest incomes and those with children.

### Case study – Exploring the use of treatment guidance for metastatic prostate cancer in the UK

There are international guidelines recommending treatment intensification for metastatic prostate cancer, but evidence suggests underuse of this treatment. This study explored variation in treatment intensification across England comparing sociodemographic factors and 47 specialist multidisciplinary teams (who are responsible for coordinating prostate cancer care).

Over a 4-year period, almost 40% of around 30,000 men diagnosed with metastatic prostate cancer had treatment intensification within six months of diagnosis. Intensification use decreased with age, comorbidities, frailty, socioeconomic deprivation, and among black patients. Intensification was given to 60% of men under 75 but dropped to 17% in those over 75. The use of treatment intensification varied across specialist multidisciplinary teams from 20% to 54%, with greater variation in older patients.

This study highlights that there is potential underuse of treatment intensification for patients with metastatic prostate cancer, particularly among older, black, and socioeconomically deprived patients. Significant variation in practice exists between specialist prostate cancer teams nationally, especially in older populations, indicating that many patients may not receive optimal care. Standardised care to address disparities is required.

## Strategic and Financial Report (continued)

### Case study - Impact and cost-effectiveness of the pneumococcal conjugate vaccine introduction

*Streptococcus pneumoniae* has been estimated to cause over 9 million cases of pneumococcal pneumonia, meningitis, and invasive non-pneumonia non-meningitis disease and over 300,000 deaths among children younger than 5 years.

An LSHTM-led study using an updated model estimated that the introduction of the 13-valent Pneumococcal Conjugate Vaccine (PCV) could prevent almost 700,000 deaths and 131 million cases in 112 countries between 2000 and 2030. PCV was estimated to prevent over 5% of pneumococcal deaths in children younger than 5 years between 2000 and 2030.

Evidence from lower-income settings revealed that delays in PCV roll-out globally and low PCV coverage have cost many lives. Countries with delays in vaccine introduction or low vaccine coverage have experienced many PCV-preventable deaths. These findings underscore the importance of rapidly scaling up PCV to achieve high coverage and maximise vaccine impact.

### Case study – increased risk of hospitalisation in children born with syphilis

This study identified children in Brazil who had been exposed to syphilis before they were born. Over 30,000 had been exposed to syphilis from their mother during pregnancy (maternal syphilis) but were not diagnosed with the infection themselves, and over 36,000 were diagnosed at birth with syphilis infection passed from their mother (congenital syphilis).

LSHTM researchers found that children born with congenital syphilis were six times more likely to be hospitalised before the age of five than children who were not exposed. Similarly, babies who were exposed to the infection during pregnancy but not diagnosed with the infection themselves were twice as likely to be hospitalised. The increased risk of hospitalisation was particularly high in the first month of life, with babies with congenital syphilis 11 times more likely to be hospitalised compared with babies who were not exposed.

These results demonstrate the need for close monitoring of exposed children and highlight the importance of preventing syphilis in women of childbearing age.

### Case study – long-term impact of COVID-19 on kidney function

Over the course of the COVID-19 pandemic, severe infections requiring hospitalisation were often accompanied by a decline in kidney function. It remained unclear whether COVID-19 led to long-term kidney outcomes in the broader population.

This study analysed electronic health data from over 13 million GP and hospital records in England between February 2020 and December 2022. Over 3.5 million people were recorded as having had a COVID-19 infection during this period and those hospitalised with severe COVID-19 infections were found to be at a high risk of long-term kidney damage.

Across the study period, people who needed hospitalisation for COVID-19 had over seven times greater risk of kidney failure than people without COVID-19. These risks were highest amongst those who required intensive care and in those recorded as having acute kidney injury during their illness. The increased risk of kidney damage also differed across ethnicities and was highest for black ethnic groups. Amongst people with COVID-19 which was not severe enough to require hospitalisation, there was no increased risk of kidney failure.

The results suggest strategies to minimise severe COVID-19 should continue to be optimised among vulnerable groups, and that kidney function should be proactively monitored after hospital discharge.

## Strategic and Financial Report (continued)

### Education

LSHTM's education strategy focusses on the creation of a learning environment in which all students can flourish on stimulating programmes that are research-rooted and delivered flexibly and digitally. During the year the priorities and objectives for LSHTM's education were reassessed and five specific strategic themes were agreed for the period to 2027. These themes built on the extensive work undertaken over recent years.

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

Total London based Masters and doctoral students for the year ended 31 July 2025 were 950 (2024: 979). Recruitment of doctoral students remained consistent with previous years. On our London based Masters programmes, there was a modest increase in the number of UK students recruited, while non-UK student recruitment decreased. The factors influencing student recruitment are complex and multi-faceted, but we believe that ongoing cost of a year of study in the UK, visa restrictions for overseas students and increased competition with other Higher Education Institutions for London based Masters were key factors in the fall in non-UK student recruitment numbers. Despite the fall in non-UK students, LSHTM maintains a broad mix of students from across the world, including from the European Union, Africa, the Americas and Asia-Pacific regions.

The number of active Online Learning students registered as at July 2025 was 1,250 (July 2024: 1,511 registrations). Recruitment of new Online Learning students in the year fell compared to the previous year. Again, the factors driving this are multi-faceted, but we believe increased competition to be a major factor in the decline. Overall numbers are also impacted by the number of students re-registering to continue their studies. This is influenced by recruitment numbers in prior years. LSHTM saw a large increase in numbers recruited through the COVID period, where online learning became more attractive, but recruitment in the post-COVID years has fallen back to more expected levels, meaning the pool of continuing student registrations has also fallen.

Student numbers on Masters programmes have also declined since the peak we experienced in the COVID period and the ongoing challenges of the external environment have informed a more prudent expectation of student numbers in the coming years.

#### Case study – student awards

As a new initiative for the most recent academic year, LSHTM ran a Student Awards event for our students to celebrate their peers and staff members who have made a positive impact on their academic and wider student experience at LSHTM. This was a collaboration between our Student Representative Council and LSHTM's Access & Student Experience Team and was a well-received event by both staff and students. We delivered four student awards and three staff awards recognising individual contributions to education that aligned with the School's values and was also aligned to one of our Education Strategy objectives of recognising staff contributions and celebrating excellence in education.

#### Case study – development of a new education centre

In January 2026, we will officially open our new Education Centre to students. The Education Centre will provide high-quality, collaborative facilities in which LSHTM's students and staff can learn and teach. As a purpose-built, modern and inspiring learning environment, it will incorporate the newest technologies, enabling hybrid ways of learning that will make our courses more accessible and give students more options for how they study and learn.

Lecture theatres, teaching labs and some classrooms will be retained at Keppel Street, with gold standard AV across all our learning and teaching estate. This will ensure we are able to continue to deliver world leading public health education to learners across the world, whether in person and virtually.

### Case study – developing new education partnerships and innovative education delivery

A new unit within LSHTM was established in October 2024 to help LSHTM to increase the volume and impact of mission-aligned education activities and help improve LSHTM's financial position by generating more surplus which can then be reinvested in strategic priorities. The focus to date has been on providing support for staff to translate existing opportunities into revenue generating activities and to explore new opportunities with partners from across the world where our values are aligned and there is potential for both impact and income generation for LSHTM. This work has already resulted in over £300,000 of additional income being generated.

The next phase of work will be to continue to build momentum around education innovation opportunities, supporting our faculties to realise their strategic and financial objectives and providing additional resources and support for staff to realise these opportunities, which we anticipate will be through partnerships both in the UK and internationally.

### **People and culture**

We recognise that our people are fundamental in achieving our mission and strategically we are focused on ensuring a vibrant and engaging LSHTM community that is inclusive and a culture that promotes our values of acting with integrity, working together, embracing difference and creating impact.

In our most recent Staff Engagement Survey in October 2024, LSHTM reported an overall 'employee engagement' score of 76% (2% higher than the previous employee engagement score in 2022 and 2% higher than the sector average). Furthermore, 86% of respondents said they were 'proud to work for LSHTM' (10% higher than the sector average) and 89% of respondents felt LSHTM supports flexible working (8% higher than the sector average).

Despite a 9-percentage point increase since the 2022 staff survey, the institution's handling of issues concerning bullying, harassment and microaggressions remained amongst the areas of 'relative weakness' with a satisfaction rate of 34% in 2024 (25% in 2022). Ensuring LSHTM has robust policies, practices, support mechanisms and management capability to address issues of bullying, harassment and microaggressions has been a core feature of LSHTM's People & Culture Strategy 2022-27, with a new suite of harmonised HR policies, frameworks and guidance documents all launched in the past 12 months, with a refreshed package of anti-bullying and safeguarding training to be launched in the coming year.

Progress across LSHTM's broader People & Culture Strategy has accelerated over the past 12 months, with a new Equity, Diversity and Inclusion (EDI) Strategy and associated action plan having been finalised. There has been continued focus on embedding LSHTM's values and a refreshed management and leadership development provision. Ongoing work to strategically review and modify LSHTM's employment model has entered an important phase, which includes proposals to better align our workforce planning efforts with LSHTM's strategic priorities and objectives across research and education. Engagement with staff and trade unions is ongoing across this area of work with key decisions regarding a modified employment model to be reached in summer 2026.

Other important developments over the past 12 months include removal of LSHTM's academic statute and outdated employment policies for academic staff, which have been replaced with a suite of modern, harmonised employment policies applicable to all staff. This now reflect sector best practice and enhances our commitments to equality, diversity and inclusion. A new HR & Payroll system (iTrent) was implemented in April 2025.

We have also made important senior appointments following extensive recruitment and search processes, including Professor Jose Bengoechea, as Dean for the Faculty of Infectious & Tropical Diseases (ITD) who joined us in February 2025, and Professor Geoff Garnett as Dean for the Faculty of Public Health & Policy (PHP) who joined in August 2025. Both Professor Bengoechea and Professor Garnett are members of LSHTM's Executive Team. Ammara Khan joined LSHTM in July 2025 as our new Head of EDI.

## Strategic and Financial Report (continued)

### **Environmental sustainability**

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

This year, as part of LSHTM's ongoing journey to carbon net zero, we undertook a midpoint review of our energy and carbon management plan. This reaffirms our priorities, and identifies key initiatives for LSHTM to carry out in order to achieve its ambitious goals, and to maintain sustainability as an institutional priority. As part of this a series of initiatives to tackle emissions areas were developed:

- *Estates and laboratories* – onsite emissions from our London campus. This includes our energy consumption, water use and disposal of waste.
- *Supply chain* – emissions associated with the goods and services we purchase to facilitate our work. This includes IT equipment and construction services.
- *Work-related travel* – travel emissions associated with LSHTM work trips, including those undertaken within research projects.

An extreme weather emergency preparedness plan was also developed in collaboration with the Risk Management team. This year LSHTM was also recertified to ISO 14001. ISO 14001 audits are carried out annually and review procedure and performance related to environmentally impacting activities at LSHTM including climate-related risks and opportunities. Some of the methods used for monitoring are the building management system (BMS), space temperature guidance and degree-days and weather forecasts.

LSHTM's emissions during 2024/25 (excluding the Units in the Gambia and Uganda):

*Scope 1 emissions:* 447 tCO<sub>2</sub>e (2024: 405 tCO<sub>2</sub>e). *Scope 2 emissions:* 752 tCO<sub>2</sub>e (2024: 917 tCO<sub>2</sub>e)

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

*Scope 3 emissions (water, waste & business travel):* 4,054 tCO<sub>2</sub>e (2024: 3,727 tCO<sub>2</sub>e)

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

Total emissions have increased by 204 tCO<sub>2</sub>e compared to the previous year. This is primarily due to an increase in business travel emissions compared to the previous year. Reduction in energy use has mainly been the result of reduction in plant schedule during weekdays.

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

### **Key performance indicators**

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

Assessed against historic trends and the extremely volatile and challenging external environment, we believe 2024/25 has been satisfactory overall.

#### *Research impact*

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

## Strategic and Financial Report (continued)

### *Recovery of research indirect costs*

The absolute recovery of research indirect costs in 2024/25 was £15.5 million (2023/24: £17.6 million). As a relative measure to direct research expenditure (excluding collaborator payments), 2024/25 research indirect cost recovery was 22%, compared to 24% in 2023/24.

### *Fundraising and philanthropic support*

Donations income raised in the year was £8.3m, compared to £6.2m income raised in the previous year. Funding has been secured for student scholarships, for capital expenditure and for research.

### *Overall financial health*

Our surplus for 2024/25, after adjusting for the impact of the onerous contract provision and impairment of assets (as set out in the table on page 11), has decreased from £7.5m to £1.0m. The decrease relates mainly to decreased Research England funding and decreased tuition fee income. LSHTM has continued to selectively invest in priority academic areas and significantly in our physical infrastructure (further detail on these is given in the Capital investment expenditure section below).

### *Diversity and inclusivity*

Steady progress is being made on our EDI priorities including on our commitment to Race Equity. Our Race Equality Charter application has now been submitted, reflecting extensive work across the organisation to map and explore race equity at LSHTM. This process has led to the development of a clear action plan that will strengthen and improve race equity throughout our community.

Our gender pay gap continues to narrow year on year, with the mean gap reduced from 14.5% to 13.4% and the median gap from 6.7% to 5.3%, comparing favourably with sector benchmarks. We are also seeing positive trends in academic representation, with female Professors increasing from 44% to 46% in 2024. On professional services representation, female staff account for 42% of staff at grades 8 and 9 (a slight reduction from 46% in the previous year). We will continue our work and efforts to enhance female representation at senior levels continues.

Representation of racially minoritised ethnic (RME) groups also continues to grow, now standing at 35% of our overall workforce. Among Assistant Professors, staff from RME groups represent 36%, an annual increase of 3%, with steady progress being made at Associate Professor level.

Work is underway to map and align EDI initiatives across LSHTM. This will improve coordination, reduce duplication, and sharpen the focus of our efforts, while helping us demonstrate impact more clearly. Actions from our race and gender action plans have been aligned with our EDI strategy, with priority themes being highlighted. These themes that cut across all protected characteristics include, but are not limited to: the tackling of underrepresentation; addressing bullying and harassment; and narrowing pay gaps where they exist.

### *Student satisfaction*

LSHTM measures overall student satisfaction by the results of the Postgraduate Taught Experience Survey (PTES) and Postgraduate Research Experience Survey (PRES). For the 2024/25 academic year, LSHTM participated in only the PTES survey as the PRES survey is run biennially and is next due to run in 2026. LSHTM achieved a strong response rate compared to sector averages.

For PTES, thanks to targeted effort, LSHTM achieved a response rate of 42%. This represents a 7-percentage point decrease vs 2023/24 but remains significantly above the sector average response rate of 26% which also saw a 4-percentage point drop vs 2023/24. This high response rate has once again provided us with representative data for each programme and gives a strong insight into the overall student experience, which we can confidently use to benchmark against the wider Higher Education sector.

Our overall satisfaction rate was 88%, 2 percentage points higher than the sector average. Our overall satisfaction rate has remained consistent within +/- 1 percentage point for the past three years we have participated in the PTES. Students were also very positive about our courses being intellectually stimulating and our learning materials being helpful, both tracking 2 percentage points above the sector average.

## Strategic and Financial Report (continued)

We have also seen a significant improvement in student satisfaction around the sense of community, rising by +18 percentage points from 60% to 78%. Part of this may relate to the opening of our new refectory space, The Pumphandle Social and the reduction in the level of disruption caused by building works. However, the establishment of a dedicated Student Experience team has also been pivotal to give us greater awareness of issues early on and to help us provide greater support for students throughout their time with us.

The main areas for PTES improvement where satisfaction scores continue to be lower, related to assessment and feedback and organisation, where we were again in the lowest quarter of institutions sector wide. This was despite a significant improvement on student satisfaction with the timeliness of their feedback, rising by +34% from 44% satisfaction to 78% satisfaction, largely due to concerted action by our assessment timeliness group.

Our assessment working group will continue to meet and monitor interventions, with the focus for the coming academic year being on consistency across modules, with particular focus on the clarity of assessment criteria and quality of feedback provided to students.

Work is also continuing as part of the Education Strategy to address these issues within the agreed student experience theme, and additional actions will continue to be developed to address areas of weakness in the PTES, with updates provided to our Senate Student Experience Committee and our Education Leadership Team.

### *Physical infrastructure*

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

The EMP advocated a move to two sites in London – Keppel Street and Tavistock Place. This has been achieved earlier than was planned with the sale of the Georgian townhouses in Bedford Square.

LSHTM's performance in regard to physical infrastructure is measured by the proportion of space graded in condition A (Excellent) or condition B (Above average), per the HESA Estates return. The ongoing improvements in the estate continue to increase the proportion of space in condition A or condition B. The last submitted HESA Estates return indicated that 60% of space was in condition A or condition B, 38% is in C (Below average) and 2% is in D (Extremely poor). The ongoing work to improve the physical environment at Keppel Street, aligned to the EMP, and the new education centre at Tavistock Place opening in 2026, will further increase the percentage of the estate in conditions A and B.

## Strategic and Financial Report (continued)

### Financial performance in the year

These financial statements report the results of LSHTM's activities for the year ended 31 July 2025 and have been produced in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 ('2019 SORP') and in accordance with Financial Reporting Standards (FRS102).

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

|  | <b>2025</b> | 2024        |
|--|-------------|-------------|
|  | <b>£m</b>   | £m          |
| Income                                       | 251.8       | 255.3       |
| Expenditure                                  | (248.9)     | (191.9)     |
| <b>Surplus before other gains and losses</b> | <b>2.9</b>  | <b>63.4</b> |
| Net operating cash flow                      | (1.5)       | (8.0)       |
| Cash and short-term investments              | 79.4        | 90.6        |

LSHTM's consolidated surplus before other gains and losses for the year declined from £63.4m to £2.9m on income of £251.8m (2024: £255.3m), a net surplus margin of 1.2% (2024: surplus of 24.8%). The 2024 result had an uplift due to a release of the provision related to the USS pension scheme deficit (see Note 24 for further details). Both 2024 and 2025 are impacted by impairment on land and buildings not covered by the release of the revaluation reserve and by a release of the onerous research contract provision.

Removing these items results in an adjusted surplus of:

|   | <b>Note</b> | <b>2025</b> | 2024       |
|---|-------------|-------------|------------|
|   |             | <b>£m</b>   | £m         |
| Surplus before other gains and losses           |             | 2.9         | 63.4       |
| Remove impact of reduction in pension provision | 10          | -           | (61.2)     |
| Remove release of onerous contract provision    | 10          | (3.1)       | (1.7)      |
| Add back impact of impairment charge            | 12          | 1.2         | 7.0        |
| <b>Adjusted surplus</b>                         |             | <b>1.0</b>  | <b>7.5</b> |
| Adjusted surplus as % of income                 |             | 0.4%        | 2.9%       |

The adjusted surplus for 2025 is slightly better than expected. This was due to lower than expected operating expenditure from vacant staff posts, both academic and administrative, and lower non-staff operating expenditure were sufficient to offset lower education income and higher National Insurance Contribution costs on salaries.

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

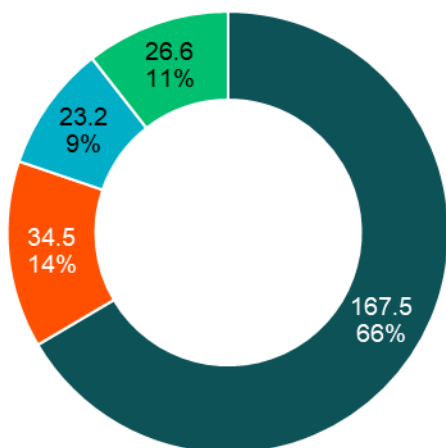
## Strategic and Financial Report (continued)

### Income

LSHTM's income decreased from £255.3m to £251.8m, equivalent to 1.4%. The main elements of the change in income are:

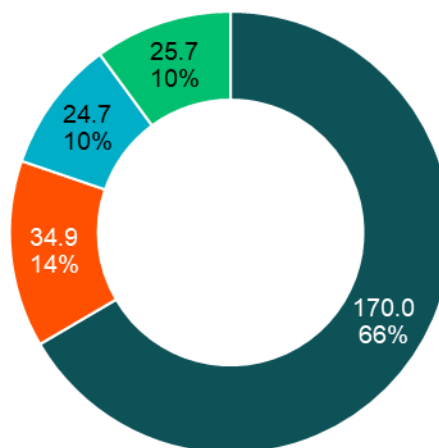
- Lower research grants and contracts, £2.5m;
- Lower tuition fees, £1.5m;
- Lower investment income, £0.8m;
- Lower funding body grants, £0.4m;
- Lower other income, £0.3m;
- Higher donations, £2.0m.

**Income Summary 2024/25**  
**£251.8m**



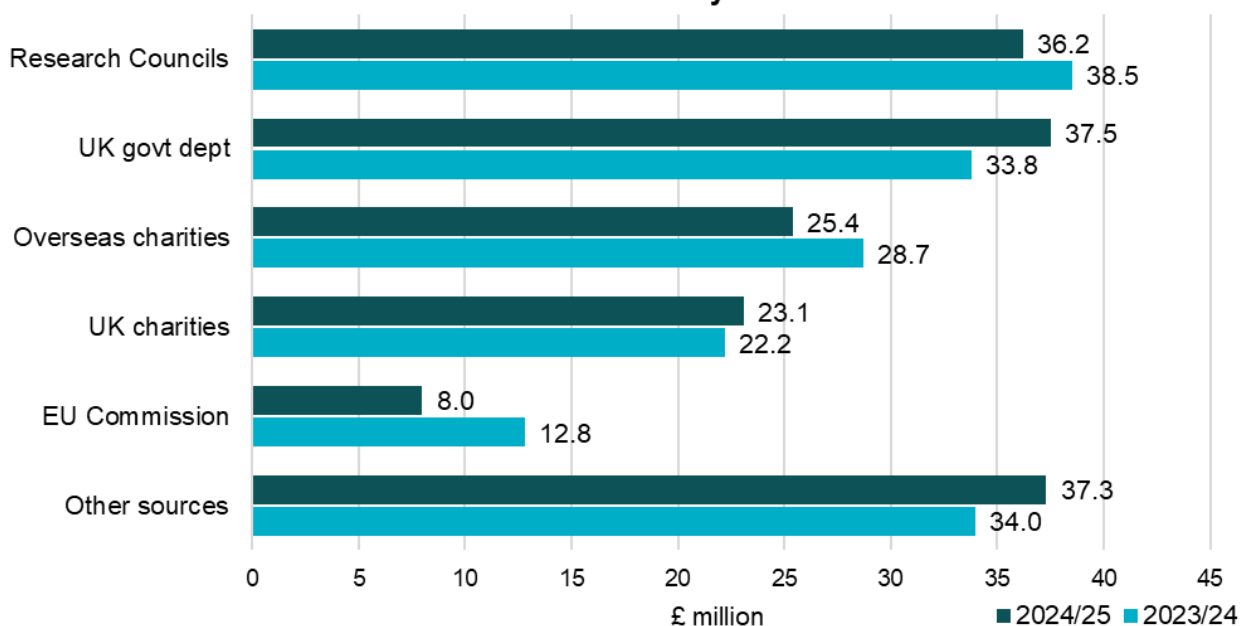
- Research grants and contracts
- Funding body grants
- Tuition fee income
- Other income streams

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



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

**Research income by funder**



Income from Research Councils includes £19.2m (2024: £19.0m) of funding towards MRC Unit The Gambia at LSHTM and MRC/UVRI & LSHTM Uganda Research Unit, of this, £15.4m (2024: £14.6m) was core funding and the remaining £3.8m (2024: £4.4m) relates to competitively won research grants.

## Strategic and Financial Report (continued)

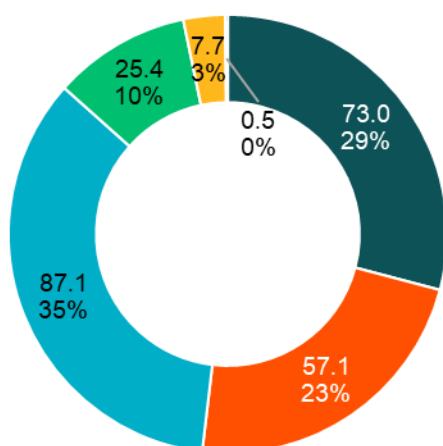
### Operating Expenditure

Total operating expenditure increased from £191.9m to £248.9m. The main elements of the change in operating expenditure are:

- 2024 expenditure was reduced by the release of the USS pension provision of £61.2m, in 2025 there was no equivalent;
- Higher project-funded operating costs of £2.3m;
- Lower impairment charge relating to revaluation of land and buildings of £1.2m (2024: £7.0m);
- Higher depreciation and amortisation charge of £2.2m, and
- Higher release of the onerous contract provision of £1.4m.

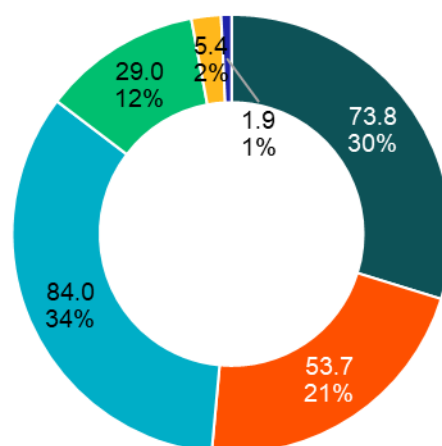
Operating expenditure breakdowns (excluding pension provision, onerous contract provision movements and impairment):

**Expenditure Summary 2024/25**  
**£250.8m**



- Staff costs - Projects
- Staff costs - General funds
- Non-staff costs - Projects
- Non-staff costs - General funds
- Depreciation & amortisation
- Interest & finance costs

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



- Staff costs - Projects
- Staff costs - General funds
- Non-staff costs - Projects
- Non-staff costs - General funds
- Depreciation & amortisation
- Interest & finance costs

|                                   | £'m          |
|-----------------------------------|--------------|
| <b>Total expenditure per SOCI</b> | <b>248.9</b> |
| Pension provision                 | -            |
| Onerous contract provision        | 3.1          |
| Impairment                        | (1.2)        |
| <b>Expenditure per chart</b>      | <b>250.8</b> |

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

## Strategic and Financial Report (continued)

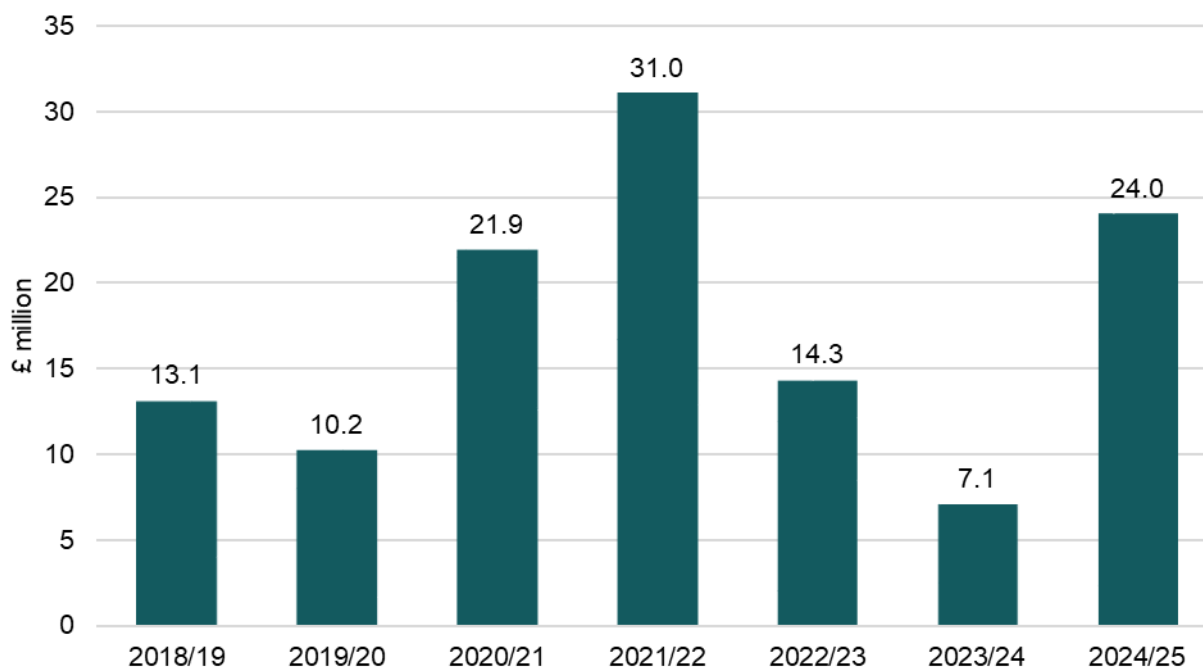
### Capital investment expenditure

Capital investment expenditure for the year was £24.0m (2024: £7.1m). Of this total, the largest components were the works to refurbish one of the buildings at our Tavistock Place site to create a new education centre; the completion of new student and staff social space and catering facilities; and the commencement of works to reconfigure our specialist research laboratories.

Total capital investment in the year also includes the replacement and renewal of research equipment.

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

### Capital investment expenditure



### Cash flow, financing and balance sheet

During the year there was a net cash outflow used in operating activities of £1.5m (2024: £8.3m). There were also outflows to:

- service loan repayments of £1.3m (2024: £1.3m); and
- invest in capital expenditure (net of capital grants and proceeds from asset sales) of £12.9m (2024: £1.1m).

In addition, there was a net inflow of £4.5m (2024: £8.8m) from endowments, deposits made and investment income.

The overall net change in cash for the year was a decrease of £14.5m (2024: increase £5.6m).

Cash and cash equivalents plus short-term investments at the year-end were £79.4m (2024: £90.6m), representing 119 days (2024: 137 days) of current operating expenditure (excluding the adjusting items in the table on page 13).

LSHTM has £25.3m of net research project working capital (research cash plus research debtors less deferred research income). Therefore £25.3m of cash is treated as not available for non-research operational or capital investment purposes as this reflects the research working capital balance.

LSHTM continues to repay outstanding bank loans, with total principal and interest payments on these loans in the year amounting to £1.3m (2024: £1.3m). There were no changes in the year to LSHTM's financing strategy.

## **Strategic and Financial Report (continued)**

Total net assets decreased from £240.2m to £210.7m, this decrease was principally driven by the impairment of fixed assets and reduction in cash due to the investment in capital expenditure.

The Tavistock Place 1 building is currently under complete refurbishment to create a new Education Centre. It is therefore presented at nil value in 2025 (2024: £13.9m) in line with valuation standards, with the accumulated costs of refurbishment incurred by the balance sheet date (£12.4m) presented within Assets in the Course of Construction.

Within the Keppel Street building, major refurbishment work is underway on high containment laboratory space, this portion of the building is also valued at nil in 2025 (2024: £6.7m) with the accumulated costs of refurbishment of £6.4m presented within Assets in the Course of Construction.

The brought forward costs of these two buildings undergoing refurbishment are included within the loss on disposal figure on the Statement of Comprehensive Income. Further, the new external valuers have applied different underlying assumptions regarding the value of space within the Keppel Street which has resulted in a £18.6m reduction in the value of the building. These reductions have been partially offset by increases in the value of land in London and in the properties in Gambia and Uganda.

### ***Taxation***

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

### ***Reserves and investment policy***

LSHTM's financial reserves remain healthy. Given the potentially distorting impact of one-off accounting adjustments on financial performance, reserves are primarily measured by liquidity. In 2023/24 LSHTM revised its reserves policy to focus on non-research liquidity and so remove the impact of changes in the level of research activity on the metric. The minimum liquidity for non-research cash agreed by LSHTM's Council is 90 days of non-research expenditure. At the year-end non-research cash days of non-research expenditure were 276 days – this figure is expected to reduce in the coming years as we continue to invest in our estate and due to the challenging financial environment. In addition, LSHTM is holding £27.9m of endowment and donations reserves, which are used to directly support LSHTM's research work in numerous areas and financial support to LSHTM's students.

### ***Pensions***

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

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

As a result of the 31 March 2023 USS valuation, LSHTM's notional share of the USS scheme deficit, £59.8m, was fully released in the 2024 financial statements. This provision was for future contractual deficit recovery payments, however as the scheme is now in surplus, the deficit payments stopped and therefore the provision was no longer required. As noted above, this had a material impact on the Statement of Consolidated Income in 2024. The interim scheme financial position as at 31 March 2024 and 31 March 2025 indicated that the scheme remained in a surplus position.

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

## **Future Prospects**

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

As reported above, the 2024/25 year's adjusted financial results are slightly more positive than expected.

The external environment remains challenging and with high levels of volatility, especially influenced by conflict and political decision-making. We believe that LSHTM's mission to improve health and health equity is an enduring one, but our future financial forecasts, which reflect the external environment and its impacts indicate that LSHTM needs to take a range of actions to ensure a financially secure future.

LSHTM is not in immediate financial danger, but without corrective action a worsening financial position may jeopardise medium-term sustainability and will certainly restrict and damage the ability to fulfil our mission.

Council have agreed a financial sustainability plan, which will close the forecast gap between future income and expenditure. This plan has staged interventions over the next three years. The plan is centred on ensuring we continue to deliver high quality and impactful research and education – maintaining quality is a non-negotiable.

The key elements of the agreed financial sustainability plan are:

- Given recent student recruitment has been lower than planned, more moderate increases in education-related income are planned for future years.
- Education income is expected to come from a broader range of sources, especially through new partnerships and new methods of educational delivery.
- Restated recognition that the recovery of costs that support our core infrastructure remain key and as such we intend to shift the portfolio of research funders to those that contribute a higher proportion towards these core costs, aiming to achieve a higher full economic cost recovery.
- Reinforcing the expectation on staff who are core funded of the amount of their salary that should be recovered directly from their funded research projects and providing support to enable a higher salary cost recovery in future.
- Diversification of income to include new areas of academic-related activity aligned to our expertise and infrastructure.
- Other measures to reduce core costs, both staff and non-staff.

Despite the financial challenges we foresee, our current and forecast liquidity is sufficient to complete the major capital investments in progress and to absorb any costs of change required in delivering the financial sustainability plan.

We are monitoring our financial position regularly and Council have agreed suitable trigger points under which we will expand the range of mitigating actions beyond those set out above.

## Strategic and Financial Report (continued)

### Financing, treasury and liquidity

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

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

As noted above, we are also in the process of completing a new state-of-the-art education centre at our Tavistock Place site, which will open in January 2026.

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

Future phases of development of LSHTM's physical infrastructure are considered carefully against future forecast liquidity and the likelihood of continued capital grant support from key funders. There are natural 'fire-breaks' in the capital programme to allow for these affordability considerations.

LSHTM's total cash and investments are considered to be split into two components: the research working capital (research cash plus research debtors less deferred research income, essentially cash and debtors restricted to fulfil those research commitments); and non-research related cash (essentially unrestricted in nature) which has been accumulated from other academic and related activities.

Liquidity is one of LSHTM's financial KPIs and the Council have set a minimum non-research cash level, as expressed in days of non-research expenditure. This has been benchmarked against liquidity levels within the higher education sector and set in line with Council's overall risk appetite, which is, overall, to be prudent.

Liquidity at 31 July 2025 was in excess of the minimum non-research cash set by Council.

LSHTM has outstanding long-term loan financing of £10.5m as at 31 July 2025. This loan financing is on fixed terms, ensuring repayments are predictable. Servicing the interest and repayments of this loan are well within LSHTM's financial capacity. The covenants in place on this loan have not been breached and are not likely to, even if LSHTM's were to worsen significantly.

LSHTM also has access to a Revolving Credit Facility. This was put in place to cover unanticipated negative financial impacts from the Covid-19 pandemic, where there was a risk of reduced research funding and negative impact on student recruitment. It has not been necessary to draw on this facility and it is not expected to be drawn upon in the period to its expiry date in November 2026. Council has approved securing a follow-on facility on expiry of the current facility.

## Risk Management and Principal Risks and Uncertainties

### *Risk management process*

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

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

### *Principal risks and uncertainties*

One of the principal risks recorded in the Strategic Risk Register is related to LSHTM's **financial sustainability**. A range of mitigating actions and financial improvement targets have been developed by the Executive Team to ensure a financially secure future for LSHTM. Progress against LSHTM's financial improvement targets are regularly monitored by the Executive Team, Finance & Development Committee, Audit & Risk Committee and Council; and trigger points have been established to inform what type of financial saving and/or income generating mitigating action is required.

An aspect of the financial sustainability risk is the inability for LSHTM to meet its education income targets across its education portfolio (intensive, online learning, short courses). While the postgraduate student recruitment landscape is challenging across the UK, LSHTM has reassessed its education income targets to be realistic, overhauled the Education Strategy, and established a new unit to further develop education partnership opportunities and new innovative education delivery. This new unit has been considering novel education income activities to diversify our education portfolio. In future years there will be a transition in monitoring the risk and opportunities of 'education income targets' to 'education surplus targets' to reflect the need for LSHTM's education portfolio to provide value for money. Maintaining and improving a high-quality student experience is interlinked with the education income target risk, and which will help to attract prospective students, as well as addressing LSHTM's dependence on University of London (UoL) to co-administer LSHTM's Online Learning courses.

Within LSHTM's research portfolio, LSHTM is continually adapting to the changing external research funding landscape of which there has been a significant contraction in funding streams for global health research activity. LSHTM needs to continue to closely monitor the research landscape in order to remain agile and responsive to changing and limited funding opportunities. LSHTM is also closely monitoring the quality of its research and ensuring that we are best placed for its future Research Excellence Framework submissions.

LSHTM's **people and culture risk** environment has changed over the past year. Significant progress has been made to reduce the strategic risk on inequalities via a well resource EDI service, development of a new EDI Strategy and action plan, retention of the Athena SWAN Bronze Award and successfully submitting our first application to the Race Equality Charter. New risks in relation to implementing a new employment model have been recognised on the Strategic Risk Register and aims to increase the employment stability for LSHTM's academic staff, reduce reliance on short term fixed contract and increase focus on workforce planning aligned with LSHTM's strategic needs and financial resources. A new strategic risk on change management has also been added in recognition of the number of change management activities happening concurrently across LSHTM. There has been a specific focus on training senior leaders and managers on how to successfully implement change, and this will be vital as LSHTM delivers its financial sustainability mitigation plan.

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

Via horizon scanning activities, **Artificial Intelligence (AI)** was added to the Strategic Risk Register as both a threat and opportunity to LSHTM. Internal Special Interest Groups have been set up to explore the positive and negative impact AI may have on LSHTM's education, research and operations. As a result, an AI policy is being developed along with useful guidelines and training for staff and students.

### Going Concern

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

The impacts and mitigations have been expressed throughout this report. In summary, Council is reassured that the executive has taken appropriate steps to mitigate these impacts.

To inform its assessment, Council has considered a number of scenarios, including those which 'stress test' the future resources of LSHTM. These scenarios vary the severity and probability of material negative changes in research, education and fundraising income; material increases in staff and non-staff operating expenditure; and material increases in capital expenditure. The 'best' scenario is the latest financial forecast, with each alternative scenario modelling an increasingly negative impact. Within the downside scenarios, multiple changes to income and expenditure are included to reflect that negative impacts can be multi-faceted and occur concurrently. Each worsening downside scenario is given an assessed likelihood probability. These scenarios are scrutinised by LSHTM's Finance & Development Committee, Audit & Risk Committee and Council.

The going concern assessment includes a review of the main mitigating actions that LSHTM would take under each scenario and the effectiveness of those responses, including the timing of each response becoming financially effective.

The going concern period assessed is up to July 2027. Only in the most extreme scenario modelled (which is assessed to have a 5% likelihood) would LSHTM need to take significant and material mitigating actions. The core assumptions within this most extreme scenario include a 20% decrease in education income, 45% reduction in research income, £11m lower other income and net fundraising income, plus 4% higher non-grant funded non-staff costs, 2% additional inflation on staff costs and 7.5% higher capital expenditure.

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

### Public Benefit Statement

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

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

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

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

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

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

- At LSHTM, our mission is to improve health and health equity in the UK and worldwide, and this includes the health of populations affected by humanitarian crises and conflict. One example of our ongoing work includes a team producing estimates of mortality due to violence in the war in Gaza. This research suggests significant underreporting of traumatic injury deaths and highlights the deterioration of Gaza's healthcare infrastructure, providing vital information insights to help humanitarian organisations, governments and others plan effectively and save lives and assess the impact more accurately. Researchers are also providing expert opinions and commentary in the media on the effects of malnutrition and consequences of famine on the population in Gaza.
- As climate change continues to impact health, researchers from the Environment and Health Modelling Lab at LSTHM are delivering real-time rapid analyses of mortality from extreme heat. Using historic data from research on the relationship between heat and daily death rates, combined with high-resolution weather forecasts and state of the art modelling tools, they provided estimates of death during heatwaves in the UK and Europe, which were reported on widely in the media. Their critical research and analysis highlights how increasing extreme heat poses a growing threat to public health.
- LSHTM jointly runs the UK Public Health Rapid Support Team in partnership with the UK Health Security Agency. The initiative, funded by the UK Government, means the UK has a fully operational specialist team that can be deployed anywhere in the world within 48 hours to tackle disease outbreaks which have the potential to develop into major health emergencies. The past year saw five deployments of LSHTM staff including to South Africa (NCID support), Democratic Republic of the Congo (Mpox outbreak), Rwanda (Marburg virus outbreak and later Mpox), and two separate deployments to South Sudan (cholera outbreaks).

## Strategic and Financial Report (continued)

- Following the World Economic Forum ranking misinformation as the primary global risk in the short-to medium-term, ahead of both extreme weather and state-based armed conflict, we have coordinated an institution-wide response to health misinformation. This has particular focus on vaccines, pandemics, climate and health, and reproductive health. Staff have been provided with resources, training and support on how to handle misinformation attacks on health research, and LSHTM has published guidance externally on how others can counter health misinformation in the UK and globally, amplified further by GAVI. Written ‘explainers’ from LSHTM experts have provided reassuring, trustworthy insights into public health risk areas for misinformation such as on measles and have been used and referenced in media outlets including BBC, The Independent and the Financial Times, as well as local outlets in regions at risk such as Bristol Live. A new season of LSHTM’s podcast responds quickly with evidenced insights into disease outbreaks making global headlines, with listeners from over 40 countries in 2025. Work is currently underway to scope setting up a health misinformation network with other UK public health-facing institutions.
- In the ShanghaiRanking's Global Ranking of Academic Subjects 2024 we placed 2nd in public health (1st in the UK). In the 2024 CWTS Leiden Ranking LSHTM is ranked the UK’s top university for the proportion of academic research with women listed as authors as well as for publishing open access research. Our global partnerships are also recognised, with LSHTM placed first position in the UK and 10th in the world for the proportion of our research which includes international collaboration. In the US News Best Global Universities Ranking 2025-26, we ranked 2nd in the world for public, environmental & occupational health, 3rd in the world for infectious diseases, 23rd in the world for social sciences & public health, and 12th best university in the UK overall. In the 2025 QS World University Rankings, LSHTM also ranked as 21st in the world for medicine (previously 24<sup>th</sup>).
- Our world-class researchers all contribute to education programmes, and supervise masters and doctoral research projects that may align with larger staff-led research projects, relate to students’ past or intended field of work, or meet the needs of host organisations. Students undertake research projects in the UK with the UK government, NHS Trusts, private companies and charities. Many students’ research projects are located overseas, often in low- or middle-income countries and in collaboration with NGOs such as MSF and Sight Savers.

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

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

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

Approved by the Council on 15 May 2026 and signed on its behalf by:

Ms. Angela Darlington

Chair, Finance and Development Committee

# Corporate Governance and Internal Control

## Corporate Governance and Internal Control Statement

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

LSHTM is committed to conducting its business in accordance with the seven principles identified by the Committee on Standards in Public Life. LSHTM's governing body, Council, is guided, but not limited, by the Committee of University Chairs' (CUC) Higher Education Code of Governance 2021. LSHTM's practices are consistent with the provisions of the code. Council undertook an external governance effectiveness review in 2023, and the report concluded that LSHTM is a well-governed and transparent institution, classified as "good" on the Halpin Governance Maturity Framework.

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

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

The systems of governance and internal control described below were in place for the year ended 31 July 2025 and up to the date of the approval of the Financial Statements and accords with OfS guidance.

## Constitution

LSHTM was established in 1899 and is incorporated under a Royal Charter granted in 1924. Following approval by the Privy Council, a Supplemental Charter came into effect in March 2009. The Charter establishes Council and Senate, each with clearly defined functions and responsibilities detailed in the Statutes, to oversee and manage LSHTM's activities. The Charter has recently been updated and changes were approved by the Privy Council on 02 October 2024.

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

The University of London Act received Royal Assent in December 2018, following which, LSHTM, alongside other UoL colleges, applied for University title. LSHTM's application for University Title was recommended by both the Office for Students and Department of Education. LSHTM was granted approval to enact the use of its university title and was granted a Supplementary Charter by the Privy Council on 05 February 2025.

LSHTM acquired degree awarding powers in 2010 and will be awarding our own degrees from Autumn 2026. In the interim, LSHTM currently continues to award degrees of the UoL.

In response to changes to LSHTM's Charter, the supplementary Charter, removal of the Statute concerning Academic Staff and recommendations from the external Governance Effectiveness Review in 2023, LSHTM Ordinances were updated and approved by Council in November 2024.

## Summary of LSHTM's Structure of Corporate Governance

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

## Corporate Governance and Internal Control Statement (continued)

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

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

Council meets at least four times a year, and has introduced an annual away day at the beginning of each academic term to consider strategic matters for the year ahead. The majority of meetings are held face to face with members sometimes joining via video conferencing.

## Committees of Council

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

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

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

The Audit and Risk Committee meets four times each year. LSHTM's external and internal auditors are invited to attend all meetings of the Committee. The Committee considers detailed reports together with recommendations for the improvement of LSHTM's systems of control, and management's responses and implementation plans. It also considers reports from OfS and other LSHTM funders as they affect LSHTM's business, and monitors adherence with regulatory requirements. The Committee adopts a risk-based approach to internal audit planning and the internal audit work undertaken in the year ended 31 July 2025 has been governed by this approach. Whilst senior executives attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee. The Committee produces an annual report to Council covering all aspects of its work.

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

The Nominations & Governance Committee considers vacancies for external members on Council and its sub-committees in accordance with CUC guidance. LSHTM's members are appointed via a fair and open selection process which includes online advertisements on recruiting platforms and promotion via members across relevant networks. The Nominations & Governance Committee's recommendations to Council take into account the balance of skills, knowledge and experience of Council and committees' members. An audit of Council members' skills and experience is undertaken annually, and the Nominations & Governance Committee keep the mix of skills under review when considering future vacancies. LSHTM continues to strive to improve the diversity of Council and its sub-committees, reflecting its commitment to Athena SWAN charter, EDI Strategy, and the values set out in the LSHTM Strategy.

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

Further information regarding LSHTM's Council and Committees is available on the LSHTM website.

## Corporate Governance and Internal Control Statement (continued)

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

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

The People, Equality, Diversity & Inclusion Committee has been established since July 2022 and enables Council to better discharge its duties in respect of People, EDI, Culture and related matters.

The Unit Committees of Council, The Gambia Unit Committee and the Uganda Unit Committee, were established by Council in September 2024 with the primary role to provide:

- governance and strategic and operational oversight and advice in relation to the Unit,
- supportive and proportionate framework for proactively reporting key Unit activities and risks to Council, and
- oversight of assurance around legal, funder and other stakeholder requirements.

The inaugural meeting of the Unit Committees of Council took place in Spring 2025. These were held as part of in-person visits to each Unit for the relevant Committee members. Oversight and awareness of governance and management related issues at the Units has been given more visibility at Council and other Committees such as Audit & Risk Committee through the establishment of the Unit Committees.

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

## Statement of Internal Control

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

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

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

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

This system of governance and internal control was in place for the year ended 31 July 2025 and up to the date of the approval of the Financial Statements, and accords with OfS guidance.

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

- Council reviews the plans and strategic direction of LSHTM on a regular basis.
- The Audit and Risk Committee independently reviews the effectiveness of internal control systems and the risk management process.

## Corporate Governance and Internal Control Statement (continued)

- Council receives periodic reports from the Chair of the Audit and Risk Committee concerning issues of risk, internal controls and their effectiveness, which are informed by regular reports from members of the Executive Team and other managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- The Audit and Risk Committee reports to Council its findings in respect of the effectiveness of the risk management process. This is informed by the categorisation of risks and the maintenance of an institution-wide strategic risk register. The Strategic Risk Register includes cover all types of risk (business, operational, compliance and financial risk).
- LSHTM procures its internal audit service from KPMG, which operates to standards defined in the OfS Audit Code of Practice. The work of the internal audit service is informed by an analysis of risks to which LSHTM is exposed, and an annual internal audit plan is based on this analysis. The Audit and Risk Committee approves the internal audit plan.
- KPMG submits regular reports to the Audit and Risk Committee that include an independent opinion on the adequacy and effectiveness of LSHTM's system of internal control, based on work undertaken in accordance with its approved audit plan, together with recommendations for improvement.
- Alongside the Strategic Risk Register, each Faculty and Unit maintains its own risk register. These registers are reviewed by the Executive Team via the internal Risk Management Group and by the Audit and Risk Committee.
- Each year, LSHTM conducts in-depth reviews of particular risk areas, themes or emerging issues. These assessments explore risk identification and monitoring, and links to the Strategic Risk Register.

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

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

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

Approved by Council on 15 May 2026 and signed on its behalf by:

Mr. Donald Robert  
Chair, Council

# Responsibilities of Council

## Statement of primary responsibilities

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

- i. To set and agree the mission, strategic plan and values of LSHTM;
- ii. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni;
- iii. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of LSHTM against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions;
- iv. To appoint the Director of LSHTM as chief executive, and to put in place suitable arrangements for monitoring their performance;
- v. To delegate authority to the Director for the academic, corporate, financial, estate and human resource management of LSHTM, and to establish and keep under regular review the policies, procedures and limits of such delegated management functions;
- vi. To ensure the establishment and monitoring of systems of control and accountability, including financial, human resources and other operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest;
- vii. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate;
- viii. To be assured that the students' experience (including welfare) is maintained at a high level;
- ix. To safeguard the reputation and values of LSHTM;
- x. To be LSHTM's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in LSHTM's name. For example, this includes systems for health, safety and security and for equality, diversity and inclusion;
- xi. To ensure that good governance operates including conducting Council's business in accordance with the best practice in higher education corporate governance (including adherence to the Office for Students' ("OfS") Conditions of Registration and the Committee of University Chairs' ("CUC") Higher Education Code of Governance);
- xii. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life – i.e. Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership;
- xiii. To provide formal annual assurances to the OfS on the reliability of degree standards and the continuous improvement of the student academic experience and of student outcomes;
- xiv. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of LSHTM;
- xv. To appoint a Secretary to Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability;
- xvi. To establish the following Committees required by the OfS, the CUC Higher Education Code of Governance or the Charter: an Audit and Risk Committee, a Nominations and Governance Committee and a Remuneration Committee;
- xvii. To establish processes to monitor and evaluate the performance and effectiveness of Council itself;
- xviii. To ensure that LSHTM's constitution is always followed, and that appropriate advice is available to enable this to happen;
- xix. To promote a culture which supports inclusivity and diversity across LSHTM;
- xx. To maintain and protect the principles of academic freedom and freedom of speech legislation;
- xxi. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

The ordinances were updated and approved by Council on 25 November 2024.

## Responsibilities of Council (continued)

### Responsibilities in regard to these Financial Statements

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

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

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

Council has taken reasonable steps to:

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

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

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

Approved by Council on 15 May 2026 and signed on its behalf by:

Mr. Donald Robert  
Chair, Council

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

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the School's affairs as at 31 July 2025 and of the Group's and the School's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of the London School of Hygiene and Tropical Medicine ("the School") and its subsidiaries ("the Group") for the year ended 31 July 2025 which comprise the Consolidated and LSHTM statement of comprehensive income, the Consolidated and LSHTM statement of changes in reserves, the Consolidated and LSHTM statement of financial position, the Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

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

## Independence

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

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

**Responsibilities of the Council members**

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

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

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

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

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

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

*Non-compliance with laws and regulations*

Based on:

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

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

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

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

Our procedures in respect of the above included:

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

### *Fraud*

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

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

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

Our procedures in respect of the above included:

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

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

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

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

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

**Use of our report**

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

Paul Jagger (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK  
Date: 20 May 2026

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

# Consolidated and LSHTM Statement of Comprehensive Income for the year ended 31 July 2025

|   | Note  | 2025             |                 | 2024             |                |
|---|-------|------------------|-----------------|------------------|----------------|
|   |       | Consol.<br>£'000 | LSHTM<br>£'000  | Consol.<br>£'000 | LSHTM<br>£'000 |
| <b>Income</b>   |       |                  |                 |                  |                |
| Tuition fees and education contracts  | 1     | 23,164           | 23,164          | 24,683           | 24,683         |
| Funding body grants   | 2     | 34,476           | 34,476          | 34,889           | 34,889         |
| Research grants and contracts   | 4     | 167,475          | 167,475         | 169,968          | 169,968        |
| Other income  | 5     | 14,473           | 14,305          | 14,759           | 15,157         |
| Investment income   | 6     | 3,981            | 4,024           | 4,770            | 4,775          |
| Donations and endowments  | 7     | 8,219            | 8,219           | 6,193            | 6,193          |
| <b>Total income</b>   |       | <b>251,788</b>   | <b>251,663</b>  | <b>255,262</b>   | <b>255,665</b> |
| <b>Expenditure</b>  |       |                  |                 |                  |                |
| Staff costs before pension adjustment   | 9     | 130,040          | 130,040         | 127,542          | 127,542        |
| USS pension adjustment  | 9     | -                | -               | (61,212)         | (61,212)       |
| Total staff costs   | 9     | 130,040          | 130,040         | 66,330           | 66,330         |
| Other operating expenses  | 10    | 109,364          | 109,375         | 111,238          | 110,908        |
| Depreciation and amortisation   | 11/12 | 7,672            | 7,672           | 5,432            | 5,432          |
| Impairment of land & buildings  | 12    | 1,245            | 1,245           | 6,969            | 6,969          |
| Depreciation, amortisation and impairment   |       | 8,917            | 8,917           | 12,401           | 12,401         |
| Interest and other finance costs  | 8     | 530              | 530             | 1,940            | 1,940          |
| <b>Total expenditure</b>  |       | <b>248,851</b>   | <b>248,862</b>  | <b>191,909</b>   | <b>191,579</b> |
| <b>Surplus before other gains, losses and share of operating deficit of joint ventures and associates</b> |       | <b>2,937</b>     | <b>2,801</b>    | <b>63,353</b>    | <b>64,086</b>  |
| Loss on disposal of fixed assets  | 12    | (21,007)         | (21,007)        | (42)             | (42)           |
| Gain on investments   | 13    | 502              | 502             | 2,079            | 2,079          |
| Share of operating deficit in joint venture   | 14    | (192)            | (192)           | (364)            | (364)          |
| <b>(Deficit)/surplus before tax</b>   |       | <b>(17,760)</b>  | <b>(17,896)</b> | <b>65,026</b>    | <b>65,759</b>  |
| Taxation  |       | -                | -               | -                | -              |
| <b>(Deficit)/surplus for the year</b>   |       | <b>(17,760)</b>  | <b>(17,896)</b> | <b>65,026</b>    | <b>65,759</b>  |
| Change in fair value of hedged financial instruments  |       | (1,152)          | (1,152)         | (256)            | (256)          |
| Downward revaluation of land and buildings  | 12    | (10,578)         | (10,610)        | (1,521)          | (1,501)        |
| <b>Total comprehensive (loss)/income for the year</b>   |       | <b>(29,490)</b>  | <b>(29,658)</b> | <b>63,249</b>    | <b>64,002</b>  |
| <b>Represented by:</b>  |       |                  |                 |                  |                |
| Endowment comprehensive income for the year   |       | 339              | 339             | 1,601            | 1,601          |
| Restricted comprehensive expenditure for the year   |       | (51)             | (51)            | (1,000)          | (1,000)        |
| Unrestricted comprehensive income for the year  |       | (16,668)         | (16,806)        | 64,224           | 64,958         |
| Unrestricted hedging reserve comprehensive expenditure for the year                                       |       | (1,152)          | (1,152)         | (256)            | (256)          |
| Revaluation reserve comprehensive expenditure for the year  |       | (11,958)         | (11,988)        | (1,320)          | (1,301)        |
|   |       | <b>(29,490)</b>  | <b>(29,658)</b> | <b>63,249</b>    | <b>64,002</b>  |

All items of income and expenditure relate to continuing activities.  
The notes on pages 44 to 70 form part of these financial statements.

# Consolidated and LSHTM Statement of Changes in Reserves for the year ended 31 July 2025

## Consolidated

|  | Income and expenditure account |                     |                       | Hedging Reserve<br>£'000 | Revaluation Reserve<br>£'000 | Total<br>£'000  |
|--|--------------------------------|---------------------|-----------------------|--------------------------|------------------------------|-----------------|
|  | Endowment<br>£'000             | Restricted<br>£'000 | Unrestricted<br>£'000 |                          |                              |                 |
| <b>Balance at 1 August 2023</b>                              | <b>18,082</b>                  | <b>8,892</b>        | <b>67,412</b>         | <b>(8,534)</b>           | <b>91,133</b>                | <b>176,985</b>  |
| Surplus/(deficit) from the statement of comprehensive income | 1,601                          | (1,000)             | 64,224                | -                        | -                            | <b>64,825</b>   |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (256)                    | -                            | <b>(256)</b>    |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -                        | (1,320)                      | <b>(1,320)</b>  |
| Realised gain on land and buildings                          | -                              | -                   | 1,642                 | -                        | (1,642)                      | -               |
| Total comprehensive (expenditure)/income for the year        | 1,601                          | (1,000)             | 65,866                | (256)                    | (2,962)                      | <b>63,249</b>   |
| <b>Balance at 31 July 2024</b>                               | <b>19,683</b>                  | <b>7,892</b>        | <b>133,278</b>        | <b>(8,790)</b>           | <b>88,171</b>                | <b>240,234</b>  |
| Surplus/(deficit) from the statement of comprehensive income | 339                            | (51)                | (16,668)              | -                        | -                            | <b>(16,380)</b> |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (1,152)                  | -                            | <b>(1,152)</b>  |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -                        | (11,958)                     | <b>(11,958)</b> |
| Realised gain on land and buildings                          | -                              | -                   | 20,809                | -                        | (20,809)                     | -               |
| Total comprehensive income/(expenditure) for the year        | 339                            | (51)                | 4,141                 | (1,152)                  | (32,767)                     | <b>(29,490)</b> |
| <b>Balance at 31 July 2025</b>                               | <b>20,022</b>                  | <b>7,841</b>        | <b>137,419</b>        | <b>(9,942)</b>           | <b>55,404</b>                | <b>210,744</b>  |

**Consolidated and LSHTM Statement of Changes in Reserves for the year ended 31 July 2025  
(continued)**

**LSHTM**

|  | Income and expenditure account |                     |                       | Hedging Reserve | Revaluation Reserve | Total           |
|--|--------------------------------|---------------------|-----------------------|-----------------|---------------------|-----------------|
|  | Endowment<br>£'000             | Restricted<br>£'000 | Unrestricted<br>£'000 |                 |                     |                 |
| <b>Balance at 1 August 2023</b>                              | <b>18,082</b>                  | <b>8,892</b>        | <b>65,060</b>         | <b>(8,534)</b>  | <b>90,703</b>       | <b>174,203</b>  |
| Surplus/(deficit) from the statement of comprehensive income | 1,601                          | (1,000)             | 64,958                | -               | -                   | <b>65,559</b>   |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (256)           | -                   | <b>(256)</b>    |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -               | (1,301)             | <b>(1,301)</b>  |
| Realised gain on land and buildings                          | -                              | -                   | 1,642                 | -               | (1,642)             | -               |
| Total comprehensive (expenditure)/income for the year        | 1,601                          | (1,000)             | 66,600                | (256)           | (2,943)             | <b>64,002</b>   |
| <b>Balance at 31 July 2024</b>                               | <b>19,683</b>                  | <b>7,892</b>        | <b>131,660</b>        | <b>(8,790)</b>  | <b>87,760</b>       | <b>238,205</b>  |
| Surplus/(deficit) from the statement of comprehensive income | 339                            | (51)                | (16,806)              | -               | -                   | <b>(16,518)</b> |
| Change in fair value of hedged financial instruments         | -                              | -                   | -                     | (1,152)         | -                   | <b>(1,152)</b>  |
| Unrealised loss on land and buildings                        | -                              | -                   | -                     | -               | (11,988)            | <b>(11,988)</b> |
| Realised gain on land and buildings                          | -                              | -                   | 20,809                | -               | (20,809)            | -               |
| Total comprehensive income/(expenditure) for the year        | 339                            | (51)                | 4,003                 | (1,152)         | (32,797)            | <b>(29,658)</b> |
| <b>Balance at 31 July 2025</b>                               | <b>20,022</b>                  | <b>7,841</b>        | <b>135,663</b>        | <b>(9,942)</b>  | <b>54,963</b>       | <b>208,547</b>  |

# Consolidated and LSHTM Statement of Financial Position as at 31 July 2025

|   |      | 2025                  |                | 2024                  |                |
|---|------|-----------------------|----------------|-----------------------|----------------|
|   | Note | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Non-current assets</b>                               |      |                       |                |                       |                |
| Intangible assets                                       | 11   | -                     | -              | 1,159                 | 1,159          |
| Tangible fixed assets                                   | 12   | 230,188               | 228,007        | 248,375               | 246,225        |
| Investments   | 13   | 22,412                | 22,485         | 22,028                | 22,101         |
|   |      | <u>252,600</u>        | <u>250,492</u> | <u>271,562</u>        | <u>269,485</u> |
| <b>Current assets</b>                                   |      |                       |                |                       |                |
| Trade and other receivables                             | 15   | 63,634                | 64,162         | 58,612                | 59,480         |
| Inventory   |      | 478                   | -              | -                     | -              |
| Short term deposits                                     |      | 5,000                 | 5,000          | 5,000                 | 5,000          |
| Cash and cash equivalents                               | 21   | 74,396                | 74,292         | 85,584                | 85,150         |
|   |      | <u>143,508</u>        | <u>143,454</u> | <u>149,196</u>        | <u>149,630</u> |
| Creditors: amounts falling due within one year          | 16   | (93,935)              | (93,970)       | (89,447)              | (89,833)       |
|   |      | <u>49,573</u>         | <u>49,484</u>  | <u>59,749</u>         | <u>59,797</u>  |
| <b>Net current assets</b>                               |      |                       |                |                       |                |
|   |      | <u>49,573</u>         | <u>49,484</u>  | <u>59,749</u>         | <u>59,797</u>  |
| <b>Total assets less current liabilities</b>            |      |                       |                |                       |                |
|   |      | <u>302,173</u>        | <u>299,976</u> | <u>331,311</u>        | <u>329,282</u> |
| Creditors: amounts falling due after more than one year | 17   | (91,084)              | (91,084)       | (87,977)              | (87,977)       |
| Provisions  | 18   | (345)                 | (345)          | (3,100)               | (3,100)        |
|   |      | <u>210,744</u>        | <u>208,547</u> | <u>240,234</u>        | <u>238,205</u> |
| <b>Total net assets</b>                                 |      |                       |                |                       |                |
|   |      | <u>210,744</u>        | <u>208,547</u> | <u>240,234</u>        | <u>238,205</u> |
| <b>Restricted reserves</b>                              |      |                       |                |                       |                |
| Income and expenditure reserve – endowment reserve      | 19   | 20,022                | 20,022         | 19,683                | 19,683         |
| Income and expenditure reserve – restricted reserve     | 20   | 7,841                 | 7,841          | 7,892                 | 7,892          |
| <b>Unrestricted reserves</b>                            |      |                       |                |                       |                |
| Income and expenditure reserve – unrestricted           |      | 137,419               | 135,663        | 133,278               | 131,660        |
| Hedging reserve   |      | (9,942)               | (9,942)        | (8,790)               | (8,790)        |
| Revaluation reserve                                     |      | 55,404                | 54,963         | 88,171                | 87,760         |
|   |      | <u>210,744</u>        | <u>208,547</u> | <u>240,234</u>        | <u>238,205</u> |
| <b>Total reserves</b>                                   |      |                       |                |                       |                |
|   |      | <u>210,744</u>        | <u>208,547</u> | <u>240,234</u>        | <u>238,205</u> |

The Financial Statements on pages 32 to 70 were approved by Council on 15 May 2026 and signed on its behalf by:

Professor Liam Smeeth  
Director

Mr. Donald Robert  
Chair, Council

# Consolidated Statement of Cash Flows for the year ended 31 July 2025

|   | Notes | 2025<br>£'000   | 2024<br>£'000  |
|---|-------|-----------------|----------------|
| <b>Cash flow from operating activities</b>                          |       |                 |                |
| (Deficit)/surplus for the year                                      |       | (17,760)        | 65,026         |
| <b>Adjustment for non-cash items</b>                                |       |                 |                |
| Depreciation  | 12    | 7,527           | 5,267          |
| Amortisation of intangibles   | 11    | 145             | 165            |
| Impairment of land and buildings                                    | 12    | 1,245           | 6,969          |
| Gain on investments   |       | (502)           | (2,079)        |
| Movement in debtors   |       | (5,021)         | 7,751          |
| Movement in inventory   |       | (478)           | -              |
| Movement in creditors   |       | 4,799           | (21,671)       |
| Movement in USS pension provision                                   | 10    | -               | (61,212)       |
| Movement in other provisions  | 18    | (2,755)         | (1,650)        |
| Share of operating deficit in joint venture                         | 14    | 192             | 364            |
| <b>Adjustment for investing or financing activities</b>             |       |                 |                |
| Investment income   | 6     | (3,981)         | (4,770)        |
| Interest payable  | 8     | 530             | 1,940          |
| Endowment investment income   | 7     | (517)           | (565)          |
| Loss on the sale of fixed assets                                    |       | 21,007          | 42             |
| Capital grant income  |       | (5,976)         | (3,916)        |
| <b>Net cash outflow used in operating activities</b>                |       | <b>(1,545)</b>  | <b>(8,339)</b> |
| <b>Cash flows from investing activities</b>                         |       |                 |                |
| Proceeds from the sale of fixed assets                              |       | 2,075           | 2,500          |
| Capital grants receipts   |       | 6,978           | 5,979          |
| Investment income   | 6     | 3,981           | 4,770          |
| Payments made to acquire fixed assets                               | 12    | (21,909)        | (6,291)        |
| Payments made to acquire intangible assets                          | 11    | -               | (773)          |
| Inflow from funds withdrawn from the investment portfolio           |       | -               | 3,500          |
| Inflow from short term deposits                                     |       | -               | 5,000          |
| Endowment investment income   | 19    | 517             | 565            |
| <b>Net cash (outflow)/inflow from investing activities</b>          |       | <b>(8,358)</b>  | <b>15,250</b>  |
| <b>Cash flows from financing activities</b>                         |       |                 |                |
| Interest paid   | 8     | (530)           | (564)          |
| Repayments of amounts borrowed                                      | 21    | (755)           | (733)          |
| <b>Net cash outflow used in financing activities</b>                |       | <b>(1,285)</b>  | <b>(1,297)</b> |
| <b>(Decrease)/increase in cash and cash equivalents in the year</b> |       | <b>(11,188)</b> | <b>5,614</b>   |
| Cash and cash equivalents at beginning of the year                  | 21    | 85,584          | 79,970         |
| Cash and cash equivalents at end of the year                        | 21    | 74,396          | 85,584         |
| <b>Cash and cash equivalents movement in year</b>                   |       | <b>(11,188)</b> | <b>5,614</b>   |

# Statement of Principal Accounting Policies

## 1. Basis of preparation

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

## 2. Accounting convention

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

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

## 3. Basis of Accounting

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

## 4. Basis of consolidation

The consolidated financial statements include LSHTM and its subsidiaries for the financial year to 31 July 2025. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Associated companies and joint ventures are accounted for using the equity method.

## 5. Income recognition

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

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

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

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

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

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

## Statement of Principal Accounting Policies (continued)

### 5. Income recognition (continued)

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

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

- a) Where the funder awards the grant on the basis of pre-agreed expenditure, which sets out the expected level of service or units of output, or a maximum total budget is agreed, then the expenditure against the project actual spend is used as the income recognition point.
- b) Where the funder reimburses costs properly incurred against the grant purpose, or will expect repayment of any unspent funds at the end of the project, the income recognition will be the expenditure on the project.
- c) Where the funder receives some form of benefit of approximately equal value to the funding provided, the grant shall be treated as a revenue transaction. Income recognition will be in line with the project's expenditure.

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

#### **Donations & Endowments**

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

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

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

#### **Total Return**

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

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

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

#### **Capital grants**

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

## Statement of Principal Accounting Policies (continued)

### 6. Accounting for retirement benefits

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

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

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

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

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

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

### 7. Foreign currency

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

### 8. Tangible fixed assets

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

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

#### **Land and buildings**

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

A valuation of all land and buildings at LSHTM's London sites was carried out as at 31 July 2025 by Wilks Head & Eve LLP, Chartered Surveyors. Specialist academic and research land and buildings were valued on a depreciated replacement cost basis and all other buildings were valued on a market value basis. The valuation excludes any value associated with development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

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

## Statement of Principal Accounting Policies (continued)

### 8. Tangible fixed assets (continued)

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

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

Components of buildings under refurbishment are held at nil value with the costs of construction incurred to the balance sheet date held within Assets in the Course of Construction.

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

#### **Equipment**

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

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

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

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

#### **Impairment**

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

### 9. Intangible Assets

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

### 10. Investments

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

### 11. Branches

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

### 12. Cash and cash equivalents

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

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

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

## Statement of Principal Accounting Policies (continued)

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

Provisions are recognised in the financial statements when:

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

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

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

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

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

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

LSHTM, along with four other colleges in the Bloomsbury area, participated in the London International Development Centre (LIDC) which was a jointly controlled operation until it was wound down in February 2025 with existing grants being transferred to LSHTM.

LSHTM has accounted for its share of the assets, liabilities and cash flows from LIDC in the financial statements measured in accordance with the terms of the arrangement (see Note 14 to the Financial Statements).

### 15. Financial Instruments

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

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

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

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

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

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

These instruments are measured at fair value at each reporting date. They are carried as assets when the fair value is positive and as liabilities when the fair value is negative. To the extent the hedge is effective, movements in fair value adjustments, other than adjustments for own or counter party credit risk, are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any movements in fair value relating to ineffectiveness and adjustments for our own or counter party credit risk are recognised in income and expenditure.

## Statement of Principal Accounting Policies (continued)

### 16. Reserves

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

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

### 17. Key Judgements & Estimates

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

#### a) Key judgements

##### *ij) Hedging provision*

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

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

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

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

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

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

LSHTM has maintained an onerous research contracts provision as a prudent approach to protecting LSHTM against overspends due initially to Covid-19 and latterly high inflation. There is the potential for higher costs than budgeted to be incurred on projects in order to meet the contractual terms, and not all research funders will cover the full impact of inflation on expenditure. Based on there having been no draw down against this provision in the last five years it has been released. This assessment was formed through analysing project closures over the last three years.

## Statement of Principal Accounting Policies (continued)

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

#### a) Key judgements (continued)

##### v) *Pension contribution provision (non-UK)*

LSHTM received notification in November 2025 from the Uganda Unit of a potential legacy financial liability relating to missing pension payments for the period 1988-2003. This period is prior to LSHTM taking responsibility for the Unit in February 2018. After careful assessment of the potential financial exposure, with reference to local Ugandan requirements to make payments under relevant legislation prevailing and with reference to the Unit Transfer Agreement (UTA) signed between LSHTM and UKRI/MRC, a liability and corresponding receivable have been recognised in relation to the period 1999 to 2003 as agreement has been reached with the Ugandan authorities on this aspect, and a provision and an equivalent receivable has been recognised for the period 1988 to 1999.

The provision is based on a financial risk-weighted assessment of the likelihood of the need to make payments for valid claims brought forward by former Unit employees where pension contributions were not fully made. The provision contains three elements: missing pension payments, accruing interest and penalties expected to be applied by the pension fund, in accordance with correspondence received from the pension fund. The provision amount is on a best estimate basis. The corresponding receivable is based on the application of the relevant terms within the UTA, whereby UKRI/MRC indemnify LSHTM for any employment-related liabilities arising prior to the transfer in February 2003.

#### b) Key estimates

##### i) *Hedging provision*

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

##### *Currency forward contracts*

LSHTM hedges currency exchange rate risk using forward contracts. The fair value is assessed by the currency brokers by comparing the position of the forward contract terms against the current financial market's prevailing spot rates. Management tests these fair value calculations by gaining an understanding and testing reasonableness of the key assumptions on which they are based. Hedges are considered to be highly effective at the inception of each hedge on the basis of expected future cash flows.

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

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

##### iii) *Pension contribution provision (non-UK)*

Management has applied judgements in a number of key aspects, to determine a financial risk-weighted provision amount. Key judgements have been made related to the number of potential future claims that may be made and the evidence required. Management have considered a number of scenarios for the number and financial amount of future claims and has applied a best estimate likelihood of these occurring. Overall, management have judged that the likelihood of a material number of valid future claims being made is modest and therefore the provision is judged not to be material, but is not zero.

Judgements have been made about the amount of potential future claims, the financial value of missing contributions and related accruing interest and penalties. Where available, these provision elements have been based upon confirmed calculation methods and indicated frameworks contained in correspondence with the pension fund provider. Individual scenarios modelled, before applicable likelihood weightings, indicated more material provision amounts may be required, but once weighted were judged not to be material.

## Statement of Principal Accounting Policies (continued)

### 18. Going Concern

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

Council believes that LSHTM is well placed to effectively manage its business risks, despite the uncertainty resulting from global economic and political uncertainties and has reviewed a number of alternative financial scenarios over the period to July 2027; the likelihood of downside scenarios becoming reality; and the mitigating actions that would be taken to ensure financial and operational sustainability.

The core assumptions with the most adverse scenario include a 20% decrease in education income, 45% reduction in research income, £11m lower other income and net fundraising income, plus 4% higher non-grant funded non-staff costs and 2% additional inflation on staff costs and 7.5% higher capital expenditure.

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

# Notes to the Financial Statements

## 1. Tuition fees and education contracts

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Fees from full-time students charged UK fees       | 2,716                 | 2,716          | 2,162                 | 2,162          |
| Fees from full-time students charged overseas fees | 10,434                | 10,434         | 11,123                | 11,123         |
| Fees from students charged part-time fees          | 2,449                 | 2,449          | 2,150                 | 2,150          |
| Fees from students on short courses                | 1,883                 | 1,883          | 1,784                 | 1,784          |
| Fees from distance learning courses                | 5,682                 | 5,682          | 7,464                 | 7,464          |
|  | <u>23,164</u>         | <u>23,164</u>  | <u>24,683</u>         | <u>24,683</u>  |

## 2. Funding body grants

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Recurrent grants</b>                  |                       |                |                       |                |
| UKRI Research grants                     | 20,575                | 20,575         | 21,515                | 21,515         |
| OfS Teaching grants                      | 2,084                 | 2,084          | 2,327                 | 2,327          |
|  | <u>22,659</u>         | <u>22,659</u>  | <u>23,842</u>         | <u>23,842</u>  |
| <b>Specific grants</b>                   |                       |                |                       |                |
| ISPF Institutional Support Grant         | 2,707                 | 2,707          | 3,332                 | 3,332          |
| Higher Education Innovation Fund         | 2,860                 | 2,860          | 3,093                 | 3,093          |
| Specialist Provider                      | 2,000                 | 2,000          | 2,000                 | 2,000          |
| Policy Support / Strategic Priority Fund | 1,000                 | 1,000          | 1,000                 | 1,000          |
| Enhancing Research Culture               | 250                   | 250            | 250                   | 250            |
| Participatory Research Programme         | 76                    | 76             | 79                    | 79             |
|  | <u>8,893</u>          | <u>8,893</u>   | <u>9,754</u>          | <u>9,754</u>   |
| Release of deferred capital grants       | 2,924                 | 2,924          | 1,293                 | 1,293          |
|  | <u>34,476</u>         | <u>34,476</u>  | <u>34,889</u>         | <u>34,889</u>  |

## 3. Grant and fee income

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| <b>Grant and fee income</b>                        |                       |                |                       |                |
| Grant income from the OfS                          | 2,084                 | 2,084          | 2,327                 | 2,327          |
| Grant income from other bodies                     | 32,392                | 32,392         | 32,562                | 32,562         |
| Fee income for taught awards (excl. VAT)           | 17,977                | 17,977         | 19,620                | 19,620         |
| Fee income for research awards (excl. VAT)         | 3,304                 | 3,304          | 3,280                 | 3,280          |
| Fee income from non-qualifying courses (excl. VAT) | 1,883                 | 1,883          | 1,784                 | 1,784          |
|  | <u>57,640</u>         | <u>57,640</u>  | <u>59,573</u>         | <u>59,573</u>  |

## Notes to the Financial Statements (continued)

### 4. Research grants and contracts

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| UK research councils                             | 36,238                | 36,238         | 38,492                | 38,492         |
| UK charities                                     | 23,066                | 23,066         | 22,213                | 22,213         |
| UK government departments and health authorities | 37,489                | 37,489         | 33,763                | 33,763         |
| UK Industry & Commerce                           | 3,673                 | 3,673          | 4,935                 | 4,935          |
| UK other   | 1,043                 | 1,043          | 809                   | 809            |
| EU charities                                     | 1,350                 | 1,350          | 1,707                 | 1,707          |
| EU Commission and other government bodies        | 7,970                 | 7,970          | 12,816                | 12,816         |
| EU Industry & Commerce                           | 694                   | 694            | 1,024                 | 1,024          |
| EU other   | 2,987                 | 2,987          | 1,731                 | 1,731          |
| Charities based outside the EU                   | 24,000                | 24,000         | 28,701                | 28,701         |
| Government bodies outside the EU                 | 6,267                 | 6,267          | 8,521                 | 8,521          |
| Industry and commerce outside the EU             | 682                   | 682            | 2,345                 | 2,345          |
| Other sources outside the EU                     | 22,016                | 22,016         | 12,911                | 12,911         |
|  | <b>167,475</b>        | <b>167,475</b> | <b>169,968</b>        | <b>169,968</b> |

### 5. Other income

|                                 | 2025                  |                | 2024                  |                |
|---------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                 | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Research consultancy            | 836                   | 836            | 654                   | 654            |
| Other non-research grant income | 4,532                 | 4,532          | 3,579                 | 3,579          |
|                                 | <b>5,368</b>          | <b>5,368</b>   | <b>4,233</b>          | <b>4,233</b>   |
| Refectory                       | 258                   | 258            | 136                   | 136            |
| Other income                    | 8,847                 | 8,679          | 10,390                | 10,788         |
|                                 | <b>9,105</b>          | <b>8,937</b>   | <b>10,526</b>         | <b>10,924</b>  |
|                                 | <b>14,473</b>         | <b>14,305</b>  | <b>14,759</b>         | <b>15,157</b>  |

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

## Notes to the Financial Statements (continued)

### 6. Investment income

|                         | 2025                  |                | 2024                  |                |
|-------------------------|-----------------------|----------------|-----------------------|----------------|
|                         | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Other investment income | 3,981                 | 4,024          | 4,770                 | 4,775          |
|                         | <u>3,981</u>          | <u>4,024</u>   | <u>4,770</u>          | <u>4,775</u>   |

### 7. Donations and endowments

|                             | 2025                  |                | 2024                  |                |
|-----------------------------|-----------------------|----------------|-----------------------|----------------|
|                             | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Endowment investment income | 517                   | 517            | 565                   | 565            |
| Donations with restrictions | 7,702                 | 7,702          | 5,628                 | 5,628          |
|                             | <u>8,219</u>          | <u>8,219</u>   | <u>6,193</u>          | <u>6,193</u>   |

### 8. Interest and other finance costs

|                                      | 2025                  |                | 2024                  |                |
|--------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                      | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Loan interest                        | 530                   | 530            | 564                   | 564            |
| Net charge on the USS pension scheme | -                     | -              | 1,376                 | 1,376          |
|                                      | <u>530</u>            | <u>530</u>     | <u>1,940</u>          | <u>1,940</u>   |

### 9. Staff costs

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Salaries   | 106,423               | 106,423        | 103,305               | 103,305        |
| Social security costs  | 9,366                 | 9,366          | 8,551                 | 8,551          |
| Other pension costs  | 13,869                | 13,869         | 15,338                | 15,338         |
| Apprenticeship levy  | 382                   | 382            | 348                   | 348            |
| Movement in USS pension deficit recovery plan provision (Notes 18, 24) | -                     | -              | (61,212)              | (61,212)       |
|  | <u>130,040</u>        | <u>130,040</u> | <u>66,330</u>         | <u>66,330</u>  |

## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

| <b>Emoluments of the Director:</b>          | <b>2025</b>  | <b>2024</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Basic salary                                | <b>240</b>   | 245          |
| Bonus                                       | <b>50</b>    | 45           |
| Allowances linked to clinical academic role | <b>79</b>    | 78           |
| Pension contributions                       | <b>55</b>    | 55           |
|   | <b>424</b>   | <b>423</b>   |

The Director's remuneration arrangements include a performance related element linked to KPIs. For the 2024/25 financial year, the Director has voluntarily opted to waive this element of his remuneration (£50k), preferring that it be reinvested into LSHTM's activities.

Of the total emoluments of the Director set out above, £59k out of £79k of allowances (2024: £59k out of £78k) was funded by the NHS in respect of the Director's contract as an NHS clinician.

The Director's underlying basic salary increased by 2.5% in 2025 compared to 2024, in line with the national pay award for all staff in the Higher Education sector. However, the table above presents a reduction in pay due to the receipt of a backdated clinical pay award in 23/24 due to a delay in receipt of the external funding which was outside of LSHTM's control.

Outside of national pay awards, applied to all staff in the sector, the Director's basic pay has not increased since he commenced in post in August 2021.

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

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

|                          | <b>2025</b> | <b>2024</b> |
|--------------------------|-------------|-------------|
| Basic salary ratio       | <b>4.7</b>  | 4.9         |
| Total remuneration ratio | <b>8.3</b>  | 8.5         |

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

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

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

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

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

## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

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

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

The Director does not have any accommodation provided by LSHTM.

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

|                      | 2025<br>No. | 2024<br>No. |
|----------------------|-------------|-------------|
| £100,000 to £104,999 | 16          | 22          |
| £105,000 to £109,999 | 12          | 15          |
| £110,000 to £114,999 | 14          | 25          |
| £115,000 to £119,999 | 15          | 14          |
| £120,000 to £124,999 | 6           | 9           |
| £125,000 to £129,999 | 22          | 17          |
| £130,000 to £134,999 | 4           | 4           |
| £135,000 to £139,999 | 19          | 1           |
| £150,000 to £154,999 | 2           | 2           |
| £155,000 to £159,999 | 1           | 2           |
| £160,000 to £164,999 | 1           | 1           |
| £165,000 to £169,999 | 1           | -           |
| £185,000 to £189,999 | 1           | 1           |
| £215,000 to £219,999 | -           | 1           |
| £225,000 to £229,999 | 1           | -           |
| £240,000 to £244,999 | 1           | -           |
| £245,000 to £229,999 | -           | 1           |
|                      | <u>116</u>  | <u>115</u>  |

Average staff numbers by major category:

|   | 2025<br>No.  | 2024<br>No.  |
|---|--------------|--------------|
| Teaching and Research staff in academic faculties | 739          | 815          |
| Support staff in academic faculties               | 239          | 272          |
| LSHTM/MRC research units in Gambia and Uganda     | 1,922        | 1,974        |
| Central services                                  | 328          | 339          |
| Premises  | 64           | 81           |
|   | <u>3,292</u> | <u>3,481</u> |

### Key management personnel

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

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| Key management personnel total remuneration | <u>2,547</u>  | <u>2,451</u>  |
|   | No.           | No.           |
| Number of key management personnel (FTEs)   | 12            | 13            |

## Notes to the Financial Statements (continued)

### 9. Staff costs (continued)

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

|  |   |
|--|---|
| Prof Liam Smeeth                           | Director  |
| Dr Matthew Lee                             | Chief Operating Officer                         |
| Prof Caroline Relton                       | Pro-Director, Research and Academic Development |
| Prof Ahmed Rashid (from September 2024)    | Pro-Director, Education                         |
| Mr Craig Higgins (until August 2024)       | Pro-Director, Education                         |
| Prof Elizabeth Allen                       | Dean of EPH Faculty                             |
| Prof Alison Grant (until January 2025)     | Dean of ITD Faculty                             |
| Prof Jose Bengoechea (from February 2025)  | Dean of ITD Faculty                             |
| Prof Kara Hanson (until August 2025)       | Dean of PHP Faculty                             |
| Ms Katie Steels                            | Director, Communications & Engagement           |
| Prof Umberto D'Alessandro                  | Director, MRC Unit The Gambia at LSHTM          |
| Prof Moffat Nyirenda                       | Director, MRC/UVRI & LSHTM Uganda Research Unit |
| Mr Kessar Kalim                            | Director, Human Resources                       |
| Mr Andrew Dyer                             | Director, Finance                               |
| Dr Roshni Mooneeram (until September 2024) | Director, Equity, Diversity and Inclusion       |

#### Council members

No Council member has received any remuneration/waived payments from the Group during the financial year 2025. The total expenses paid on behalf of Council members was £nil (2024: £nil).

#### Compensation for loss of office

During the year one person received £14k (2023/24: three people received £62k) as compensation for loss of office across all staff groups at LSHTM, not exclusively Executive Team members.

### 10. Analysis of total expenditure by activity

|                                       | 2025<br>Consolidated<br>£'000 |         |         | 2024<br>Consolidated<br>£'000 |         |          |
|---------------------------------------|-------------------------------|---------|---------|-------------------------------|---------|----------|
|                                       | Staff                         | Other   | Total   | Staff                         | Other   | Total    |
| Academic faculties:                   |                               |         |         |                               |         |          |
| General funds                         | 26,068                        | 1,991   | 28,059  | 25,427                        | 1,541   | 26,968   |
| Projects:                             |                               |         |         |                               |         |          |
| Research grants and contracts         | 60,679                        | 74,522  | 135,201 | 62,112                        | 75,399  | 137,511  |
| LSHTM/MRC Units                       | 10,304                        | 8,254   | 18,558  | 9,565                         | 4,762   | 14,327   |
| Consultancy agreements                | 396                           | 440     | 836     | 270                           | 384     | 654      |
| Provision – onerous research projects | -                             | (3,100) | (3,100) | -                             | (1,650) | (1,650)  |
| Other grants                          | 1,604                         | 3,877   | 5,481   | 1,829                         | 3,272   | 5,101    |
| Total academic faculties' expenditure | 99,051                        | 85,984  | 185,035 | 99,203                        | 83,708  | 182,911  |
| Academic services                     | 11,068                        | 6,837   | 17,905  | 10,169                        | 6,512   | 16,681   |
| Administrative services               | 14,330                        | 5,245   | 19,575  | 13,479                        | 4,844   | 18,323   |
| Maintenance of premises               | 2,820                         | 4,282   | 7,102   | 2,673                         | 4,170   | 6,843    |
| Equipment and furniture               | -                             | 247     | 247     | -                             | 123     | 123      |
| Refectory                             | 337                           | 266     | 603     | 283                           | 56      | 339      |
| USS pension provision                 | -                             | -       | -       | (61,212)                      | -       | (61,212) |
| Annual leave accrual                  | 320                           | -       | 320     | (352)                         | -       | (352)    |
| General education expenditure         | 1,733                         | 3,035   | 4,768   | 1,710                         | 3,966   | 5,676    |
| Studentships                          | -                             | 2,966   | 2,966   | -                             | 3,391   | 3,391    |
| Other expenditure                     | 381                           | 502     | 883     | 377                           | 3,909   | 4,286    |
| Currency exchange rate losses         | -                             | -       | -       | -                             | 559     | 559      |
|                                       | 30,989                        | 23,380  | 54,369  | (32,873)                      | 27,530  | (5,343)  |
|                                       | 130,040                       | 109,364 | 239,404 | 66,330                        | 111,238 | 177,568  |

Notes to the Financial Statements (continued)

10. Analysis of total expenditure by activity (continued)

| Other operating expenses include (including irrecoverable VAT): | 2025       | 2024       |
|---|------------|------------|
|   | £'000      | £'000      |
| LSHTM financial statements audit                                | 174        | 169        |
| Subsidiary financial statements audit                           | 23         | 23         |
| US Loans FFELP audit  | 9          | 9          |
|   | <b>206</b> | <b>201</b> |

|                          |     |     |
|--------------------------|-----|-----|
| Operating lease rentals: |     |     |
| Property                 | 160 | 173 |
| Other                    | 3   | 13  |

|                                       | 2025<br>LSHTM<br>£'000 |         |         | 2024<br>LSHTM<br>£'000 |         |          |
|---------------------------------------|------------------------|---------|---------|------------------------|---------|----------|
|                                       | Staff                  | Other   | Total   | Staff                  | Other   | Total    |
| Academic faculties:                   |                        |         |         |                        |         |          |
| General funds                         | 26,068                 | 1,991   | 28,059  | 25,427                 | 1,541   | 26,968   |
| Projects:                             |                        |         |         |                        |         |          |
| Research grants and contracts         | 60,679                 | 74,522  | 135,201 | 62,112                 | 75,399  | 137,511  |
| LSHTM/MRC Units                       | 10,304                 | 8,254   | 18,558  | 9,565                  | 4,762   | 14,327   |
| Consultancy agreements                | 396                    | 440     | 836     | 270                    | 384     | 654      |
| Provision – onerous research projects | -                      | (3,100) | (3,100) | -                      | (1,650) | (1,650)  |
| Other grants                          | 1,604                  | 3,877   | 5,481   | 1,829                  | 3,272   | 5,101    |
| Total academic faculties' expenditure | 99,051                 | 85,984  | 185,035 | 99,203                 | 83,708  | 182,911  |
| Academic services                     | 11,068                 | 6,837   | 17,905  | 10,169                 | 6,512   | 16,681   |
| Administrative services               | 14,330                 | 5,245   | 19,575  | 13,479                 | 4,844   | 18,323   |
| Maintenance of premises               | 2,820                  | 4,282   | 7,102   | 2,673                  | 4,170   | 6,843    |
| Equipment and furniture               | -                      | 247     | 247     | -                      | 123     | 123      |
| Refectory                             | 337                    | 266     | 603     | 283                    | 56      | 339      |
| USS pension provision                 | -                      | -       | -       | (61,212)               | -       | (61,212) |
| Annual leave accrual                  | 320                    | -       | 320     | (352)                  | -       | (352)    |
| General education expenditure         | 1,733                  | 3,035   | 4,768   | 1,710                  | 3,966   | 5,676    |
| Studentships                          | -                      | 2,966   | 2,966   | -                      | 3,391   | 3,391    |
| Other expenditure                     | 381                    | 513     | 894     | 377                    | 3,579   | 3,956    |
| Currency exchange rate losses         | -                      | -       | -       | -                      | 559     | 559      |
|                                       | 30,989                 | 23,391  | 54,380  | (32,873)               | 27,200  | (5,673)  |
|                                       | 130,040                | 109,375 | 239,415 | 66,330                 | 110,908 | 177,238  |

Notes to the Financial Statements (continued)

11. Intangible assets

| Consolidated and LSHTM   | Intangible<br>asset in the<br>course of<br>construction<br>£'000 | Software<br>£'000 | Total<br>£'000 |
|--|--|-------------------|----------------|
| <b>Cost or valuation</b>   |  |                   |                |
| At 1 August 2024   | 1,014  | 2,914             | 3,928          |
| Release of intangible assets in the<br>course of construction to expenditure | (1,014)  | -                 | (1,014)        |
| <b>At 31 July 2025</b>   | <u>-</u>   | <u>2,914</u>      | <u>2,914</u>   |
| <b>Amortisation</b>  |  |                   |                |
| At 1 August 2024   | -  | 2,769             | 2,769          |
| Charge for the year  | -  | 145               | 145            |
| <b>At 31 July 2025</b>   | <u>-</u>   | <u>2,914</u>      | <u>2,914</u>   |
| <b>Net book value</b>  |  |                   |                |
| <b>At 31 July 2025</b>   | <u>-</u>   | <u>-</u>          | <u>-</u>       |
| At 31 July 2024  | <u>1,014</u>   | <u>145</u>        | <u>1,159</u>   |

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets

| Consolidated                         | Freehold<br>Land and<br>Buildings | Leasehold<br>Land and<br>Buildings | Plant,<br>Machinery,<br>Fixtures,<br>Fittings and<br>Equipment | Assets in the<br>Course of<br>Construction | Total                 |
|--------------------------------------|-----------------------------------|------------------------------------|--|--|-----------------------|
|                                      | £'000                             | £'000                              | £'000  | £'000                                      | £'000                 |
| <b>Cost or valuation</b>             |                                   |                                    |  |  |                       |
| At 1 August 2024                     | 240,037                           | 37,345                             | 36,247   | 8,873                                      | <b>322,502</b>        |
| Additions                            | -                                 | 52                                 | 625  | 23,319                                     | <b>23,996</b>         |
| Transfers                            | 8,140                             | -                                  | 342  | (8,482)                                    | -                     |
| Surplus on revaluation               | 1,162                             | 623                                | -  | -  | <b>1,785</b>          |
| Disposals                            | (20,709)                          | (4,541)                            | -  | -  | <b>(25,250)</b>       |
| <b>At 31 July 2025</b>               | <b><u>228,630</u></b>             | <b><u>33,479</u></b>               | <b><u>37,214</u></b>   | <b><u>23,710</u></b>                       | <b><u>323,033</u></b> |
| <b>Depreciation and impairment</b>   |                                   |                                    |  |  |                       |
| At 1 August 2024                     | 41,189                            | 4,419                              | 28,519   | -  | <b>74,127</b>         |
| Charge for the year                  | 3,793                             | 671                                | 3,063  | -  | <b>7,527</b>          |
| Impairment on revaluation            | 21,814                            | 9                                  | -  | -  | <b>21,823</b>         |
| Written back on revaluation          | (6,975)                           | (1,240)                            | -  | -  | <b>(8,215)</b>        |
| Disposals                            | -                                 | (2,417)                            | -  | -  | <b>(2,417)</b>        |
| <b>At 31 July 2025</b>               | <b><u>59,821</u></b>              | <b><u>1,442</u></b>                | <b><u>31,582</u></b>   | <b><u>-</u></b>                            | <b><u>92,845</u></b>  |
| <b>Net book value</b>                |                                   |                                    |  |  |                       |
| <b>At 31 July 2025</b>               | <b><u>168,809</u></b>             | <b><u>32,037</u></b>               | <b><u>5,632</u></b>  | <b><u>23,710</u></b>                       | <b><u>230,188</u></b> |
| At 31 July 2024                      | <u>198,848</u>                    | <u>32,926</u>                      | <u>7,728</u>   | <u>8,873</u>                               | <u>248,375</u>        |
| <b>Leased assets included above:</b> |                                   |                                    |  |  |                       |
| <b>Net book value</b>                |                                   |                                    |  |  |                       |
| <b>At 31 July 2025</b>               | <b><u>-</u></b>                   | <b><u>32,037</u></b>               | <b><u>-</u></b>  | <b><u>-</u></b>                            | <b><u>32,037</u></b>  |
| At 31 July 2024                      | <u>-</u>                          | <u>32,926</u>                      | <u>-</u>   | <u>-</u>                                   | <u>32,926</u>         |

At 31 July 2025, freehold land and buildings included £63,079k (2024: £58,674k) in respect of land which is not depreciated, this uplift is split between the surplus on revaluation and the depreciation written back on revaluation.

A revaluation of LSHTM's freehold and leasehold land and buildings in London, Gambia and Uganda was carried out as at 31 July 2025 by external valuers Wilks Head & Eve LLP, Sphinx Associates and Hillscape Valuers respectively. The revaluation as at 31 July 2025 resulted in a net decrease in the net book value of land and buildings of £28,857k (2024: net decrease of £4,950k). This decrease was primarily due to significant refurbishment works currently in progress on the Keppel Street and Tavistock Place 1 buildings and to changes in underlying assumptions applied by the new valuers in London. The areas under refurbishment in these buildings have been presented at nil value with the costs incurred to the balance sheet date recorded within Assets in the Course of Construction. The brought forward costs relating to the areas being refurbished are treated as being disposed of (£20,709k) for nil consideration.

The freehold property known as the London School of Hygiene and Tropical Medicine Estate was valued as at 31 July 2025 by an external valuer, Wilks Head & Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2025 and the national standards and guidance set out in the UK national supplement (October 2023), the International Valuation Standards, and FRS102.

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets (continued)

Land in London (Keppel Street and Tavistock Place) is considered to be specialised in nature. The valuation has been determined by what other uses a buyer of an alternative site for the specialised use would have to pay to compete in the market. Given the lack of similar recent land sales, the valuation is judgement-led, taking account of those comparable transactions available in the region. The assessed value of land at Keppel Street is £175 per square foot (2024: £137 per square foot) and at Tavistock Place is £273 per square foot (2024: £287 per square foot).

The building at Keppel Street is also considered to be specialised in nature. The valuation has been determined using a Depreciated Replacement Cost (DRC) method. It is considered that any less specialised elements of the building will likely be integral to the functioning of the building as a whole and for the purposes of the valuation inseparable from the specialised higher education uses of the building. On the DRC method used, the assessed value of the Keppel Street building is £367 per square foot (2024: £423 per square foot).

The buildings at Tavistock Place are considered to be non-specialised property, and as such have been valued on an Existing Use Value basis, having regard to recent sales of office accommodation (Use Class E) in the vicinity. The assessed value, on this EUV basis, is not applicable for Tavistock Place 1 (the older of the two buildings) as it is currently undergoing complete refurbishment (2024: £340 per square foot) and £636 per square foot (2024: £581 per square foot) for Tavistock Place 2 (the newer of the two buildings).

In September 2024, the second Bedford Square property was disposed.

Land and buildings in The Gambia are located at eight sites, spread throughout the country. The valuation methods used are consistent across all sites; EUV for land and DRC for buildings. The valuations vary greatly by location. For land, the value per hectare ranges from £7,841 to £836,372 (2024: £6,832 to £858,603). The lower value represents a small remote rural site, and the higher value reflects a sea-front location in a sought-after area. For buildings, the value varies according to building construction type, with a range from £38 per square metre to £377 per square metre (2024: from £70 per square metre to £376 per square metre). The lower value represents a site with simple concrete construction non-research buildings, and the higher value reflects a site with a large proportion of specialist research facilities including laboratories.

| LSHTM                              | Freehold<br>Land and<br>Buildings | Leasehold<br>Land and<br>Buildings | Plant,<br>Machinery,<br>Fixtures,<br>Fittings and<br>Equipment | Assets in the<br>Course of<br>Construction | Total           |
|------------------------------------|-----------------------------------|------------------------------------|--|--|-----------------|
|                                    | £'000                             | £'000                              | £'000  | £'000                                      | £'000           |
| <b>Cost or valuation</b>           |                                   |                                    |  |  |                 |
| At 1 August 2024                   | 237,867                           | 37,345                             | 36,247   | 8,873                                      | <b>320,332</b>  |
| Additions                          | -                                 | 52                                 | 625  | 23,319                                     | <b>23,996</b>   |
| Transfers                          | 8,140                             | -                                  | 342  | (8,482)                                    | -               |
| Surplus on revaluation             | 1,150                             | 623                                | -  | -  | <b>1,773</b>    |
| Disposals                          | (20,709)                          | (4,541)                            | -  | -  | <b>(25,250)</b> |
| <b>At 31 July 2025</b>             | <b>226,448</b>                    | <b>33,479</b>                      | <b>37,214</b>  | <b>23,710</b>                              | <b>320,851</b>  |
| <b>Depreciation and impairment</b> |                                   |                                    |  |  |                 |
| At 1 August 2024                   | 41,169                            | 4,419                              | 28,519   | -  | <b>74,107</b>   |
| Charge for the year                | 3,793                             | 671                                | 3,063  | -  | <b>7,527</b>    |
| Impairment on revaluation          | 21,813                            | 9                                  | -  | -  | <b>21,822</b>   |
| Written back on revaluation        | (6,955)                           | (1,240)                            | -  | -  | <b>(8,195)</b>  |
| Disposals                          | -                                 | (2,417)                            | -  | -  | <b>(2,417)</b>  |
| <b>At 31 July 2025</b>             | <b>59,820</b>                     | <b>1,442</b>                       | <b>31,582</b>  | <b>-</b>                                   | <b>92,844</b>   |
| <b>Net book value</b>              |                                   |                                    |  |  |                 |
| <b>At 31 July 2025</b>             | <b>166,628</b>                    | <b>32,037</b>                      | <b>5,632</b>   | <b>23,710</b>                              | <b>228,007</b>  |
| At 31 July 2024                    | 196,698                           | 32,926                             | 7,728  | 8,873                                      | 246,225         |

## Notes to the Financial Statements (continued)

### 12. Tangible fixed assets (continued)

Leased assets included above:

#### Net book value

|                        |          |               |          |          |               |
|------------------------|----------|---------------|----------|----------|---------------|
| <b>At 31 July 2025</b> | <u>-</u> | <u>32,038</u> | <u>-</u> | <u>-</u> | <u>32,038</u> |
| At 31 July 2024        | <u>-</u> | <u>32,926</u> | <u>-</u> | <u>-</u> | <u>32,926</u> |

At 31 July 2025, freehold land and buildings included £61,015k (2024: £56,610k) in respect of land which is not depreciated.

### 13. Non-current investments

| <b>Consolidated</b>           | <b>Subsidiary<br/>companies</b> | <b>Other fixed<br/>asset<br/>investments</b> | <b>Total</b>  |
|-------------------------------|---------------------------------|--|---------------|
|                               | <b>£'000</b>                    | <b>£'000</b>                                 | <b>£'000</b>  |
| As 1 August 2024              | -                               | 22,028                                       | 22,028        |
| Additions                     | -                               | 163  | 163           |
| Investment management costs   | -                               | (36)   | (36)          |
| Total return released to SOCI | -                               | (395)  | (395)         |
| Expenditure                   | -                               | (653)  | (653)         |
| Income                        | -                               | 803  | 803           |
| Unrealised gains              | -                               | 502  | 502           |
| <b>At 31 July 2025</b>        | <u>-</u>                        | <u>22,412</u>                                | <u>22,412</u> |

| <b>LSHTM</b>                  | <b>Subsidiary<br/>companies</b> | <b>Other fixed<br/>asset<br/>investments</b> | <b>Total</b>  |
|-------------------------------|---------------------------------|--|---------------|
|                               | <b>£'000</b>                    | <b>£'000</b>                                 | <b>£'000</b>  |
| As 1 August 2024              | 100                             | 22,001                                       | 22,101        |
| Additions                     | -                               | 163  | 163           |
| Investment management costs   | -                               | (36)   | (36)          |
| Total return released to SOCI | -                               | (395)  | (395)         |
| Expenditure                   | -                               | (653)  | (653)         |
| Income                        | -                               | 803  | 803           |
| Unrealised gains              | -                               | 502  | 502           |
| <b>At 31 July 2025</b>        | <u>100</u>                      | <u>22,385</u>                                | <u>22,485</u> |

## Notes to the Financial Statements (continued)

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

Non-current investments consist of:

|   | Consolidated<br>£ | School<br>£    |
|---|-------------------|----------------|
| <b>Subsidiary companies:</b>                    |                   |                |
| Chariot Innovations Limited                     | -                 | 100,000        |
| LSHTM Developments Limited                      | -                 | 2              |
| MRC/UVRI and LSHTM Uganda Research Unit Limited | -                 | 207            |
| Sustainable Climate Impact Fund Limited         | -                 | -              |
|   | <u>-</u>          | <u>100,209</u> |
|   | <u>-</u>          | <u>100,209</u> |
| <b>Other fixed asset investments</b>            | <b>£'000</b>      | <b>£'000</b>   |
| Endowment asset investments (see note 19)       | 20,022            | 20,022         |
| Fixed asset investments                         | 2,390             | 2,363          |
|   | <u>22,412</u>     | <u>22,385</u>  |
|   | <u>22,412</u>     | <u>22,385</u>  |

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

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

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

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

### 14. Investment in joint venture

Until February 2025, LSHTM held a 20% share of London International Development Centre which was a collaboration between five specialist Bloomsbury Colleges of the University of London and operated as a membership organisation, and which did not create a separate legal entity. Each college accounted for (i) the assets that it controlled and the liabilities it incurred; (ii) the expenses that it incurred, and the share of income it earned from the sale of goods or services which fell within the terms of the arrangement. The arrangement was treated as a jointly controlled operation, such that 20% of the membership's gross assets and liabilities, income and expenditure are incorporated into the consolidated balance sheet and statement of comprehensive income of LSHTM. LIDC was wound down in February 2025 with existing grants transferred to LSHTM for completion.

|   | 2025<br>£'000 | 2024<br>£'000 |
|---|---------------|---------------|
| <b>Income and expenditure account (LSHTM share)</b> |               |               |
| Income  | 15            | 78            |
| Expenditure   | (207)         | (442)         |
| Deficit before tax and contributions from LSHTM     | <u>(192)</u>  | <u>(364)</u>  |
|   | <u>(192)</u>  | <u>(364)</u>  |

## Notes to the Financial Statements (continued)

### 15. Trade and other receivables

|  | 2025                  |                | 2024                  |                |
|--|-----------------------|----------------|-----------------------|----------------|
|  | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Research expenditure recoverable                 | 28,548                | 28,548         | 23,139                | 23,139         |
| Other trade receivables                          | 28,854                | 28,534         | 26,641                | 26,629         |
| Prepayments and accrued income                   | 5,995                 | 5,995          | 8,508                 | 8,508          |
| Social security and other taxation<br>receivable | 237                   | 237            | 324                   | 317            |
| Amounts due from subsidiary<br>companies         | -                     | 848            | -                     | 887            |
|  | <u>63,634</u>         | <u>64,162</u>  | <u>58,612</u>         | <u>59,480</u>  |

Other trade receivables includes £0.3m which is a non-current. All other amounts fall due within one year.

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

|   | 2025                  |                | 2024                  |                |
|---|-----------------------|----------------|-----------------------|----------------|
|   | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Unsecured loans                               | 778                   | 778            | 755                   | 755            |
| Trade payables                                | 10,293                | 10,509         | 3,563                 | 3,933          |
| Social security and other taxation<br>payable | 1,635                 | 1,599          | -                     | -              |
| Accruals and deferred income                  | 80,794                | 80,649         | 84,258                | 84,274         |
| Derivatives                                   | 435                   | 435            | 871                   | 871            |
|   | <u>93,935</u>         | <u>93,970</u>  | <u>89,447</u>         | <u>89,833</u>  |

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

#### Accruals and deferred income

Included within accruals and deferred income are the following items:

|                                     | 2025                  |                | 2024                  |                |
|-------------------------------------|-----------------------|----------------|-----------------------|----------------|
|                                     | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Research grants received on account | 43,734                | 43,734         | 45,718                | 45,718         |
| Accrued expenses                    | 12,172                | 12,027         | 10,499                | 10,515         |
| Deferred income                     | 24,888                | 24,888         | 28,041                | 28,041         |
|                                     | <u>80,794</u>         | <u>80,649</u>  | <u>84,258</u>         | <u>84,274</u>  |

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

|                 | 2025                  |                | 2024                  |                |
|-----------------|-----------------------|----------------|-----------------------|----------------|
|                 | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Deferred income | 71,864                | 71,864         | 69,565                | 69,565         |
| Derivatives     | 9,504                 | 9,504          | 7,918                 | 7,918          |
| Unsecured loans | 9,716                 | 9,716          | 10,494                | 10,494         |
|                 | <u>91,084</u>         | <u>91,084</u>  | <u>87,977</u>         | <u>87,977</u>  |

## Notes to the Financial Statements (continued)

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

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

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

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

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

The derivatives are accounted for as a hedge of variable rate interest rate risk, in accordance with FRS102 and had a fair value of £529k (2024: £715k) at the balance sheet date. The cash flows arising from the interest rate swaps will continue until their maturity in February 2038, coincidental with the repayment of the term loans. The change in fair value in the period was a decrease in the liability of £186k (2024: increase of £352k), with the entire change being recognised in other comprehensive income as the swaps are considered to be fully effective.

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

At the balance sheet date LSHTM had in place a number of currency forward contracts to hedge against volatility in currency exchange rates against Sterling. These derivatives are accounted for in accordance with FRS102 and had a fair value of £9,415k (2024: £8,073k) at the balance sheet date. The change in fair value in the period was an increase in the liability of £1,342k (2024: £96k), with the entire difference being recognised as a charge to other comprehensive income.

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

|   | 2025                  |                | 2024                  |                |
|---|-----------------------|----------------|-----------------------|----------------|
|   | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Due within one year or on demand<br>(note 16) | 778                   | 778            | 755                   | 755            |
| Due between one and two years                 | 800                   | 800            | 778                   | 778            |
| Due between two and five years                | 2,094                 | 2,094          | 2,168                 | 2,168          |
| Due in five years or more                     | 6,822                 | 6,822          | 7,548                 | 7,548          |
| Due after more than one year                  | 9,716                 | 9,716          | 10,494                | 10,494         |
|   | <b>10,494</b>         | <b>10,494</b>  | <b>11,249</b>         | <b>11,249</b>  |

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

|                               | Amount<br>£'000 | Maturity | Borrower |
|-------------------------------|-----------------|----------|----------|
| National Westminster Bank plc | 7,291           | 2038     | LSHTM    |
| National Westminster Bank plc | 2,887           | 2038     | LSHTM    |
| Salix Finance Limited         | 316             | 2027     | LSHTM    |
|                               | <b>10,494</b>   |          |          |

Notes to the Financial Statements (continued)

18. Provisions

| <b>Consolidated</b>    | <b>Pension<br/>contribution<br/>provision<br/>(non-UK)<br/>£'000</b> | <b>Onerous<br/>contract<br/>provisions<br/>£'000</b> | <b>Total<br/>provisions<br/>£'000</b> |
|------------------------|--|--|---------------------------------------|
| As 1 August 2024       | -  | 3,100  | 3,100                                 |
| Additions in year      | 345  | -  | 345                                   |
| Released in year       | -  | (3,100)  | (3,100)                               |
| <b>At 31 July 2025</b> | <b>345</b>   | <b>-</b>   | <b>345</b>                            |

| <b>School</b>          | <b>Pension<br/>contribution<br/>provision<br/>(non-UK)<br/>£'000</b> | <b>Onerous<br/>contract<br/>provisions<br/>£'000</b> | <b>Total<br/>provisions<br/>£'000</b> |
|------------------------|--|--|---------------------------------------|
| As 1 August 2024       | -  | 3,100  | 3,100                                 |
| Additions in year      | 345  | -  | 345                                   |
| Released in year       | -  | (3,100)  | (3,100)                               |
| <b>At 31 July 2025</b> | <b>345</b>   | <b>-</b>   | <b>345</b>                            |

LSHTM received notification in November 2025 from the Uganda Unit of a potential legacy financial liability relating to pension contributions relating to the period 1988-2003. This was prior to LSHTM taking responsibility for the Unit in February 2018; however, there remains uncertainty as to the timing and amount of potential future claims of unpaid amounts and thus a provision has been recognised. Further details on these uncertainties are given in accounting policy 17.

## Notes to the Financial Statements (continued)

### 19. Endowments

Restricted net assets relating to endowments are as follows:

|  | Restricted permanent endowments<br>£'000 | Unrestricted permanent endowments<br>£'000 | Expendable endowments<br>£'000 | 2025 Total<br>£'000 | 2024 Total<br>£'000 |
|--|--|--|--------------------------------|---------------------|---------------------|
| <b>Balances at 1 August</b>                              |  |  |                                |                     |                     |
| Expendable endowments                                    | -  | -  | 4,431                          | 4,431               | 4,016               |
| Permanent endowment base value                           | 9,718                                    | 1,371                                      | -                              | 11,089              | 11,089              |
| Unapplied total return                                   | 3,548                                    | 615  | -                              | 4,163               | 2,977               |
|  | <b>13,266</b>                            | <b>1,986</b>                               | <b>4,431</b>                   | <b>19,683</b>       | 18,082              |
| New endowments   | -  | -  | 163                            | 163                 | 150                 |
| Investment income  | 195                                      | 41   | 566                            | 802                 | 958                 |
| Increase in market value of investments                  | 260                                      | 26   | 172                            | 458                 | 1,881               |
| Total return allocated to income in the reporting period | (327)                                    | (68)                                       | -                              | (395)               | (482)               |
| Expenditure  | -  | -  | (653)                          | (653)               | (847)               |
| Management fees  | (30)                                     | (6)  | -                              | (36)                | (59)                |
|  | <b>98</b>                                | <b>(7)</b>                                 | <b>248</b>                     | <b>339</b>          | 1,601               |
| <b>At 31 July</b>  | <b>13,364</b>                            | <b>1,979</b>                               | <b>4,679</b>                   | <b>20,022</b>       | 19,683              |
| <b>At end of reporting period:</b>                       |  |  |                                |                     |                     |
|  | Restricted permanent endowments<br>£'000 | Unrestricted permanent endowments<br>£'000 | Expendable endowments<br>£'000 | 2025 Total<br>£'000 | 2024 Total<br>£'000 |
| Expendable endowments                                    | -  | -  | 4,679                          | 4,679               | 4,431               |
| Permanent endowment base value                           | 9,717                                    | 1,371                                      | -                              | 11,088              | 11,089              |
| Unapplied total return                                   | 3,647                                    | 608  | -                              | 4,255               | 4,163               |
|  | <b>13,364</b>                            | <b>1,979</b>                               | <b>4,679</b>                   | <b>20,022</b>       | 19,683              |
| <b>Represented by:</b>                                   |  |  |                                |                     |                     |
| Capital  | 13,364                                   | 1,979                                      | 2,297                          | 17,640              | 17,600              |
| Accumulated income                                       | -  | -  | 2,382                          | 2,382               | 2,083               |
|  | <b>13,364</b>                            | <b>1,979</b>                               | <b>4,679</b>                   | <b>20,022</b>       | 19,683              |

## Notes to the Financial Statements (continued)

### 19. Endowments (continued)

#### Analysed by type and purpose:

|                                     |               |              |              |               |               |
|-------------------------------------|---------------|--------------|--------------|---------------|---------------|
| Scholarships and bursaries          | 2,561         | -            | 2,770        | <b>5,331</b>  | 5,283         |
| Research support and Lectureships   | 3,392         | -            | 902          | <b>4,294</b>  | 4,174         |
| Brass Blacker Chair                 | 3,281         |              | 909          | <b>4,190</b>  | 4,167         |
| Takeda Chair in Global Child Health | 3,691         | -            | (104)        | <b>3,587</b>  | 3,456         |
| Prize funds                         | 141           | -            | 58           | <b>199</b>    | 194           |
| General                             | 298           | 1,979        | 144          | <b>2,421</b>  | 2,409         |
|                                     | <b>13,364</b> | <b>1,979</b> | <b>4,679</b> | <b>20,022</b> | <b>19,683</b> |

#### Analysed by asset:

|                               |  |  |  |               |               |
|-------------------------------|--|--|--|---------------|---------------|
| Non-current asset investments |  |  |  | <b>19,320</b> | 18,994        |
| Cash & cash equivalents       |  |  |  | <b>702</b>    | 689           |
|                               |  |  |  | <b>20,022</b> | <b>19,683</b> |

### 20. Restricted reserves

Reserves with restrictions are as follows:

|  | <b>2025</b>              | 2024              |
|--|--------------------------|-------------------|
|  | <b>Donations reserve</b> | Donations reserve |
|  | <b>£'000</b>             | £'000             |
| <b>Balances as 1 August</b>                            | <b>7,892</b>             | 8,892             |
| New donations  | <b>1,864</b>             | 1,480             |
| Expenditure  | <b>(1,915)</b>           | (2,480)           |
| <b>Total restricted comprehensive loss in the year</b> | <b>(51)</b>              | (1,000)           |
| <b>At 31 July</b>                                      | <b>7,841</b>             | 7,892             |
| <b>Analysis by type of purpose:</b>                    |                          |                   |
| Research support                                       | <b>4,114</b>             | 4,322             |
| Capital  | <b>2,926</b>             | 2,426             |
| Scholarships and bursaries                             | <b>596</b>               | 564               |
| Lectureships   | <b>29</b>                | 408               |
| General  | <b>139</b>               | 134               |
| Prize funds  | <b>37</b>                | 38                |
| <b>At 31 July</b>                                      | <b>7,841</b>             | 7,892             |

## Notes to the Financial Statements (continued)

### 21. Cash and cash equivalents

|                           | At 1 August<br>2024<br>£'000 | Cash flows<br>£'000 | At 31 July<br>2025<br>£'000 |
|---------------------------|------------------------------|---------------------|-----------------------------|
| <b>Consolidated</b>       |                              |                     |                             |
| Cash and cash equivalents | <u>85,584</u>                | <u>(11,188)</u>     | <u>74,396</u>               |

As at 31 July 2025, £5m (2024: £5m) is held as a short-term deposit and recognised separately on the Statement of Financial Position.

### Analysis of change in consolidated net debt

|                              | At 1 August<br>2024<br>£'000 | Cashflows<br>£'000 | Non-cash<br>changes<br>£'000 | At 31 July<br>2025<br>£'000 |
|------------------------------|------------------------------|--------------------|------------------------------|-----------------------------|
| Cash and cash equivalents    | <u>85,584</u>                | <u>(11,188)</u>    | -                            | <u>74,396</u>               |
| Borrowings due within 1 year | (755)                        | 755                | (778)                        | (778)                       |
| Borrowings due after 1 year  | <u>(10,494)</u>              | -                  | <u>778</u>                   | <u>(9,716)</u>              |
| Total borrowings             | <u>(11,249)</u>              | <u>755</u>         | -                            | <u>(10,494)</u>             |
| Derivatives                  | (715)                        | -                  | 192                          | (523)                       |
|                              | <u>73,620</u>                | <u>(10,433)</u>    | <u>192</u>                   | <u>63,379</u>               |

### 22. Capital and other commitments

#### Committed

|                    | 2025                  |                | 2024                  |                |
|--------------------|-----------------------|----------------|-----------------------|----------------|
|                    | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Land and buildings | 16,692                | 16,692         | 4,601                 | 4,601          |
| Other              | 810                   | 810            | 1                     | 1              |
|                    | <u>17,502</u>         | <u>17,502</u>  | <u>4,602</u>          | <u>4,602</u>   |

#### Authorised

|                    | 2025                  |                | 2024                  |                |
|--------------------|-----------------------|----------------|-----------------------|----------------|
|                    | Consolidated<br>£'000 | LSHTM<br>£'000 | Consolidated<br>£'000 | LSHTM<br>£'000 |
| Land and buildings | 14,334                | 14,334         | 29,162                | 29,162         |
| Other              | 900                   | 900            | 1,373                 | 1,373          |
|                    | <u>15,234</u>         | <u>15,234</u>  | <u>30,535</u>         | <u>30,535</u>  |

The authorised land and buildings figure refers to capital project works at LSHTM's sites in London (£7,721k, 2024: £27,777k), Gambia research unit (£6,613k, 2024: £1,385k) and Uganda research unit (£nil, 2024: £nil).

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

## Notes to the Financial Statements (continued)

### 23. Lease obligations

#### Total rentals payable under operating leases:

|  | Property<br>£'000 | 2025<br>Plant and<br>machinery<br>£'000 | Total<br>£'000    | 2024<br>Total<br>£'000 |
|--|-------------------|---|-------------------|------------------------|
| Payable during the year                      | <u>160</u>        | <u>3</u>                                | <u>163</u>        | <u>186</u>             |
| <b>Future minimum lease payments due:</b>    |                   |   |                   |                        |
| Not later than 1 year                        | 124               | 3                                       | 127               | 183                    |
| Later than 1 year and not later than 5 years | -                 | -                                       | -                 | 307                    |
| <b>Total lease payments due</b>              | <u><u>124</u></u> | <u><u>3</u></u>                         | <u><u>127</u></u> | <u><u>490</u></u>      |

### 24. Pensions

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

LSHTM participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. LSHTM is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", LSHTM therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. LSHTM was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of consolidated income in 2023/24.

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

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

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

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

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

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

| <b>Principal Actuarial Assumptions</b>           | <b>31 March 2023 valuation – technical provisions</b>  |
|--|--|
| Price inflation – Consumer Prices Index (CPI)    | 3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long term market expectations)  |
| RPI/CPI gap                                      | 1.0% to 2030, reducing to 0.1% p.a. from 2030  |
| Pension increases (all subject to a floor of 0%) | Benefits with no cap: <ul style="list-style-type: none"> <li>- CPI assumption plus 3bps</li> </ul><br>Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): <ul style="list-style-type: none"> <li>- CPI assumption minus 3bps</li> </ul> |
| Discount rate (forward rates)                    | Fixed interest gilt yield curve plus: <ul style="list-style-type: none"> <li>Pre-retirement: 2.5% p.a.</li> <li>Post retirement: 0.9% p.a.</li> </ul>  |

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

|                                  | <b>2020 valuation</b>   |
|----------------------------------|---|
| Mortality base table             | 101% of S2PMA “light” for males and 95% of S3PFA for females.   |
| Future improvements to mortality | CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females |

The current life expectancies on retirement at age 65 are:

|                                   | <b>2025</b> | <b>2024</b> |
|-----------------------------------|-------------|-------------|
| Males currently aged 65 (years)   | 23.8        | 23.7        |
| Females currently aged 65 (years) | 25.5        | 25.6        |
| Males currently aged 45 (years)   | 25.7        | 25.4        |
| Females currently aged 45 (years) | 27.2        | 27.2        |

During 2024/25, LSHTM's employer contributions totalled £10,134k (23/24: £11,806k).

At 31 March 2025, LSHTM had 2,188 active members (2024: 2,586) participating in the scheme.

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

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

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

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

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

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

#### **Funding Policy**

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

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

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

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

During 2024/25, LSHTM’s employer contributions totalled £1,594k (23/24: £1,642k).

At 31 March 2025, LSHTM had 251 active members (2024: 253 members) participating in the scheme.

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

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

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

At 31 March 2025, LSHTM had 73 active members (2024: 80 members) contributing to the Scheme.

The contribution rates payable by LSHTM was 16.64% of pensionable salaries totalling £913k (23/24: £841k) of employer contributions.

## Notes to the Financial Statements (continued)

### 24. Pensions (continued)

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

At 31 March 2025, LSHTM had 16 active members (2024: 16 members) participating in the Scheme.

The contribution rate payable by LSHTM during the year was 16.9% of the pensionable salaries totalling £157k (23/24: £165k) of employer contributions.

#### e) Pension costs for the year

The pension costs for all four schemes, which were charged to the Statement of Consolidated Income, were £12,798k (2024: £15,358k).

The movement in the provision in the pension deficit recovery plan for the USS was nil (2024: £59,835k decrease).

### 25. Related party transactions

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

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

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

## Notes to the Financial Statements (continued)

### 26. US Department of Education Supplementary Schedule

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

| Reference                                       | Statement of Financial Position   |  | 2025           |                | 2024    |         |
|---|---|--|----------------|----------------|---------|---------|
|   |   |  | £'000          | £'000          | £'000   | £'000   |
| Balance sheet, Statement of changes in reserves | Statement of Financial Position - Net assets without donor restrictions   | I&E unrestricted reserves                  | -              | <b>182,881</b> | -       | 212,660 |
| Balance sheet, Statement of changes in reserves | Statement of Financial Position - Net assets with donor restrictions  | I&E restricted reserves                    | -              | <b>27,863</b>  | -       | 27,575  |
| Note - Trade and other receivables              | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                   | -              | -              | -       | -       |
| Note - Trade and other receivables              | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                   | -              | -              | -       | -       |
| Balance sheet, Note - Fixed assets              | Statement of Financial Position - Property, Plant and equipment, net  | Fixed assets                               | <b>230,188</b> | -              | 248,375 | -       |
| Balance sheet, Note - Fixed assets              | Statement of Financial Position - Property, plant and equipment - pre-implementation  | Fixed assets                               | -              | <b>202,540</b> | -       | 202,540 |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase    | Fixed assets                               | -              | -              | -       | -       |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase | Fixed asset additions                      | -              | <b>10,479</b>  | -       | 43,504  |
| Note - Fixed assets                             | Note of the Financial Statements - Statement of Financial Position - Construction in progress   | Assets in course of construction additions | -              | <b>23,710</b>  | -       | 2,331   |
| Note - lease obligations                        | Statement of Financial Position - Lease right-of-use assets, net  | Finance lease asset                        | -              | -              | -       | -       |
| Note - lease obligations                        | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation  | Finance lease asset                        | -              | -              | -       | -       |
| Note - lease obligations                        | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation   | Finance lease asset                        | -              | -              | -       | -       |

| Reference  | Statement of Financial Position  |   | 2025          |               | 2024   |        |
|--|--|---|---------------|---------------|--------|--------|
|  |  |   | £'000         | £'000         | £'000  | £'000  |
| Balance sheet, Note - Intangible assets                                    | Statement of Financial Position - Goodwill   | Intangible assets                               | -             | -             | -      | 1,159  |
| Balance sheet, Note - Provisions   | Statement of Financial Position - Post-employment and pension liabilities  | Pension provision                               | -             | -             | -      | -      |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | <b>10,494</b> | -             | 11,249 | -      |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | -             | <b>11,350</b> | -      | 11,350 |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans                                      | -             | -             | -      | -      |
| Balance sheet, Notes - Creditors less than one year and more than one year | Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process | Bank loans secured on Assets under construction | -             | -             | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability   | Finance lease liability                         | -             | -             | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability pre-implementation  | Finance lease liability                         | -             | -             | -      | -      |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability post-implementation   | Finance lease liability                         | -             | -             | -      | -      |
| Balance sheet  | Statement of Financial Position - Annuities  | Annuities with donor restrictions               | -             | -             | -      | -      |
| Balance sheet  | Statement of Financial Position - Term endowments  | Term endowments with donor restrictions         | -             | -             | -      | -      |
| Balance sheet  | Statement of Financial Position - Life Income Funds  | Life income funds with donor restrictions       | -             | -             | -      | -      |
| Balance sheet, Statement of changes in reserves                            | Statement of Financial Position - Perpetual Funds  | I&E restricted reserves                         | -             | <b>27,863</b> | -      | 27,575 |

| Reference   | Statement of Activities – Total expenses and losses   | 2025  |       | 2024    |       |         |
|---|---|---|-------|---------|-------|---------|
|   |   | £'000   | £'000 | £'000   | £'000 |         |
| Statement of comprehensive income and expenditure | Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)  | Total operating expenditure                           | -     | 248,851 | -     | 190,526 |
| Statement of comprehensive income and expenditure | Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments) | Non-operating and net investment (income)/expenditure | -     | 7,439   | -     | (4,708) |
| Statement of comprehensive income and expenditure | Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)  | Net investment (gain)/loss                            | -     | (4,483) | -     | (6,849) |
| Statement of comprehensive income and expenditure | Statement of Activities - Pension related changes other than periodic pension   | Other pension movements                               | -     | -       | -     | -       |
| <b>Reference</b>                                  | <b>Modified net assets</b>  |   |       |         |       |         |
| Balance sheet, Statement of changes in reserves   | Statement of Financial Position - Net assets without donor restrictions   | Unrestricted reserves                                 | -     | 182,881 | -     | 212,660 |
| Balance sheet, Statement of changes in reserves   | Statement of Financial Position - total Net assets with donor restrictions  | Restricted reserves                                   | -     | 27,863  | -     | 27,575  |
| Balance sheet                                     | Statement of Financial Position - Goodwill  | Intangible assets                                     | -     | -       | -     | 1,159   |
| Note - Trade and other receivables                | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                              | -     | -       | -     | -       |
| Note - Trade and other receivables                | Statement of Financial Position - Related party receivable and Related party note disclosure  | Related party receivable                              | -     | -       | -     | -       |

| Reference  | Modified assets  |   | 2025  |                 | 2024  |         |
|--|--|---|-------|-----------------|-------|---------|
|  |  |   | £'000 | £'000           | £'000 | £'000   |
| Balance sheet, Statement of changes in reserves                  | Statement of Financial Position - Total Assets   | Total Assets  | -     | <b>396,108</b>  | -     | 420,759 |
| Note - lease obligations   | Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation                                       | Finance lease asset   | -     | -               | -     | -       |
| Note - lease obligations   | Statement of Financial Position - Lease right-of-use asset liability pre-implementation  | Finance lease asset   | -     | -               | -     | -       |
| Balance sheet, Note - Intangible assets                          | Statement of Financial Position - Goodwill   | Intangible assets   | -     | -               | -     | 1,159   |
| Note - Trade and other receivables                               | Statement of Financial Position - Related party receivable and Related party note disclosure   | Related party receivable  | -     | -               | -     | -       |
| Note - Trade and other receivables                               | Statement of Financial Position - Related party receivable and Related party note disclosure   | Related party receivable  | -     | -               | -     | -       |
| <b>Reference</b>   | <b>Net income ratio</b>  |   |       |                 |       |         |
| Statement of comprehensive income and expenditure, Balance sheet | Statement of Activities - Change in Net Assets Without Donor Restrictions  | Movement in I&E unrestricted reserve                                | -     | <b>(29,778)</b> | -     | 62,648  |
| Statement of comprehensive income and expenditure, Balance sheet | Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses) | Income less investment income plus gain on disposal of fixed assets | -     | <b>226,800</b>  | -     | 249,067 |

