Financial Statements
LSTM Consulting Limited

For the Year Ended 31 July 2016

Registered number: 02030439

Company Information

Directors	R E Holland J Hemingway J Ross
Secretary	R E Holland
Company registration number	02030439
Registered office	c/o Liverpool School of Tropical Medicine Pembroke Place Liverpool L3 5QA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	Royal Bank of Scotland plc 1 Dale Street Liverpool L2 2PP

LSTM Consulting Limited

Contents

Directors' Report

For the Year Ended 31 July 2016

The directors present their report and the financial statements for the year ended 31 July 2016.

Principal activity

The principal activity of the company is the provision of a wide range of expertise directed to the improvement of health, with particular emphasis on tropical and developing countries.

Results and dividends

The profit for the year, after taxation, amounted to £38,181 (2015 - £8,994).

The directors do not recommend a dividend for the year (prior year: £NIL).

Directors

The directors who served during the year were:

R E Holland
J Hemingway
J Ross

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

Gift aid

The company has made provision for gift aid payments of £99,716 (2015: £48,000) to Liverpool School of Tropical Medicine, its immediate parent undertaking and a registered charity.

Directors' Report (continued)

For the Year Ended 31 July 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Grant Thornton UK LLP, will be provisionally proposed for reappointment in accordance with section 485 of the Companies Act 2006 subject to the results of a tender process currently underway.

In preparing this report the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 November 2016 and signed on its behalf.

R E Holland
Secretary

GrantThornton

Independent Auditor's Report to the Members of LSTM Consulting Limited

We have audited the financial statements of LSTM Consulting Limited for the year ended 31 July 2016, which comprise the Statement of Comprehensive Income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of LSTM Consulting Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report or in preparing the Directors' Report.

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool

7 November 2016

Statement of Comprehensive Income

For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover - continuing operations	4	**1,040,661**	1,819,400
Cost of sales		**(849,013)**	(1,666,954)
Gross profit		**191,648**	152,446
Administrative expenses		**(53,385)**	(89,602)
Operating profit - continuing operations	5	**138,263**	62,844
Interest receivable and similar income	7	**1,841**	10
Interest payable and expenses	8	**-**	(4,584)
Gift aid		**(99,716)**	(48,000)
Profit before tax		**40,388**	10,270
Tax on profit	10	**(2,207)**	(1,276)
Profit for the year		**38,181**	8,994

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 16 form part of these financial statements.

LSTM Consulting Limited
Registered number: 02030439

Balance Sheet
As at 31 July 2016

	Note		2016		2015
		£	£	£	£
Fixed assets					
Investments	11		2,500		2,500
			2,500		2,500
Current assets					
Debtors: amounts falling due within one year	12	63,206		777,628	
Cash at bank and in hand	13	708,437		69,659	
		771,643		847,287	
Creditors: amounts falling due within one year	14	(230,332)		(344,157)	
Net current assets			541,311		503,130
Total assets less current liabilities			543,811		505,630
Net assets			543,811		505,630
Capital and reserves					
Called up share capital	16		25,000		25,000
Profit and loss account	17		518,811		480,630
			543,811		505,630

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 November 2016.

J Ross
Director

J Hemingway
Director

The notes on pages 8 to 16 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 July 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2015	25,000	480,630	505,630
Comprehensive income for the year			
Profit for the year	-	38,181	38,181
Total comprehensive income for the year	-	38,181	38,181
At 31 July 2016	25,000	518,811	543,811

Statement of Changes in Equity
For the Year Ended 31 July 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2014	25,000	471,636	496,636
Comprehensive income for the year			
Profit for the year	-	8,994	8,994
Total comprehensive income for the year	-	8,994	8,994
At 31 July 2015	25,000	480,630	505,630

The notes on pages 8 to 16 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 July 2016

1. General information

LSTM Consulting is a company incorporated in the United Kingdom under the Companies Act 2006 and its registered office is Pembroke Place, Liverpool, L3 5QA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS102 is given in note 22.

The financial statements are presented in Sterling (£).

The individual accounts of LSTM Consulting Limited have also adopted the following disclosure exemptions:
- the requirement to present a statement of cash flows and related notes
- financial instruments disclosures, including:
  - categories of financial instruments,
  - items of income, expense, gains or losses relating to financial instruments, and
  - exposure to and management of financial risks.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that it is itself a wholly owned subsidiary and its results ate consolidated in the ultimate parent entity's financial statements. Therefore, these financial statements present information about the company as an individual company and not about its group.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue relates to the funding received for specific projects and is recognised when the company becomes entitled to that revenue and performance conditions have been met.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the Financial Statements
For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements
For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.10 Taxation

Tax is recognised in the Statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from the estimates. In this regard, the directors do not believe there are any critical accounting policies where judgements or estimates are necessarily applied.

Notes to the Financial Statements

For the Year Ended 31 July 2016

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Project income in respect of principal activity	**1,040,661**	1,819,400

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**156,128**	1,363,355
Rest of the world	**884,533**	456,045
	1,040,661	1,819,400

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**4,500**	4,600

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages recharged	**231,689**	236,778

All staff are employed by fellow subsidiary undertakings and a charge equal to their employment cost is made for their services provided to the company on a monthly basis.

7. Interest receivable

	2016 £	2015 £
Bank interest receivable	**1,841**	10

Notes to the Financial Statements
For the Year Ended 31 July 2016

8. Interest payable and similar charges

	2016 £	2015 £
Interest payable to group undertakings	-	4,584

9. Gift aid

	2016 £	2015 £
Provision for gift aid payable to ultimate parent undertaking	(99,716)	(48,000)

10. Taxation

	2016 £	2015 £
Corporation tax		
Adjustments in respect of previous years	-	(1,157)
Foreign tax		
Foreign tax on income for the year	2,207	2,433
Taxation on profit on ordinary activities	2,207	1,276

LSTM Consulting Limited

Notes to the Financial Statements

For the Year Ended 31 July 2016

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	**40,388**	10,270
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	**8,078**	2,054
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(1,157)
Foreign tax credits	**2,207**	2,433
Other permanent differences	**(9,092)**	(618)
Group relief	-	(1,436)
To be apportioned	**1,014**	-
Total tax charge for the year	**2,207**	1,276

Factors that may affect future tax charges

During the year the UK corporation tax rate was decreased. There will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017, and following Budget 2016 announcement the rate will fall to 17% in 2020.

11. Investments

	Investment in subsidiary undertaking
	£
Cost or valuation	
At 1 August 2015	**2,500**
At 31 July 2016	**2,500**
Net book value	
At 31 July 2016	**2,500**
At 31 July 2015	2,500

Notes to the Financial Statements
For the Year Ended 31 July 2016

11. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
LATH Management Services	United Kingdom	Ordinary	100 %	Provision of administrative services
LSTM Consulting (USA)	United States	Ordinary	100 %	Provision of expertise directed on the improvement of health
LSTM Kenya Limited	Kenya	Ordinary	99 %	Provision of expertise directed to the improvement of health
LATH Umoyo Limited	Malawi	Ordinary	50 %	Provision of expertise directed to the improvement of health

12. Debtors

	2016 £	2015 £
Trade debtors	**23,844**	303,336
Amounts owed by group undertakings	**39,362**	23,082
Prepayments and accrued income	**-**	451,210
	63,206	777,628

An impairment loss of £ Nil (2015: £ Nil) has been recognised against debtors.

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**708,437**	69,659
Less: bank overdraft	**(5,064)**	(143,292)
	703,373	(73,633)

Notes to the Financial Statements

For the Year Ended 31 July 2016

14. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank overdraft	**5,064**	143,292
Trade creditors	**-**	3,059
Amounts owed to group undertakings	**142,311**	172,314
Taxation and social security	**5,862**	-
Accruals and deferred income	**77,095**	25,492
	230,332	344,157

The bank overdraft is secured by an unlimited inter-company guarantee in place with certain companies within the Liverpool School of Tropical Medicine Group.

15. Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets that are measured at amortised cost	**771,643**	396,077
Financial liabilities		
Financial liabilities measured at amortised cost	**(147,375)**	(318,665)

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors and amountes owed by group undertakings.

Financial Liabilities measured at amortised cost comprise overdrafts and amounts owed to group undertakings.

16. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	**25,000**	25,000

Notes to the Financial Statements
For the Year Ended 31 July 2016

17. Reserves

Profit & loss account

Includes all current year and prior period retained profits and losses.

18. Contingent liabilities

A composite cross guarantee structure exists between Liverpool School of Tropical Medicine, Well Travelled Clinics Limited, Liverpool International Health Ventures Limited, Liverpool International Health I.P. Limited, IVCC and LSTM Consulting Limited in respect of bank overdrafts. The aggregate amount outstanding under this agreement at the balance sheet date was £216,723 (2015: £320,856).

19. Capital commitments

The company has no capital commitments as at 31 July 2016 or 31 July 2015.

20. Related party transactions

As a wholly owned subsidiary of Liverpool School of Tropical Medicine, the company is exempt from the requirement of FRS102 section 33 from disclosing transactions with other members of the group.

The individuals that are considered by the company to be key management personnel have received remuneration totalling £NIL (2015: £NIL).

21. Ultimate parent company

The directors consider that the ultimate parent company is Liverpool School of Tropical Medicine, a company registered in England and Wales.

The largest group of undertakings for which group accounts have been drawn up is that headed by Liverpool School of Tropical Medicine and the group accounts may be obtained from Companies House.

22. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.