



Highlights from the Trustees' Report and Financial Statements

2013-2014

Company Number: 4785712

Charity Number: 1099776

Malaria Consortium

Highlights from the Trustees' Report and Financial Statements For the Year to 31 March 2014

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This document contains extracts from the Malaria Consortium Trustees' Report and Financial Statements for the Year 31 March 2014. A full set of accounts including the full trustees' report are available on request at info@malariaconsortium.org.

Highlights from the Trustees' Report 2013-2014



This financial year has been my first full year as Chief Executive of Malaria Consortium. There are many points worthy of note. However, I must begin by highlighting that in February 2014, we celebrated Malaria Consortium's 10th anniversary.

Our 10th anniversary event brought together many of those who have contributed, since our foundation as a charity, to making the organisation what it is today. This included past and present Trustees, and representatives from key donors and partners. The event celebrated Malaria Consortium's contribution to the fight against malaria and neglected tropical diseases (NTDs), our focus on evidence, and our support for innovation and improved effectiveness in interventions. We also had the opportunity to facilitate a discussion on the future for targeted disease control and elimination as we enter the next phase of our mission. A more detailed review of this event and the accompanying publication covering of the last 10 years can be found on the Malaria Consortium [website](#).

Given this significant milestone, we have been inspired to reflect afresh on our mission and ensure that we are remaining current in a rapidly evolving economic and development environment. At its core, our mission has not changed. However, we have simplified and restated it as follows:

Malaria Consortium's mission is to improve lives in Africa and Asia through sustainable, evidence-based programmes that combat targeted diseases and promote child and maternal health.

Working together with partners and all levels of government, we will achieve this by:

- ▶ designing and implementing cutting edge research, surveillance and monitoring and evaluation
- ▶ selectively scaling up and delivering sustainable evidence-based health programmes
- ▶ providing technical assistance and consulting services that shape and strengthen national and international health policies, strategies and systems and build local capacity, and
- ▶ seeking to ensure that our experience, thought leadership, practical findings and research results are effectively communicated and contribute to the coordinated improvement of access to and quality of healthcare.

While malaria, almost without exception, has been our entry point, this restatement of our mission captures that work on malaria is not, and cannot be, done in isolation. It needs to be increasingly encompassed within the wider agenda for access to healthcare, the support for immunisation, the strengthening of the healthcare systems and the growing importance of NTDs, pneumonia and dengue in countries' priorities. This is not strictly new as we have been among the early proponents and deliverers of integrated community case management (iCCM) that recognises malaria, pneumonia and diarrhoea as the primary causes of presentations of

childhood fever in remote communities. We continue to investigate solutions that combine other innovations, and make use of efficiency-creating mobile health (mHealth) tools. In this year, Malaria Consortium played a key role in a multi-agency review of results from iCCM, concluding that integrating case management of common childhood illnesses can save lives and improve quality of care as long as interventions have operated at scale for long enough.

We have continued to expand our programmes to improve access to effective prevention and treatment of malaria to some of the poorest populations in Africa. In Nigeria, with the support of the UK and US Governments, our programmes cover over half the population of 160 million people. In Uganda, Malaria Consortium has been privileged to be the delivery partner for the Ugandan Government to achieve universal coverage of homes with 21 million long lasting insecticide treated nets. Gifted by a combination of the Global Fund for Aids, Tuberculosis and Malaria, the US President's Malaria Initiative and the Department for International Development (DFID)/UKaid, 11.6 million nets were delivered in the reporting year.

Following acceptance as a protocol by the World Health Organization (WHO), seasonal malaria chemoprevention has been piloted in Northern Nigeria for 170,000 children under the age of five years. This had a remarkably high take-up and has demonstrated a 70 percent reduction in all-cause presentation of fever in sentinel health centres. It has also inspired a significant, UNITAID-funded programme to reach 7.2 million children in the Sahel region of West Africa, over three years.

We have also expanded our presence in Southeast Asia, signing a country-wide memorandum of understanding with the Myanmar Government to support surveillance, monitoring and evaluation, and implementation programmes.

In malaria diagnostics, funding was secured to test novel approaches to the private sector engagement for the use of rapid diagnostic tests and roll out began in Uganda and Nigeria. For pneumonia diagnostics, we developed an approach for testing a selection of new field diagnostic tools in multiple locations and won funding from the Bill & Melinda Gates Foundation (BMFG) to deliver this research.

We have further built our response to drug and insecticide resistance. We continue to serve on the WHO Drug Resistance Containment Technical Expert Group, which is guiding global strategies on tackling the threat of artemisinin resistance, and our work in the Greater Mekong Subregion to develop innovative approaches to elimination of artemisinin resistance is expanding. We have undertaken a successful project in Cambodia setting up screening points on the borders of Vietnam, Laos and Thailand to detect and treat carriers of the malaria parasite, even when they have no symptoms, and to contribute to mapping artemisinin resistance markers. We are providing technical support to the newly formed Asia Pacific Leaders Malaria Alliance, which includes a focus on regional approaches to tackle resistance. In Zambia we completed a study on the role of community health workers in supporting rational use of antibiotics. We are also exploring insecticide resistance management strategies in Uganda.

We are active in countries where there are a range of transmission rates of malaria and other diseases, increasingly requiring a more tailored approach. While many parts of Africa will not approach malaria elimination for several years, there are other parts of Africa, and several countries in Asia, which are now setting their sights on elimination within the next 20 years, and

Malaria Consortium is actively participating in that agenda. Our US Government-funded IMMERSE project is tracking artemisinin resistance (in collaboration with Pasteur Institute, Cambodia), testing the feasibility of a new rapid diagnostic test that could facilitate wider deployment of complementary therapies.

Also in Cambodia, we have undertaken research supported by the BMGF Malaria Elimination Scientific Alliance to understand the feasibility and potential impact of screening for asymptomatic malaria that may be the source of future infections. With our strategic funding we are exploring how cross-border surveillance can be adapted and better targeted to difficult to reach populations particularly at risk and, accordingly, whether it should be continued and scaled up further in Southeast Asia. Some of our research in Africa has explored rational use of antibiotics by community health workers in Zambia, adherence to blister packs in Uganda, efficacy of malaria drugs in pregnancy in Nigeria and several other implementation research projects.

Malaria Consortium has engaged in a wide range of communications activities in support of our mission, many made possible through the strategic funding provided by our DFID Performance Partnership Agreement. As part of our International Aid Transparency Initiative activities, we launched a project database on our website detailing our projects, as well as our funding income and sources. At the Joint International Tropical Medicine Meeting in Bangkok in December 2013, Malaria Consortium hosted a symposium on resistance and elimination in the region, entitled 'Taking the resistance out of elimination'. Six new learning papers were published and shared to key stakeholders at events and on multiple online platforms, including a paper on integrating severe acute malnutrition into iCCM and moving towards malaria elimination in Asia. We gave oral evidence to the International Development Committee inquiry in December on Myanmar and we presented our iCCM work in Zambia during the Zambia UK Health Workforce Alliance Conference in London.

Malaria Consortium has continued to grow and have impact in our key areas of focus. Gladly, we have been able to invest in ensuring that we have strength and depth in our technical, programme, business development and support staff, and continue to strengthen our internal systems. We have also been delighted to be joined by a number of new Trustees to oversee us.

We look forward to another year of growth for greater impact in our work and as ever, thank all our partners for their continued support.



Charles Nelson
Chief Executive, Malaria Consortium

Reference and Administrative Details

Status Malaria Consortium is a registered charity and is incorporated under the Companies Act as a company limited by guarantee not having a share capital. The company is governed by its Memorandum and Articles of Association dated 3 June 2003, under which each member has undertaken to contribute to the assets in the event of a winding-up a sum not exceeding £1.

Company Number 4785712

Charity Number 1099776

Registered Office Development House, 56-64 Leonard Street, London, EC2A 4LT, U.K.
The Consortium, during this period, also had offices in Uganda, Ethiopia, Mozambique, Zambia, South Sudan, Nigeria, Thailand, Cambodia and Myanmar.

Patron The Right Reverend Dinis S Sengulane, Anglican Bishop, Mozambique

The Trustees

The Trustees, who are also Directors under company law, who served during the year and up to the date of this report were as follows:

<i>Chair</i>	Dr Julian Lob-Levyt	
<i>Treasurer</i>	Richard Page	
	Tim Armstrong	
	Ian Boulton	
	Professor Melissa Leach	
	Robert Seabrook	
	Roger Wilson	
	Professor Fred Binka	Appointed 15, August 2013
	The Rt. Hon. Baroness Hayman	Appointed 15, August 2013
	Kate Wallace	Appointed 15, August 2013
	Professor Sir Brian Greenwood	Appointed 18, November 2013
	Dr Joanna Schellenberg	Appointed 18, November 2013
	Dr Nermeen Varawalla	Appointed 18, November 2013
	Peter Potter-Lesage	Appointed 27, February 2014

Chief Executive Charles Nelson

Bankers HSBC Bank PLC
Westminster Branch
22 Victoria Street, London SW1H 0NJ, United Kingdom

Auditor KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL, United Kingdom

Statement of Trustees' responsibilities in respect of the trustees' annual report and the financial statements

The trustees are responsible for preparing the Trustees' Annual Report, which constitutes the Strategic Report and the Trustees' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees 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 charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

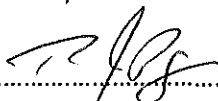
Disclosure of information to auditors

The Trustees who held office at the date of approval of the Trustees' Annual Report confirm that, so far as that are aware, there is no relevant audit information of which the company's auditors are unaware; and each Trustee has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

KPMG were appointed as auditors by the Board of Trustees on 22 November 2012. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the trustees on 23 October, 2014 and signed on their behalf by:

.....


Treasurer

Date:

Independent Auditor's report to the Members of Malaria Consortium

We have audited the financial statements of Malaria Consortium for the year ended 31 March 2014 set out on pages 17 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charitable 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 charitable 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 any party other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14 the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK 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

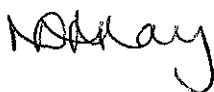
In our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Malaria Consortium

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:

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nicola May (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

5th November 2014

15 Canada Square
London
E14 5GL

Malaria Consortium
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 March 2014

	Note	2014			2013
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations for Core Operations	2a	13,100	1,803	14,903	367,108
Gifts in Kind	2b		22,859,599	22,859,599	351,928
Investment income					
Interest received		17,351		17,351	26,138
Other income		41,052		41,052	53,717
Incoming resources from charitable activities:					
Grants, contracts & consultancy income	2c	5,263,448	26,338,346	31,601,794	30,423,313
Total Incoming Resources		£5,334,951	£49,199,748	£54,534,699	£31,222,204
Resources Expended					
Cost of generating funds		670,971	-	670,971	623,353
Charitable activities	3	4,956,406	49,199,748	54,156,154	29,898,088
Governance costs	7	275,699	-	275,699	212,501
Total Resources Expended	8	£5,903,076	£49,199,748	£55,102,824	£30,733,942
Net (outgoing) / incoming resources before transfer		(568,125)	-	(568,125)	488,262
Gross Transfer between funds		40,735	(40,735)	-	-
Net (expenditure) / income for the period		£(527,391)	£(40,735)	£(568,125)	£488,262
Fund balances at start of year		5,484,980	76,111	5,561,091	5,072,829
Fund balances at end of year	9	£4,957,589	£35,376	£4,992,966	£5,561,091

The Statement of Financial Activities includes all recognised gains and losses in the current and preceding year.

All operations are continuing.

The notes on pages 20 to 25 form an integral part of these financial statements.

Malaria Consortium
Balance Sheet as at 31 March 2014

	Note	2014		2013	
		£	£	£	£
Fixed Assets				Restated	Restated
Intangible Assets	10		33,362		27,224
Tangible Assets	10		601,382		649,141
Current Assets					
Debtors	11	3,425,343		5,367,502	
Short term deposits		-		1,517,272	
Cash at bank and in hand		11,423,527		6,251,401	
			14,848,870		13,136,175
Creditors					
Amounts falling due within one year	12	10,354,583		7,800,158	
			10,354,583		7,800,158
Total assets less current liabilities			5,129,031		6,012,382
Provision for Liabilities	13		136,065		451,291
Net Assets			£4,992,966		£5,561,091
Represented by:					
Unrestricted funds	9		4,957,590		5,484,980
Restricted funds	9		35,376		76,111
			£4,992,966		£5,561,091

The financial statements on pages 17 to 25 were approved by the Board and authorised for issue on 23 October, 2014 and signed on its behalf:



Richard Page
Treasurer

Company registration number: 4785712

The attached notes on pages 20 to 25 form an integral part of these financial statements.

Malaria Consortium
Cash Flow Statement for the year ended as at 31 March 2014

	Notes	2014 £	2013 £
Cash Inflow / (Outflow) from Operating Activities	A	3,709,999	(6,023)
Returns on Investments and Servicing of Finance			
Investment income received		17,351	26,138
Capital Expenditure and Financial Investment			
Payments to acquire fixed assets		<u>(72,496)</u>	<u>(155,416)</u>
Increase / (Decrease) in cash	C	<u><u>3,654,854</u></u>	<u><u>(135,301)</u></u>

Notes to the Cash Flow Statement for the year ended 31 March 2014

A Adjustment of Net Incoming / (Outgoing) Resources to Net Cash Inflow / (Outflow) from Operating Activities

	2014 £	2013 £
Net (outgoing) /incoming resources	(568,125)	488,262
Depreciation charge	114,117	188,809
Decrease in debtors	1,942,159	4,892,606
Increase / (decrease) in creditors	2,554,425	(5,658,016)
(Decrease) / increase in provisions	(315,226)	106,528
Investment income	(17,351)	(26,138)
Loss on disposal	-	1,925
Write down value of investment	-	1
Net cash inflow / (outflow) from operating activities	<u><u>3,709,999</u></u>	<u><u>(6,023)</u></u>

B Analysis of Changes in Net Funds

	At 1 April 2013 £	Cash Flows £	At 31 March 2014 £
Cash at bank and in hand	7,768,673	3,654,854	11,423,527
Total net funds	<u><u>£7,768,673</u></u>	<u><u>3,654,854</u></u>	<u><u>£11,423,527</u></u>

C Reconciliation of Net Cash Flow to Movement in Net Funds

	2014 £	2013 £
Increase / (Decrease) in cash in the period	3,654,854	(135,301)
Change in net funds	3,654,854	(135,301)
Net funds at start of year	<u>7,768,673</u>	<u>7,903,974</u>
Net funds at end of year	<u><u>£11,423,527</u></u>	<u><u>£7,768,673</u></u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

1 Accounting Policies

a Basis of Financial Statements

The financial statements have been prepared under the historic cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice (SORP) 2005 "Accounting and Reporting by Charities". The format of the Income and Expenditure Account has been adapted from that prescribed by the Companies Act 2006 to better reflect the special nature of the charity's operations. The accounts comply with the Companies Act 2006.

The going concern basis has been adopted in preparing the financial statements as there is reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future.

The financial review in the Trustees Report reviews the finances of the charity for the year ended 31 March 2014 in comparison to the prior year. The charity has a healthy cash balance and a large proportion of grant funding required for 2014/15 and 2015/16 contracted with donors. The Trustees report explains how the charity is structured and managed and how major risks are dealt with. The Board has a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Thus the Board of Trustees continue to adapt the going concern basis of accounting in preparing the financial statements.

b Funds Accounting

Unrestricted funds are general funds that are available at the trustees' discretion for use in furtherance of the objectives of the charity.

Designated funds represent unrestricted funds that have been set aside by the trustees for particular purposes

Restricted funds are those provided by donors for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

c Incoming Resources

Incoming resources given for a specific purpose are credited to a restricted fund.

All incoming resources becoming available to the charity are recognised in the Statement of Financial Activities on the basis of entitlement. In respect of income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grants or long term contract income, income entitlement is considered to be conditional upon delivery of the specified level of service, in accordance with FRSS and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity, with the grants less the management fee being credited to restricted income in the SOFA. The expenditure incurred to date is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet.

During the year, a review was undertaken of the analysis between accrued and deferred income, aligning the disclosure more closely to payment terms. This has resulted in an increase in current liabilities (deferred income) for the year ended 31 March 2013 of £1,773,000 and a corresponding increase in debtors (accrued income). There was no impact on net assets or on the surplus for the year.

Gifts in kind are valued and brought in as incoming resources and the appropriate resources expended, when the items are used/distributed. Where the gift is an asset, the asset is capitalised and depreciated. Where this intangible income relates to project activities it is included as an activity in furtherance of the charity's objects. The values attributable to gifts in kind are an estimate of the gross value to the organisation, usually the market value.

d Resources Expended

Resources expended are recognised in the period in which they are incurred and include attributable VAT which cannot be recovered. Resources expended are allocated to a particular activity where the cost relates directly to that activity.

Support costs of technical, managerial financial and administration oversight and direction are apportioned on a project by project basis, in line with the requirements of the various funding agencies.

Governance costs include those incurred in the governance of the organisation's assets and primarily are associated with constitutional and statutory requirements.

The costs of generating funds are those incurred in seeking voluntary contributions and institutional income.

e Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated. Gains or losses on transactions are included in the statement of financial activities.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

f Tangible Fixed Assets and Depreciation

Tangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised. Tangible fixed assets purchased from unrestricted funds and costing more than £1,000 are capitalised and included at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off cost on a straight line basis over four years, except for buildings which are depreciated on a straight line basis over 25 years.

g Intangible Fixed Assets and Depreciation

Intangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised. Intangible fixed assets purchased from unrestricted funds and costing more than £1,000 are capitalised and included at cost. Depreciation is provided on all intangible fixed assets at rates calculated to write off cost on a straight line basis over four years.

h Pension Costs

The company makes agreed contributions to individual "defined Contribution" pension schemes for certain employees. The assets of the scheme are held separately from those of Malaria Consortium in independently administered funds. The cost represents amounts payable in the year.

i Operating Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

j Group accounts

The financial statements present information about the Company as an individual undertaking and not about its Group. The operation of Malaria Enterprises Limited in the year is not material to the Company for the purpose of giving a true and fair view. The Company has therefore taken advantage of the exemptions provided by Section 405 of the Companies Act 2006 not to consolidate.

	2014	2013
	£	£
2a Incoming resources from voluntary income - donations in cash:		
Unrestricted Funds		
Montrose International LLP	-	338,730
Other donations	13,100	28,378
Total	13,100	367,108
Restricted Funds	1,803	-
Total	14,903	367,108

2b Gifts in Kind

Gifts in kind, distributed during the year, relate to long lasted insecticide nets (LLINs) donated by DFID and PMI for Universal Net Coverage in Uganda with a value of £22,426,484 (2012-13 £Nil) and commodities from UNICEF in both Uganda and South Sudan with a market value of £371,490 (2012-13 £349,861) including albendazole, artemisinin-based combination therapies and PlumpyNut*; in addition in South Sudan we received and distributed other donated goods valued at £61,625 (2012-13 £Nil) to support our work within the community from Population Services International, World Food Programme and ACF. During the year, LLINs from DFID and PMI with a value of £5,391,478 (2012-13 £Nil) were received and not distributed.

	2014	2013
	£	£
2c Incoming resources from charitable activities:		
Department for International Development UK	8,602,784	8,657,833
Department for International Development UK Contribution - Programme Partnership Arrangement (PPA) *	2,958,375	2,315,181
John Hopkins University / USAID	6,809,583	3,104,030
FHI360 / USAID	2,910,949	3,247,475
Bill & Melinda Gates Foundation	1,898,717	1,482,271
Comic Relief	1,428,492	840,064
Population Services International / DFID	1,192,914	-
Global Fund / Ministry of Health (Uganda)	1,077,750	-
Global Fund / World Vision International Mozambique	724,816	1,120,775
Population Services International / UNITAID	701,657	-
United Nations Children's Fund (UNICEF)	631,862	743,116
Global Fund / Population Services International	624,103	924,379
Centers for Disease Control and Prevention	459,657	459,021
Global Fund / Ministry of Health (Thailand)	296,528	488,623
WHO	269,205	-
Save the Children Canada	217,029	-
Medicine for Malaria Ventures / UNITAID	138,431	-
Vitol Foundation	125,908	-
Canadian International Development Agency	115,399	4,104,648
United States Agency for International Development (USAID) / Ethiopia	92,455	221,915
Global Fund / National Center for Parasitology, Entomology and Malaria Control, Cambodia	72,513	1,079,275
Adventist Development and Relief Agency International / USAID	-	939,319
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	-	400,899
University Research Co. LLC / USAID	-	132,218
Grants and Contracts for projects of less than £100,000 each	252,667	162,271
Total incoming resources from charitable activities	£31,601,794	£30,423,313

* The PPA Contribution from the DFID is recognised on a performance basis. During 2013-14, cash receipts for this contribution amounted to £2,670,269 (2012-13 £2,670,268), expenditure was £2,958,375 (2012-13 £2,315,304) and the balance of £2,206,293 (2012-13 £2,494,522) is part of the year end balance with the DFID (note 15).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

3 Details of charitable activities

The amount spent on charitable activities, including support costs analysed by programme area is as follows:

	Operational programmes £	Grants to Partners £	Support costs £	2014 Total £	2013 Total £
Elimination of communicable diseases	2,860,894	20,368	104,619	2,985,881	2,907,996
Prevention and case management	40,587,475	96,110	1,484,235	42,167,820	14,474,681
Health systems capacity building	2,621,645	1,510	95,870	2,719,025	7,635,453
Spearhead M&E, surveillance and operational research	3,037,653	61,782	111,083	3,210,518	2,589,006
Investment in Malaria Consortium's institutional strengths	2,873,472	84,903	105,079	3,063,454	2,315,304
Communicate learning and successes	9,121	-	335	9,456	(24,352)
Total spent - charitable activities	£51,990,260	£264,673	£1,901,221	£54,156,154	£29,898,088

	Operational programmes £	Grants to Partners £	Support costs £	2014 Total £	2013 Total £
Ethiopia	133,054	1,510	4,866	139,430	165,450
Ghana	-	-	-	-	123,571
Mozambique	1,076,463	-	39,365	1,115,828	1,197,028
Nigeria	10,834,526	96,110	396,206	11,326,842	11,290,734
South Sudan	2,067,777	-	75,616	2,143,393	2,463,641
Uganda	30,462,201	-	1,113,966	31,576,167	3,873,196
Zambia	121,966	-	4,460	126,426	4,266
Africa multi country	3,451,540	61,782	126,218	3,639,540	6,145,469
Cambodia	101,527	20,368	3,713	125,608	0
Thailand	284,967	-	10,421	295,388	0
Asia multi country	377,736	-	13,813	391,549	2,060,970
United Kingdom	3,078,503	84,903	112,577	3,275,983	2,573,763
	£51,990,260	£264,673	£1,901,221	£54,156,154	£29,898,088

4 Support costs

These costs have been apportioned across the work of the charity in note 3 on the basis disclosed in note 1.

	2014 Total £	2013 Total £
Communications	145,024	125,704
Finance	407,403	473,778
Human Resources	190,738	176,203
Information Technology	112,083	-
Management	477,407	710,161
Programme Support	565,366	1,009,069
	£1,898,021	£2,494,915

5 Personnel and staff costs

	2014			2013
	UK	Overseas	Total	Total
<i>Average number</i>				
Project and technical staff	10	141	151	136
Operations and logistics staff	2	95	97	96
Management, finance and administration staff	18	49	67	67
	30	285	315	299

	2014 Total £	2013 Total £
Aggregate costs	£	£
Fees, salaries and agency staff costs	6,725,172	5,274,664
Social security costs	62,029	143,676
Pension costs	309,787	58,712
Overseas staff allowances	227,298	440,116
	£7,324,286	£5,917,168

Higher Paid Employees

The number of employees whose emoluments amounted to more than £60,000 during the year was as follows:

	2014 Number	2013 Number
£60,000 - £69,999	2	4
£70,000 - £79,999	4	4
£80,000 - £89,999	3	1
£90,000 - £99,999	2	2
£100,000 - £109,999	1	-
£110,000 - £119,999	1	-
£130,000 - £139,999	1	-

During the year, pension costs on behalf of these employees amounted to £11,907 (2013: £9,120)

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

6 Taxation

The charity is considered to pass the test set out in paragraph 1 schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK tax purposes. As such, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part II Corporation Tax Act 2010 or Section 256 of the Taxation and Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Country Offices are subject to local tax regulations.

7 Governance costs

The governance costs of the charity consisted of the following costs:

	2014	2013
	£	£
Statutory Audit Fees (note 8)	50,820	55,000
Other Audit Fees	60,144	15,402
Internal audit	18,367	16,062
Legal and Professional Fees	45,466	52,878
Trustees' reimbursed expenses	5,209	1,392
Strategic planning and development	95,693	71,767
	<u>£275,699</u>	<u>£212,501</u>

8 Resources expended

The resources expended figures are stated after charging:

	2014	2013
	£	£
Operating lease rentals	375,278	318,680
Depreciation	90,874	188,809
Auditors' remuneration:		
Audit of these financial statements	50,820	55,000
Amounts receivable by the company's auditor and its associates in respect of audit-related assurance services	60,144	39,625
Taxation compliance services	-	23,633
Trustees' reimbursed expenses	5,209	1,392

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips for three trustees (2013: 3). Trustees are not remunerated.

9 Statement of Funds

	As at	Incoming	Resources	Inter-fund	As at
	1 April 2013	resources	expended	Transfers	31 March 2014
	£	£	£	£	£
Restricted Funds					
1 Elimination of communicable diseases	-	2,824,908	(2,824,908)	-	-
2 Prevention and case management	28,902	40,683,585	(40,683,585)	-	28,902
3 Health systems capacity building	19,844	2,582,699	(2,582,699)	(19,844)	-
4 Spearhead M&E, surveillance and operational research	27,365	3,099,435	(3,099,435)	(20,891)	6,474
5 Communicate learning and successes	-	9,121	(9,121)	-	-
	76,111	49,199,748	(49,199,748)	(40,735)	35,376
Unrestricted funds - Free reserves	5,304,126	5,334,951	(5,806,266)	(347,371)	4,485,440
Unrestricted funds - Designated funds	180,854	-	(96,810)	388,106	472,150
Total funds	<u>£5,561,091</u>	<u>£54,534,699</u>	<u>£(55,102,824)</u>	<u>-</u>	<u>£4,992,966</u>

The transfer of £388,106 (2012-13: £193,650) to designated funds from free reserves is to support the continuation of integrated community case management in Uganda. The transfer of restricted funds to free reserves recognises the release of provisions for the negotiation of the indirect cost rate on USAID funded projects that are closed and finalised with the donor.

Purpose of Restricted Funds

- 1 Be engaged in the elimination of malaria, lymphatic filariasis and other communicable diseases in a range of transmission settings using innovative strategies and approaches
 - 2 Develop and implement improved approaches to delivery of prevention and case management for control of communicable diseases
 - 3 Provide focussed and pragmatic health systems capacity building linked to disease control, childhood illnesses and NTDs
 - 4 Spearhead innovative approaches for monitoring, evaluation and surveillance systems, and undertake high quality operational research
 - 5 Communicate new learning and successes for continuous programme improvement
- Each restricted fund represents several separate projects funded by different donors who are listed in note 2 on page 21 and further details of these project funds is given below.

Purpose of Designated Funds

The designated funds are for strategic investments to achieve funding for work in neglected tropical diseases and continue to support work in Integrated Community Care in Uganda in line with our strategic objectives.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

9 Statement of Funds (continued)

Further analysis of restricted funds by project is shown below:

Restricted Funds	As at	Incoming	Resources	Inter-fund	As at
	1 April 2013	resources	expended	Transfers	31 March 2014
	£	£	£	£	£
Pioneer Initiative	-	671,086	(671,086)	-	-
Uganda PCA	-	825,599	(825,599)	-	-
Containment and malaria pre-elimination	-	68,503	(68,503)	-	-
Containment & Elimination of Plasmodium	-	284,967	(284,967)	-	-
Integrated net coverage survey, Lainya	-	32,916	(32,916)	-	-
Nutrition 2013 NBeG	-	149,405	(149,405)	-	-
Private Sector Market for RDTs	-	654,661	(654,661)	-	-
Severe Malaria	-	132,726	(132,726)	-	-
Grand Challenges MZ	-	5,044	(5,044)	-	-
SuNMaP	-	7,843,345	(7,843,345)	-	-
STOP Malaria	28,904	688,843	(688,843)	-	28,904
MAPS	-	2,399,898	(2,399,898)	-	-
Networks	-	834,068	(834,068)	-	-
HMM ACTs Under 5s	-	597,402	(597,402)	-	-
Emergency Nutrition	-	(171,211)	171,211	-	-
Scale up SMC	-	480,762	(480,762)	-	-
Malaria Eradication Scientific Alliance	-	53,392	(53,392)	-	-
Universal Coverage LLIN	-	27,606,736	(27,606,736)	-	0
Tororo	-	214,832	(214,832)	-	-
Pneumonia Diagnostics	-	135,517	(135,517)	-	-
ProMPT	10,291	-	-	(10,291)	-
Community Based Treatment	-	529,759	(529,759)	-	-
COMDIS HSD	-	127,896	(127,896)	-	-
Malaria Prevention and Control GF	-	763,327	(763,327)	-	-
Investment for the future - malaria control	-	394,234	(394,234)	-	-
CIDA ICCM Bridge Fund	-	479	(479)	-	-
BCC & Social Marketing of AMFM	-	814	(814)	-	-
CHF Emergency Nutrition Vulnerable Group	-	129,502	(129,502)	-	-
National ICCM in Inhambane	-	84,969	(84,969)	-	-
ICCM in Luapula	-	121,966	(121,966)	-	-
Rapid Access Evaluation	-	223,123	(223,123)	-	-
RACE Nigeria	-	206,630	(206,630)	-	-
M&E Mekong Region	-	377,736	(377,736)	-	-
Operational research for implementation	1,952	78,901	(78,901)	-	1,952
CHRAIC	-	26,407	(26,407)	-	-
InScale	-	1,134,601	(1,134,601)	-	-
Durability of mosquito nets	4,520	19,601	(19,601)	-	4,520
ICCM+NBEG	-	1,302,877	(1,302,877)	-	-
DDT/GEF	-	54,403	(54,403)	-	-
Immerse	-	91,989	(91,989)	-	-
Other Projects	30,444	22,043	(22,043)	(30,444)	-
Total restricted funds	76,111	49,199,749	(49,199,749)	(40,735)	35,376
Unrestricted funds - Free reserves	5,304,126	5,334,951	(5,806,266)	(347,371)	4,485,440
Unrestricted funds - Designated funds	180,854	-	(96,810)	388,106	472,150
Total funds	£5,561,091	£54,534,699	£(55,102,825)	-	£4,992,966

10 Fixed assets

	Intangible Assets		Tangible Assets			Total
	Software Applications	Land and Buildings	Office	Furniture & Fixtures	Motor Vehicles	
			Equipment			
£	£	£	£	£	£	
Cost						
At 1st April 2013	128,229	527,924	196,312	87,065	695,039	1,506,340
Additions	29,381	-	2,104	9,332	31,679	43,115
Disposals	-	-	(10,109)	(468)	(101,958)	(112,535)
At 31 March 2014	157,610	527,924	188,307	95,929	624,760	1,436,920
Depreciation						
At 1st April 2013	(101,005)	(48,655)	(180,631)	(27,452)	(600,461)	(857,199)
Charge for the period	(23,243)	(20,285)	(7,250)	(20,513)	(42,826)	(90,874)
Disposals	-	-	10,109	468	101,958	112,535
At 31 March 2014	(124,248)	(68,940)	(177,772)	(47,497)	(541,329)	(835,538)
At 31 March 2014	£33,362	£458,984	£10,535	£48,432	£83,431	£601,382
At 31 March 2013	£27,224	£479,269	£15,681	£59,613	£94,578	£649,141

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2014

11 Debtors	2014	Restated 2013
	£	£
Amounts due from donors	2,887,654	4,368,987
Other debtors	369,766	728,941
Prepayments	<u>167,923</u>	<u>269,574</u>
	<u>£3,425,343</u>	<u>£5,367,502</u>

12 Creditors	2014	Restated 2013
	£	£
Creditors: amounts falling due within one year		
Trade creditors	792,787	464,624
Other creditors	1,136	31,807
Taxation and social security	134,082	230,623
Accruals	548,680	1,139,491
Deferred Income (note 14)	<u>8,877,898</u>	<u>5,933,613</u>
	<u>£10,354,583</u>	<u>£7,800,158</u>

13 Provisions for Liabilities	Overseas withholding tax	Overseas employment tax	Backpayment of salaries	Potential Grant Disallowance	Total
	£	£	£	£	£
At the beginning of the year	68,363	382,928			451,291
Utilised during the year		(382,928)			(382,928)
Charge to the SoFA for the year		<u>26,508</u>	<u>15,984</u>	<u>25,210</u>	<u>67,702</u>
As at 31 March 2014	<u>£68,363</u>	<u>£26,508</u>	<u>£15,984</u>	<u>£25,210</u>	<u>£136,065</u>

The provision for overseas employment tax relates to employee obligations in countries where Malaria Consortium is operating or has operated in the past. It is expected that Malaria Consortium will settle these tax obligations within the next five years. The provision for backpayment of salaries relates to employee obligations, where salary increases are not yet confirmed due to on-going discussions on the appropriate benchmarking rates. Malaria Consortium receives funding from donors, for various activities which are subject to audit, such audits may result in disallowance of certain expenditures and therefore a provision is made in this respect.

14 Deferred Income

The deferred income relates to funding received for activities in a future period and is analysed as follows:

	2014	Restated 2013
	£	£
Deferred income at 1 April	5,933,613	530,582
Amounts released from previous and current year	(11,631,590)	(5,390,317)
Incoming resources deferred in the year	<u>14,575,875</u>	<u>10,793,347</u>
	<u>£8,877,898</u>	<u>£5,933,613</u>

15 Operating lease commitments - land and buildings

	2014	2013
	£	£
The amount payable within the next 12 months on leases expiring:		
Within 1 year	97,314	196,992
Between 2 -5 years	<u>195,645</u>	<u>102,219</u>
	<u>£292,959</u>	<u>£299,211</u>

16 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2014	Total 2013
	£	£	£	£
Fixed Assets	634,744	-	634,744	676,365
Net Current assets	4,322,846	35,376	<u>4,358,222</u>	<u>4,884,726</u>
	<u>£4,957,590</u>	<u>£35,376</u>	<u>£4,992,966</u>	<u>£5,561,091</u>

17 Related Parties

The Board of Trustees as key management personnel are considered related parties. During the year transactions with the Board of Trustees were limited to the reimbursement of expenses as disclosed in note 8.

Malaria Consortium

Development House 56-64 Leonard Street

London EC2A 4LT, United Kingdom

info@malariaconsortium.org

www.malariaconsortium.org

UK Registered Charity No: 1099776

US EIN: 98-0627052

malaria consortium

disease control, better health