

Company Number: 4785712
Charity Number: 1099776

Malaria Consortium

Trustees' Report and Financial Statements
For the Year to 31 March 2019

Contents	Page
Reference and Administrative Details	1
Report of the Trustees	2
Structure, Governance and Management	2
Mission and Objectives	4
Strategic Report	6
Independent Auditor's Report	15
Statement of Financial Activities	18
Balance Sheet	19
Cash Flow	20
Notes to the Financial Statements	21

The Green House, 244-254 Cambridge Heath Road, London E2 9DA, UK

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	The Green House, 244-254 Cambridge Heath Road London E2 9DA, UK Malaria Consortium, during this period, also had offices in Uganda, Burkina Faso, Chad, Ethiopia, Mozambique, South Sudan, Nigeria, Thailand, Cambodia and Myanmar.
Patron	The Right Reverend Dinis S Sengulane, Retired 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:

(CHAIR)	Professor Marcel Tanner
(TREASURER)	Canisius Anthony
	Anthony Davy
	Dr Allan Schapira
	Dr Joanna Schellenberg (Resigned 10 May 2019)
	Dr Neil Squires
	Dr Nermeen Varawalla
	Dr Precious Lunga
	Dr Simon Kay
	Mark Clark
	Peter Potter-Lesage
	Professor Fred Binka (Resigned 26 July 2018)
	Professor Sir Brian Greenwood (Resigned 15 November 2018)
	Sarah Veilex
	The Rt. Hon. Baroness Sheehan
	Professor Jayne Webster (appointed 28 th February 2019)
	Dr Jane Achan (appointed 28 th February 2019)

Malaria Consortium

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

Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2019. The Trustees' Report also contains the information required in a Strategic Report as set out on pages 6 to 8.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (2015) - Accounting and Reporting by Charities.

A copy of the Trustees' Report and financial statements can be obtained by writing to the organisation at the registered address as detailed on page 1 of this report.

Structure, Governance and Management

Trustees and organisational structure

Malaria Consortium is a charitable company, governed by a Board of Trustees [minimum 3 - maximum 18] under the Articles of Association. The Board meets quarterly, and for the Annual General Meeting (AGM) in July, where the audited accounts are normally approved. Also, at the AGM one third of the trustees retire, and are eligible for re-election as long as they have not served for a continuous period exceeding six years. After six years, trustees must retire.

There are three sub-committees of the Board:

- The Governance Committee to review and make recommendations regarding Board effectiveness, and ongoing Board development and lead the process of Board renewal. Currently, the Committee comprises four trustees and the Chief Executive (non-voting).
- The Finance, Audit and Risk Committee (FARC) to provide assurance to the Board that an effective internal control and risk management system is maintained and that financial performance is being effectively managed. Currently, the Committee comprises four trustees, one non-trustee member, and the Chief Executive and Finance Director (non-voting).

Malaria Consortium

- Compensation & HR Committee (C&HR) to review and make recommendations on the Chief Executive's remuneration, the framework for the Global Management Group's remuneration and the organisation's human resources strategy and policies. Currently, the Committee comprises a minimum of three trustee members, including the Chair of the Board of Trustees.

Meetings and attendance for the financial year are shown in the table below:

Meeting	Number of meetings	# trustees in attendance (average)
Annual General Meeting	1	14
Board Meeting	4	12
Governance Committee	4	3
FARC	4	4
C&HR	2	4

New trustees are recruited for their skills in areas relevant to the governance, aims or the changing nature of strategy and activities of Malaria Consortium. They are recruited in a variety of ways including public advertisement, and/or by recommendation from those working for or with Malaria Consortium, or from existing trustees. Candidates are scrutinised by the Governance Committee and by the Board as a whole. All new trustees receive an induction to the organisation by the Chief Executive and may be invited to attend a Board Meeting prior to election.

The Board of Trustees approves the major strategic decisions for the organisation. Each year, a number of trustees are invited to make field visits to be fully informed about Malaria Consortium's activities, thus enabling them to effectively support these strategic decisions. The Board of Trustees delegates the day-to-day operational decision-making to the Chief Executive, who, with the Global Management Group (GMG), runs the organisation and signs all contracts. The GMG is supported by Senior Management Teams at regional and country level who are responsible for all aspects of our programmes.

Malaria Consortium inducts new staff to enable a strong understanding of the organisation covering structure, policies, and procedures along with expected conduct and other role-relevant information. Core policies that are fundamental to Malaria Consortium's work and which staff are required to read fully are: the Code of Conduct; the Safeguarding Policy; the Anti-Fraud and Anti-Corruption Policy; the Anti-Money Laundering Policy; the Conflict of Interest Policy; the Whistle Blowing Policy; and the Anti-Bribery Policy. Managers are also introduced to people management policies, procedures, budgeting and planning.

Malaria Consortium

Malaria Consortium utilises annual performance and development reviews to enable managers and staff to identify learning initiatives to bridge skills and/or knowledge gaps.

Malaria Consortium's head office is in London, United Kingdom, with regional offices for East and Southern Africa in Kampala, Uganda covering Uganda, Mozambique, South Sudan and Ethiopia; for West Africa in Abuja, Nigeria covering Nigeria, Chad and Burkina Faso; and for Asia in Bangkok, Thailand covering Thailand, Cambodia, Myanmar, Nepal and Bangladesh. Regional offices coordinate and supervise programmes and projects at country level in the three regions. Global activities and any work in other parts of the world are directed through the head office in the UK. For more detail on our programmes and offices, please refer to our website www.malariaconsortium.org.

At a country level, we work with Ministries of Health (MOH), local and regional UN offices, regional organisations in West, East, and Southern Africa, National Malaria Control Programmes (NMCP), bilateral donors, international foundations, civil society organisations, development projects, private sector and most importantly, communities suffering from malaria, other communicable diseases and malnutrition.

Close collaborations are maintained with academic institutions in the UK including the Nuffield Centre for International Health and Development at The University of Leeds, the London School of Hygiene & Tropical Medicine and University College London.

Malaria Consortium's income is predominantly restricted. Until a couple of years ago, almost all of this was raised through successful project-based contract and grant applications. Income on these projects is recorded at the same time as expense is incurred. This year, we have seen funding from philanthropists and individuals around the world who support those who have achieved GiveWell Top Charity Status. For us this is mainly, though not exclusively, linked to continuing to close gaps in coverage for seasonal malaria chemoprevention (SMC) across the Sahel, maintaining and further developing life-saving interventions for children under the age of five and in broadening our funding base. However, it also has significant impact on the way our numbers are reported. Because of the seasonal nature of our activity, with expenditure concentrated in July to November (the rainy season), keen observers will notice a continued rise in our restricted reserves. Further commitments from our donors, plus increased income from interest, are allowing us to plan for both continuity in existing areas for the next two years and expansion to cover further eligible children.

Mission and Objectives

The mission of Malaria Consortium is to improve lives in Africa and Asia through sustainable, evidence-based programmes that combat targeted diseases and promote child and maternal health. We have referred to the guidance in the Charity Commission's guidance on Public Benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how these activities will contribute to the aims and the objectives of the charity, as shown below, that guide all our work serving those suffering from communicable diseases and malnutrition in Africa and Asia.

Objectives

We end this reporting year in the middle of the fifth operating year of the current five-year strategy 2015-2019, which is based on four key business areas and five strategic objectives. The four key business areas are:

- a) Preventive Treatment: looking at intervention through prophylaxis, mass drug administration, and existing and emerging vaccines.
- b) Vector Control: looking both at interventions to reduce the number of vectors present in the community and at those that keep people away from vectors.
- c) Case management: covering both diagnosis and treatment, improving both access to and the quality of services available should an individual present with symptoms.
- d) Health Service Effectiveness and Efficiency: recognising that there are many diverse elements to health system strengthening, we focus on the key interventions that deliver the functionality and data necessary for effective decision-making and responses to health needs.

We recognise that these business areas are not always found in isolation and the five strategic objectives aim to reflect this. Our first objective covers our overarching work to put in place the policies, mechanisms and resources necessary, at a national and international level, to ensure that appropriate interventions are not hindered by lack of support at a political level. The remaining four objectives are directly linked to each of the business areas. We measure the progress of our strategy against these objectives.

The objectives are:

1. To guide international and national policies and strategies to enhance control and accelerate elimination of targeted diseases and malnutrition.
2. To reach at least 10 million people (in the strategy period) with preventive treatment, supporting the appropriate uptake of emerging vaccines and drug-based prevention approaches.
3. To engage in at-scale delivery of effective vector control interventions and develop, investigate, promote and implement novel, vector-focused approaches that reduce targeted disease transmission.
4. To improve access to, and the quality of services for, the diagnosis and treatment of targeted diseases and/or those that enhance child and maternal health.
5. To improve health system effectiveness and efficiency, through enhanced surveillance, outbreak response, referral, reporting, and capacity and market development.

Strategic Report

Achievements and Performance

At an operational level, Malaria Consortium has maintained our programmes to improve access to effective prevention and treatment of malaria, pneumonia and neglected tropical diseases¹ to some of the poorest populations in Africa and Asia. A selection of key achievements and challenges for the year, linked to our objectives, is presented below:

To guide international and national policies and strategies to enhance control and accelerate elimination of targeted diseases and malnutrition

Malaria Consortium, both at international and national level, has maintained a presence in key partnerships and working groups linked to policy and advocacy. Internationally these include at the WHO's Malaria Policy Advisory Committee (MPAC) and Vector Control Working Group and at the revitalised Roll Back Malaria Partnership. In the UK, we work with the All Party Parliamentary Group for Malaria and Neglected Tropical Diseases and are an active member of the UK Coalition against NTDs. We partner with the Ministries of Health where Malaria Consortium works, and work with local advocacy partners in endemic areas, aiming to change policy and practice to end malaria and neglected tropical diseases. We continue to serve on the WHO Drug Resistance and Containment Technical Expert Group, which is guiding global strategies on tackling the threat of artemisinin resistance.

Following a 3-year gap, we are delighted to be the chosen partner for the UK's Department for International Development (DFID) for the implementation of the next wave of the Support to the National Malaria Programme (SuNMaP2) in Nigeria. This plans to deliver significant further improvement in the fight against malaria in six states. The 6-month inception period commenced in January 2019, and the team was fully in place by the end of the reporting period.

To reach at least 10 million people (in the strategy period) with preventive treatment, supporting the appropriate uptake of emerging vaccines and drug-based prevention approaches

The primary intervention contributing to this objective continues to be seasonal malaria chemoprevention (SMC) in the Sahel Region of Sub-Saharan Africa. This intervention involves administration of a safe and effective antimalarial to all children aged three to 59 months during the peak malaria transmission season. It is recommended by WHO for this age group in regions where malaria transmission is at a peak during the rainy season and where the available drugs (sulphadoxine pyrimethamine plus amodiaquine - SPAQ) are still effective. The total eligible group for this intervention is about 25 million children. In this reporting period, partly funded by DFID, but mainly by funds raised from philanthropists, Malaria Consortium continued to deliver directly child-friendly, dispersible products across Nigeria, Chad and Burkina Faso, expanding our reach to 4.12m children in the 2018 rainy season, up from 3.87m in the prior year, saving between 18,000 and 23,000 lives.

¹ **Neglected tropical diseases (NTDs)**, a diverse group of communicable diseases that prevail in tropical and subtropical conditions in 149 countries.

Malaria Consortium

To engage in at-scale delivery of effective vector control interventions and develop, investigate, promote and implement novel, vector-focused approaches that reduce disease transmission

Malaria Consortium continues to be involved in distribution of long lasting insecticidal nets (LLINs), which remains one of the key, high-value intervention against malaria. In this reporting year, we distributed fewer nets directly as the countries/states we serve were not programmed for campaign-based distribution. In Uganda, we finalised the second universal net distribution for the country, with a balance of eight million nets, and continued to monitor the effectiveness of use and compare this with the performance of a new net, with an adjuvant chemical to enhance the effectiveness of the pyrethroid insecticide. Results are pending.

We are implementing an integrated vector management programme for dengue control in Cambodia and extended our work with mobile and migrant populations in forested areas, where most of the residual falciparum malaria is to be found, seeking to accelerate the progress towards elimination.

Malaria Consortium hosted and provided technical support to both the Vector Control Working Group and the Surveillance Working Group of the Asia Pacific Malaria Elimination Network (APMEN). This is based out of our regional office in Thailand, working together with all the countries of the Asia Pacific Leaders' Malaria Alliance (APLMA) to assure and push forward the most appropriate technical interventions in the region. We also advised on vector control strategy in Malawi and Tanzania as part of the USAID funded VectorLink programme.

To improve access to, and the quality of, services for the diagnosis and treatment of diseases and/or those that enhance child and maternal health

In the unfortunate event that transmission of any of the diseases, or a shortage of food, requires intervention, this objective is targeted at improving access to and the quality in diagnosis of and treatment at all levels of the health system. Overall, more than 15 million patients accessed quality assured treatment for malaria, diarrhoea and pneumonia with Malaria Consortium support.

In the field of diagnosis, major steps continue to be taken in the widespread use of rapid diagnostic tests and acceptance that there should always be parasitological diagnosis of malaria prior to treatment is built into most countries' protocols. While progress has been made, there is more to do to assure that protocols are followed, in terms of both quality supply and consistent clinician behaviour.

There has been further progress on the field evaluation of tools for the diagnosis of pneumonia. Malaria Consortium has continued analysis of several electronic devices in Ethiopia and Nepal. We also continued research in Nigeria on identifying severe pneumonia in the community linked to the clinical sign of 'chest in-drawing'.

Integrated community case management (iCCM) of malaria, pneumonia and diarrhoea remains a key approach to management of the common childhood diseases in Southeast Asia and Sub-Saharan Africa. This is also linked, where possible, to

Malaria Consortium

community assessment of malnutrition and access to therapeutic feeding, directly or indirectly (iCCM+). We now have experience of this approach in Mozambique, Uganda, Nigeria, South Sudan and Myanmar. In each country, the roles of community health workers differ and combination funding is required as Global Fund can only provide commodities associated with malaria in this context.

To improve health system effectiveness and efficiency, through enhanced surveillance, outbreak response, referral, reporting, and capacity and market development

Malaria Consortium has traditionally used malaria as our access point and leveraged this to support wider aspects of service delivery such as community delivery, clinical capacity building, supervision, laboratory services, antenatal care, child and maternal health and data capture and analysis. We continue to develop the offering in the move to community-based primary healthcare as part of the overall move to Universal Health Coverage (UHC).

As the burden of malaria decreases and the focus moves towards elimination, new tools and techniques are being put in place. Surveillance and rapid response to outbreaks become key and surveillance becomes an intervention in its own right. Technology is increasingly playing a part in data capture and sharing, and in the support and supervision of remote and community workers. Linkages are also being made to wider interventions in child and maternal health. In Mozambique, we have expanded a programme of technology-facilitated support to, and supervision of, community health workers for child and maternal health from the pilot area in Inhambane into Cabo Delgado and Zambezia having been adopted as the national solution, providing community-level, case data directly into the national health management information system.

In Uganda, we have the privilege of serving 95% of the districts. We are the lead agency on the USAID Malaria Action Program for Districts, and through the DFID-funded 'Strengthening Uganda's Response to Malaria (SURMa) we are working across the country to bring stratified malaria interventions to both community and facility-based services, across both public and private sectors.

Financial Review

Income

Total income received during the year amounted to £55 million, a decrease of £8 million (13%) on the previous year. The reduction in income was primarily due to the ending of large donor funded projects. We continue to receive significant philanthropic funding for SMC amounting to 53% of our income targeted at expansion in future years [£28.90m up from £21.04m in prior year]. This offset the reduction in traditional restricted institutional funding due to the finalisation of the Universal Net Distribution in Uganda – mainly funded by Global Fund [£3.6m down from £14.2m in the prior year], and the ending of the UNITAID funded ACCESS-SMC programme [£0.7m down from £11.6m in the prior year]. The US government agency, USAID, directly and via sub-agreements including Pathfinder and IntraHealth contributed 16% of total income. We saw a welcome increase in funding from UKAID to 13% of income [up to £7m from £3m in prior year] with the commencement of SURMA in Uganda and the launch of SuNMaP2 in Nigeria. Other donors contributed the balance. Please refer to note 2c on page 23 for the full list of our funding partners.

Expenditure

Charitable expenditure on programmes decreased by £9.8 million (£36.1 million in 2018/19; £45.9 million in 2017/18). Note 3 on page 24 shows this expenditure categorised according to our five strategic objectives. Preventive Treatment and Case Management are our two biggest areas of work representing 35% and 34% respectively of the total programme expenditure for the year; 33% of expenditure occurred in Uganda and a further 19% in Nigeria. Multi-country expenditure in Africa is related to the procurement of commodities for the SMC initiatives. Support costs as a proportion of direct costs are 12% compared to 9% in the previous year. In carrying out its programmes, Malaria Consortium works with a number of partners to which it sub-contracts its work. Total sub-contract expenditure during the year was £3.7 million, as compared to £6 m in the prior year, most of which was for Malaria Action Program for Districts (MAPD).

Result for the year

The total net movement in funds for the year was an increase of £18.6 million (2018: £16.9 million). The increase in funds in the year principally reflects timing differences associated with the £20.9 million donation from the Open Philanthropy Project Fund for SMC: the funds received in December 2018 can only be utilised from July 2019 given the seasonal nature of the activity for which they are to be used. At the end of the year, restricted funds for ongoing projects were £41.5 million, largely reflecting the SMC donations, whilst unrestricted funds were £4.3 million.

The main movement in the balance sheet was an increase in debtors of £1.7m due to funds owed from Department for International Development (DFID) and Population Services International, which will be received in the next financial year. Cash received for SMC activities of £29.5m during the financial year is not a deferred creditor.

Reserves Policy

The Board of Trustees recognise the importance of building and maintaining unrestricted reserves at an appropriate level and entrust the Finance, Audit and Risk Committee to annually assess the charity's level of unrestricted funds. The majority of the organisation's operational commitments relate to activities funded by restricted funds. The contractual agreements cover the completion of such tasks and related financial commitments. The Finance, Audit and Risk committee reviewed future needs, opportunities, commitments or risks, the likelihood of future income falling short of the amount of the anticipated costs and considered the level reserves that are necessary to make up the shortfall.

"Malaria Consortium's reserves policy is that it will hold unrestricted reserves to cover existing commitments relating to staff and operational commitments and four months of support costs to maintain the organisation's shape in the event of timing differences of funding."

General reserves are reserves that are not restricted to or designated for a particular purpose. Based on the current reserves policy the minimum level of reserves are set at £3.0m as this is considered sufficient to meet existing contractual commitments of £1.7m and the support costs for four months of £1.3m. In addition, the Board of Trustees decided it was prudent and necessary to set aside a designated reserve of £1.126m from unrestricted reserves.

Total unrestricted reserves as at 31 March 2019 were £4.29m (2018:£4.32 million) of which £3.16 million (2018: £3.37) were free reserves and £1.126 million (2018:£950k) were designated reserves. The Board has designated reserves of £1,126k is to provide against future exchange losses (£525k), programme needs (£250k), The Sylvia Meek Scholarship Fund (£74k) and Research Fund (£103k) and Staff Development (£174k).

Investment Policy and Performance

Funds received during the year for seasonal activities are invested in long-term interest bearing notice accounts. Funds received for on-going charitable activities and reserves are held in interest-bearing accounts that can be called on without notice. Monies are held in the most likely currency of expenditure in order to manage foreign exchange risk. The charity does not speculate on currency.

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 they are aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps they ought to take to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Malaria Consortium

Auditors

KPMG LLP 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.

Plans for Future Periods

Malaria Consortium will continue to have a primary focus on malaria whilst expanding our portfolio in our identified business areas and concurrently investigating the best approaches to contribute to the wider Sustainable Development Goals (SDGs) and the drive towards Universal Health Coverage. We will seek to build further on the positive engagement of the wider philanthropic community and expand the portfolio of funders we work with.

We will continue to update our competencies and practices in disease control, nutrition and integrated health service delivery, and contribute to the development of elimination programmes, where this is realistic. We will drive new activity in country through our business areas and look to enhance further Surveillance as a core intervention. In addition, we will reinforce our capabilities in the three communities of practice - Monitoring and Evaluation, Public Health Communication and Capacity Building - requiring these competencies across all of our programmatic activities. Specific research agendas, linked to our business areas and communities of practice, will be identified and funding sought. In particular, we will:

1. Further expand our reach on seasonal malaria chemoprevention (SMC) across the Sahel, and deliver programmes to enhance take up of intermittent preventive treatment for malaria in pregnancy.
2. Push to widen uptake of preventive interventions for dengue and other arboviruses, continue to promote the distribution and use of Long-lasting Insecticide Treated Nets (LLINs) in appropriate settings, both through campaigns and especially continuous distribution models. We will support countries to stratify need and focus intervention as they move towards malaria elimination
3. Help countries we serve to describe and action their plans for Universal Health Coverage, increasing access to high quality diagnostics and treatments through community-based primary health care.
4. Explore new avenues for health system improvement through surveillance models, data capture and use for decision-making, technology and greater economic impact analysis linked to the SDGs.

Principal Risks and Uncertainties

The responsibility for overseeing the management of risk has been delegated by the trustees to the Finance, Audit and Risk Committee (FARC) that reports to the Board. The FARC reviews the Risk Register quarterly, which shows the impact and likelihood of the major risks, and Risk Assessment and Risk Management processes.

Risk Assessment

The achievement of our objectives depends on many factors, both inside and outside the control of the organisation. The identified risks, and our approach to their management, include:

1. **Strategic: More competition due to other organisations expanding into areas of Malaria Consortium’s interest resulting in reduced funding opportunities.** There is much increased competition for resources driven by political pressure on international aid budgets, proposals for funding becoming less linked to specific diseases and an increased interest from multi-sectoral organisations. To mitigate this, Malaria Consortium works with a wide combination of international partners, is building experience of working across additional disease conditions and interventions in the communities at risk of malaria, and is constantly tracking the balance of the portfolio of research and implementation programmes.
2. **Governance: Failure to ensure proper corporate governance from a lack of appropriately skilled trustees leading to poor reputation.** The trustees acknowledge the importance of reflecting the diversity of its stakeholders and areas of work amongst themselves. We have established clear plans, based on a diversity and skills matrix, for further promoting diversity. Furthermore, in light of recent revelations elsewhere in the charity sector, the trustees have reviewed Malaria Consortium’s Code of Conduct and all key policies and guidelines linked to safeguarding beneficiaries and employees and are reassured that appropriate safeguards are in place.
3. **Performance: A failure to deliver a project through internal and external factors, resulting in a loss of reputation.** To gain funding in an increasingly competitive sector, the organisation needs to demonstrate consistently to funders our ability to deliver. The programmatic achievements of the organisation remain impressive, with repeated and increased funding from donors. In addition, the organisation has increased its accountability, transparency and assurance to demonstrate good value for money to donors and strengthen our safeguarding approach. Operational calls between senior management in the head office and in the regional offices continue to review performance and expenditure on a monthly basis and a quarterly performance review is shared with the Board.
4. **Operational: A failure to safeguard staff adequately particularly in high risk areas resulting in a serious incident.** The greatest need for our services is often in areas with high, and changing, security threats, particularly in South Sudan, Northern Nigeria, Northern Mozambique and parts of Myanmar. Security of beneficiaries, personnel and property is paramount. We keep up-to-date information about the security situations where we work, and have suitable insurance to cover our work and staff. If security threats are persistent, we relocate, and/or suspend operations. No relocations/suspensions were required in the reporting period.

Malaria Consortium

5. **Financial: A deficit in cash flow to meet expenditure requirements, therefore a delay in implementation.** Continued growth, exchange rate fluctuations and any requirement for post-, instead of pre-financing of projects can challenge the quality of delivery, the level of reserves and the availability of cash. The Chair of the FARC monitors cash flow and reserves monthly and reports to Trustees quarterly on cash flow and reserves. With careful control of support costs we are able to maintain our reserves in line with policy and continue to make ongoing investments in our future.



pp. Marcel Tanner
Chairman

25th July 2019

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 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Approved by the trustees on 25th July, 2019 and signed on their behalf by:


Canisius Anthony
Treasurer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALARIA CONSORTIUM LIMITED

Opinion

We have audited the financial statements of Malaria Consortium (“the charitable company”) for the year ended 31 March 2019 which comprise the group and charity Statement of Financial Activities, the group and charity Balance Sheet, the Group Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2019 and of the group’s surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees’ conclusions, we considered the inherent risks to the group’s business model, including the impact of Brexit, and analysed how those risks might affect the group and company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and Trustees’ report

The trustees are responsible for the strategic report and the Trustees’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Trustees’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Trustees’ report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 14, the trustees are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company'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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

28 October 2019

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Malaria Consortium
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
for the year ending 31 March 2019

	Note	CHARITY				GROUP				CHARITY	GROUP
		2019		Unrestricted Funds	Total Funds	2019		Unrestricted Funds	Total Funds	2018**	2018**
		Restricted Funds SMC* £000s	Other £000s			Restricted Funds SMC* £000s	Other £000s			Total Funds £000s	Total Funds £000s
Income from:											
Donations	2a	-	-	329	329	-	-	329	329	28	28
Legacies	2a	-	-	-	-	-	-	-	-	120	120
Donated Goods	2b	-	8	117	125	-	8	117	125	471	471
Charitable activities											
Grants, contracts & consultancy income	2c	28,006	21,368	3,197	52,572	28,505	21,994	3,396	53,895	62,343	62,343
Investments - Interest received		401	-	155	556	401	-	155	556	26	26
Other		-	-	120	120	-	-	120	120	68	68
Total Income		28,407	21,377	3,919	53,703	28,906	22,002	4,118	55,026	63,056	63,056
Expenditure on:											
Raising funds		-	-	319	319	-	-	319	319	268	268
Charitable activities	3	9,648	21,518	3,632	34,798	10,147	22,143	3,831	36,121	45,882	45,882
Total Expenditure	7	9,648	21,518	3,952	35,117	10,147	22,143	4,150	36,440	46,150	46,150
Net (expenditure) / income		18,759	(141)	(32)	18,586	18,759	(140)	(32)	18,586	16,906	16,906
Net movement in funds		18,759	(141)	(32)	18,586	18,759	(140)	(32)	18,586	16,906	16,906
Reconciliation of funds											
Total fund brought forward		22,706	219	4,317	27,243	22,706	219	4,317	27,243	10,337	10,337
Total fund balances at end of year	8	41,465	78	4,286	45,829	41,465	78	4,286	45,829	27,243	27,243

All income and expenditure derive from continuing activities.

The notes on pages 21 to 28 form an integral part of these financial statements.

*** Seasonal Malaria Chemoprevention (SMC)**

Malaria Consortium received a large donation of £20.8m in December 2018 from the Open Philanthropy Project Fund for Seasonal Malaria Chemoprevention. This fund together with other donations, asterisked in Note 2c, cannot be utilised until July 2019 as for a seasonal activity.

Other restricted funds

These are funds earned during the financial year for other restricted activities as per the strategic objectives of the organisation.

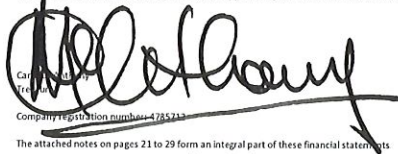
**** 2018 Comparative of Total Funds**

The split of funds for 2018 is shown in full in note 18 on page 28 of the financial statements

Malaria Consortium
Balance Sheet as at 31 March 2019

	Note	CHARITY				GROUP			
		2019		2018		2019		2018	
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets									
Intangible Assets	9		5		4		5		4
Tangible Assets	9		566		556		566		556
Total Fixed Assets			571		560		571		560
Current Assets									
Stock	10		-		198		-		198
Debtors	11		6,634		4,893		6,634		4,893
Cash at bank and in hand			43,673		27,062		43,673		27,062
Total Current Assets			50,307		32,153		50,307		32,153
Current Liabilities									
Creditors falling due within one year	12		(4,507)		(4,889)		(4,507)		(4,889)
Net Current Assets			45,800		27,264		45,800		27,264
Total assets less current liabilities			46,371		27,824		46,371		27,824
Provisions									
Provisions for liabilities	13		(542)		(581)		(542)		(581)
Net Assets			45,829		27,243		45,829		27,243
Represented by:									
<i>Unrestricted income funds</i>	8								
General			3,160		3,368		3,160		3,368
Designated			1,126		950		1,126		950
Total Unrestricted Funds			4,286		4,318		4,286		4,318
<i>Restricted income funds</i>	8								
SMC			41,465		22,706		41,465		22,706
Other			78		219		78		219
Total Restricted Funds			41,543		22,925		41,543		22,925
Total Funds			45,829		27,243		45,829		27,243

The financial statements on pages 21 to 28 were approved by the Board and authorised for issue on 25 July 2019 and signed on its behalf:


 Chair of the Charity Trustees
 Company registration number: 4785213

The attached notes on pages 21 to 29 form an integral part of these financial statements

Malaria Consortium
Cash Flow Statement for the year ending 31 March 2019

	Notes	2019 £000s	2018 £000s
Cash flows from Operating Activities			
Cash inflow / (outflow) from operating activities	A	16,125	2,658
Cash flows from Investing Activities			
Interest income		556	26
Purchase of fixed assets		(69)	-
Net cash (used in) / provided by investing activities		487	26
Increase / (Decrease) in cash in the year		<u>16,612</u>	<u>2,684</u>
Cash at the beginning of the year	B	27,062	24,378
Cash at the end of the year	B	<u>43,673</u>	<u>27,062</u>

Notes to the Cash Flow Statement for the year ending 31 March 2019

A Reconciliation of Net Income / (Expenditure) to Net Cash Flow from Operating Activities

	2019 £000s	2018 £000s
Net income for the year	18,586	16,906
Depreciation charge	59	81
Adjustment for depreciation		(92)
Decrease / (Increase) in stock	198	(107)
(Increase) / Decrease in debtors	(1,741)	3,075
(Decrease) / Increase in creditors	(382)	(17,070)
(Decrease) in provisions	(39)	(109)
Investment income	(556)	(26)
Cash inflow / (outflow) from operating activities	<u>16,125</u>	<u>2,658</u>

B Analysis of cash

	At 1 April 2019 £000s	At 1 April 2018 £000s
Cash at bank and in hand	43,673	27,062
Total cash	<u>43,673</u>	<u>27,062</u>

Malaria Consortium

Notes to the financial statements for the year ended 31 March 2019

1 Accounting Policies

a Basis of Financial Statements

The financial statements have been prepared under the historic cost convention and in accordance with applicable Financial Reporting Standard (FRS102) and the Statement of Recommended Practice (SORP) 2015 "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.

Malaria Consortium meets the definition of a public benefit entity under FRS102.

Key judgements and assumptions that apply to these accounting policies are listed where applicable.

The financial review in the Trustees' Report reviews the finances of the charity for the year ended 31 March 2019 in comparison to the prior year. The charity has a healthy cash balance and a large proportion of grant funding required for 2019/20 and 2020/21 is 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 adopt 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 are 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 Income

Income for a specific purpose is credited to a restricted fund.

All income becoming available to the charity is 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 FRS102 and the Charities SORP 2015 . 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.

d Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Expenditure is allocated to a particular activity where the cost relates directly to that activity.

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

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

Malaria Consortium

Notes to the financial statements for the year ended 31 March 2019

1 Accounting Policies continued

e Donated goods and services

Donated goods and services are valued and brought in as income when the items/services are received and expenditure when the items/services are distributed. Any undistributed items/services are treated as stock. Where the gift is a fixed 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 donated goods are an estimate of the gross value to the organisation, usually the market value.

f 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.

g Intangible Fixed Assets

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 £1,500 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 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 £1,500 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. The value of the land is not depreciated.

Malaria Consortium commissioned a report in 2016 for the revaluation of the buildings, but the change in value was considered not significant enough to warrant a revaluation.

i Debtors

Amounts due from donors and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

j Cash at bank and in hand

Cash at bank and in hand includes petty cash and bank accounts including short term deposit accounts.

k Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated. They are normally recognised at their settlement amount.

l Financial Instruments

Malaria Consortium only has financial assets and liabilities of a kind that qualify as basic. These basic financial instruments are shown in the balance sheet and initially recognised at transaction value and subsequently measured at their settlement value.

m 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.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

1 Accounting Policies continued

n 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.

o Group accounts

The financial statements present information about the Company as an individual undertaking and its Group. The operation of the subsidiary company Malara Enterprise Limited in the year has been considered and is not material to the Company for the purpose of giving true and fair view. The Company has the benefit of an advantage of the exemptions provided by Section 405 of the Companies Act 2006 not to consolidate Malara Enterprise Limited. However the operations of Malara Public Health Limited have been considered material to the company for the purpose of giving a true and fair view and have been consolidated.

2a Income from donations	CHARITY		GROUP		2018
	2019	2019	2019	2019	
	£000s	£000s	£000s	£000s	£000s
Unrestricted Funds					
Other donations			329	329	28
Legacies			-	-	120
Total			329	329	148

2b Donated Goods

Donated goods received this year relate to motorbikes from UNOPS in Cambodia with a market value of £5k (2018: nil). In the UK, pro-bono legal services were valued at £72k (2018: £65k) and Microsoft licences amounted to £46k (2018: £33k).

2c Income from charitable activities	CHARITY		GROUP		2018	
	Restricted Funds	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	Unrestricted Funds
	£000s	£000s	£000s	£000s	£000s	£000s
Open Philanthropy Project Fund (an advised fund of Silicon Valley Community Foundation)*	22,424	1,015	22,324	1,015	20,359	-
USAID	7,059	1,056	7,059	1,056	5,218	506
GiveWell*	7,731	-	7,731	-	154	-
United Nations Children's Fund (UNICEF) / Department for International Development	2,187	272	2,187	272	-	-
Population Services International / Department for International Development	2,300	(441)	2,300	(441)	2,553	251
Catholic Relief Services / The Global Fund	1,610	160	2,066	160	319	0
Department for International Development**	1,290	324	1,400	522	-	-
United Nations Children's Fund (UNICEF)	1,057	112	1,057	112	2,976	44
Health Policy Fund	835	204	835	204	1,227	38
Population Services International / The Global Fund	802	120	802	120	1,162	41
Unitaid	693	1	693	1	11,241	339
The Against Malaria Foundation	654	32	654	32	-	-
Bill & Melinda Gates Foundation	572	88	572	88	60	6
Effective Altruism*	646	-	646	-	23	-
Coptic Relief	161	40	161	40	40	43
InterHealth / USAID	251	80	251	80	148	31
Pathfinder / USAID	269	55	269	55	109	45
United Nations for Project Services (UNOPS) / The Global Fund	303	15	303	15	407	(23)
Leds University / Department for International Development	191	91	191	91	152	23
University of Southern California / EMGF	144	21	144	22	65	9
Cyntra Foundation*	101	-	101	-	-	-
Ministry of Health (Uganda) / The Global Fund	33	67	33	67	9,960	332
WHO	83	8	83	8	829	13
Fundacion Empressa y Sociedad*	71	-	71	-	-	-
International Federation of the Red Cross*	50	-	50	-	-	-
ISC / Eleanor Crook Foundation	18	7	18	7	128	15
Just Giving*	13	-	13	-	-	-
James Farley Foundation	6	1	6	1	34	3
World Vision International / Mozambique / The Global Fund	-	-	-	-	1,879	(5)
Three Graces Foundation, Inc.*	-	-	-	-	659	-
Ministry of Health (Tanzania) / The Global Fund	-	-	-	-	162	6
University Research Co., LLP / USAID	-	-	-	-	13	3
ICRA USAID - HR	-	(150)	-	(150)	-	-
FieldG / USAID	-	-	-	-	-	(165)
Good Ventures*	(493)	-	-	-	(171)	-
Grants and Contracts for projects of less than £100,000 each	258	20	208	20	210	(15)
Total income from charitable activities	48,395	3,197	50,429	3,156	60,521	1,772

* Seasonal Malaria Chemoprevention (SMC): the funds provided by these donors are designated for use in SMC activities and are planned to be expended from July 2019, reflecting the seasonal nature of this activity.

** Malara Consortium was awarded the DFID Support to National Malaria Programme Phase 2 (SUNMAP2) in Nigeria which started in January 2019. Payments of fees on this contract, to Malara Consortium and core partners, are triggered under a risk based, payment by results model.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

3 Details of charitable activities

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

	CHARITY				GROUP				GROUP			
	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2018 Total £000s	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2019 Total £000s	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2018 Total £000s
Guidance Policies	169	-	20	189	169	-	20	189	98	-	9	107
Preventive Treatment	9,956	215	1,134	11,305	11,079	115	1,133	12,327	10,453	1,113	1,212	12,778
Vector Control	9,771	18,017	1,023	28,811	9,771	18,017	1,024	28,812	17,533	2,131	1,784	21,448
Care Management	10,355	467	1,243	12,065	10,355	467	1,244	12,066	6,119	-	519	6,638
Health Systems	1,216	-	147	1,363	1,216	-	144	1,360	7,861	624	332	8,817
Total spent on charitable activities	22,437	3,709	3,632	34,778	28,541	3,709	3,631	35,881	36,675	6,693	3,824	47,192

	CHARITY				GROUP				GROUP			
	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2018 Total £000s	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2019 Total £000s	Operational programmes £000s	Grants to Partners £000s	Support costs £000s	2018 Total £000s
Burkina Faso	1,733	-	202	1,935	1,733	-	206	1,939	2,831	-	210	3,041
Chad	1,401	-	183	1,584	1,401	-	166	1,567	1,320	-	119	1,439
Ethiopia	470	-	55	525	470	-	56	526	307	-	25	332
Guinea Bissau	-	50	6	56	-	50	6	56	-	203	15	218
Mali	1,050	-	112	1,162	1,050	-	115	1,165	2,837	-	182	3,019
Nigeria	503	-	587	1,090	6,162	-	731	6,893	3,364	-	354	3,718
South Sudan	439	-	312	751	439	-	311	750	4,613	377	417	5,407
Somalia	-	-	-	-	-	-	-	-	30	-	3	33
Uganda	3,441	1,338	1,256	6,035	7,441	3,315	1,279	12,035	15,566	2,043	1,816	19,425
Other sub-country	4,437	265	315	5,017	4,437	165	347	5,049	4,121	2,823	438	7,382
Cambodia	331	156	82	569	331	156	84	571	421	118	47	586
Myanmar	342	-	40	382	342	-	41	383	219	-	26	245
Armenia/Georgia	163	-	20	183	163	-	20	183	56	140	20	216
United Kingdom	437	-	55	492	437	-	51	488	319	-	29	348
Total spent on charitable activities	22,437	3,709	3,632	34,778	28,541	3,709	3,631	35,881	36,675	6,693	3,824	47,192

4 Support costs

These costs are apportioned across the work of the charity in notes 6 and the basis disclosed in note 1.

	CHARITY			GROUP			GROUP		
	2019 Total £000s	2018 Total £000s	2018 Total £000s	2019 Total £000s	2018 Total £000s	2018 Total £000s			
Communications	447	319	313	447	319	313			
Finance	223	223	254	223	223	254			
Human Resources	201	201	164	201	201	164			
Information Technology	332	332	501	332	332	501			
Management	1,732	1,531	2,110	1,732	1,531	2,110			
Programme Support	316	316	317	316	316	317			
Governance	3,632	3,632	3,624	3,632	3,632	3,624			

5 Personnel and staff costs

	CHARITY			GROUP			GROUP		
	UK	Overseas	Total	UK	Overseas	Total	UK	Overseas	Total
Average number									
Project and technical staff	17	201	218	19	246	265	17	206	223
Operational and logistic staff	2	37	39	2	36	38	2	101	103
Management, finance and administration staff	27	24	51	30	41	71	29	44	73
	46	302	348	51	323	424	48	351	399

	CHARITY			GROUP			GROUP		
	2019 Total £000s	2018 Total £000s	2018 Total £000s	2019 Total £000s	2018 Total £000s	2018 Total £000s			
Aggregate costs	7,974	7,974	9,142	7,974	7,974	9,142			
Fees, salaries and agency staff costs	321	321	243	321	321	243			
Social security costs	5	5	68	5	5	68			
Pension contributions	331	331	422	331	331	422			
Overseas staff allowances	8,316	8,316	8,367	8,316	8,316	8,367			

Higher Paid Employees

The number of employees whose emoluments (excluding employer's national insurance and pension contributions) that amounted to more than £50,000 during the year was as follows:

	2019		2018	
	Number	Number	Number	Number
£50,000 - £59,999	7	7	7	7
£70,000 - £79,999	2	2	2	2
£80,000 - £89,999	1	1	1	1
£90,000 - £99,999	6	6	6	6
£100,000 - £119,999	2	2	2	2
£120,000 - £139,999	1	1	1	1

During the year, pension costs on behalf of these employees amounted to £30,215 (2018: £28,796)

The total remuneration of ten key management personnel, including employer's national insurance and pension contributions, was £207,747 (2018: £181,839). The salary of the Chief Executive was £115,105 (2018: £117,261). The Chief Executive did not receive any pension contributions in 2019 (2018: Nil).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

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 Expenditure

The expenditure figures are stated after charging:

	CHARITY		GROUP		2018 £000s
	2019 £000s	2018 £000s	2019 £000s	2018 £000s	
Operating lease rentals	626		626		769
Depreciation	59		59		81
Auditors' remuneration:					
Audit of these financial statements	82		82		56
Amounts receivable by the company's auditor	-		-		-
In respect of audit-related assurance services	44		44		73
Taxation compliance services	8		8		28
Trustees' reimbursed expenses	1		1		1

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips although there were none in 2019 (2018: 0). Trustees are not remunerated. 5 trustees were reimbursed during 2018/19.

8 Statement of Funds

	CHARITY					GROUP				
	As at 1 April 2018 £000s	Total Income £000s	Total Expenditure £000s	Inter-fund Transfers £000s	As at 31 March 2019 £000s	As at 1 April 2018 £000s	Total Income £000s	Total Expenditure £000s	Inter-fund Transfers £000s	As at 31 March 2019 £000s
Restricted Funds										
Seasonal Malaria Chemoprevention (SMC)	22,706	28,007	(9,648)	401	41,465	22,706	28,506	(10,147)	401	41,465
Other	218	21,377	(21,518)	-	78	218	22,002	(22,143)	-	78
Total Restricted Funds	22,925	49,383	(31,165)	401	41,543	22,925	50,508	(32,290)	401	41,543
Total Unrestricted Funds										
Free reserves	3,368	4,320	(3,952)	(576)	3,160	3,368	4,518	(4,151)	(576)	3,160
Designated funds	950	-	-	176	1,126	950	-	-	176	1,126
Total Unrestricted Funds	4,318	4,320	(3,952)	(400)	4,286	4,318	4,518	(4,151)	(400)	4,286
Total Funds	27,243	53,703	(35,117)	0	45,829	27,243	55,026	(36,440)	0	45,829

Purpose of Designated Funds

The balance of designated reserves as at 1st April 2019 of £1,126k is to provide against future exchange losses (£525k), programme needs (£250k), Sylvia Meek Scholarship Fund (£74k) and Research Fund (£103k) and Staff Development (£174k).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

8 Statement of Funds (continued)

Further analysis of restricted funds by project is shown below:

	As at 1 April 2018	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2019
	£000s	£000s	£000s	£000s	£000s
Restricted Funds					
Support to the APMEN Vector Control WG	-	169	(169)	-	-
World Malaria Day	-	-	-	-	-
ACCESS SMC	-	693	(693)	-	-
SMC third party funding	22,706	28,506	(10,147)	401	41,465
Implementation of SMC & Support to NMEP	-	445	(445)	-	-
Malaria Action Program for Districts	-	7,059	(7,059)	-	-
2nd Universal Coverage Campaign LLINs	-	83	(83)	-	-
RHITES-E	-	251	(251)	-	-
Anti-malaria activities	-	654	(654)	-	-
RAIze	-	315	(315)	-	-
Implementation of RAIZE	-	309	(309)	-	-
SESR-based strategies on dengue control	-	83	(83)	-	-
VC IDIQ	-	44	(44)	-	-
Antimicrobial Resistance	-	-	-	-	-
RACE Nigeria	-	(1)	1	-	-
Strengthening Healthcare in Iyolwa	-	1	(1)	-	-
ICCM in Aweil North County	1	146	(147)	-	-
SAM in Aweil West and Centre Counties	89	-	(89)	-	-
Scaling Up for Universal Coverage	10	-	(10)	-	(0)
ARIDA Protocol and Field Trials Services	-	374	(374)	-	-
Community Dialogues NTDs	-	108	(108)	-	-
ICCM2	118	2,700	(2,818)	-	-
Expansion of Community-led Services	-	342	(342)	-	-
Rise for Nutrition	-	38	(38)	-	-
MNCH Program	-	51	(51)	-	-
Reducing the Malaria Burden	-	2,086	(2,086)	-	-
Scaling Up for Universal Coverage	-	490	(490)	-	-
Strengthening Uganda response	-	2,187	(2,187)	-	-
Manual Video Annotation Assessment	-	88	(11)	-	78
Malaria Indicator Survey	-	475	(475)	-	-
ICCM Bridging	-	835	(835)	-	-
Upscale Phasing Out	-	187	(187)	-	-
Niger State TA for CBHW Program	-	10	(10)	-	-
SuNMaP 2	-	540	(540)	-	-
Strengthening Community Based Malaria	-	6	(6)	-	-
ICCM+: Access to quality health service	-	18	(18)	-	-
Transform: Primary Health Care	-	269	(269)	-	-
Evaluation of Malaria Prevention in MMP	-	(0)	0	-	-
Digital health system strengthening	-	301	(301)	-	-
COMDIS HSD Extension	-	166	(166)	-	-
Malaria Surveillance Strengthening Plan	-	455	(455)	-	-
Bangladesh Study	-	25	(25)	-	-
Total restricted funds	22,925	50,508	(32,290)	401	41,543
Unrestricted funds - Free reserves	3,368	4,518	(4,151)	(576)	3,160
Unrestricted funds - Designated funds	950	-	-	176	1,126
Total Funds	27,243	55,026	(36,440)	0	45,829

9 Fixed assets

	Intangible Assets		Tangible Assets			Total £000s
	Software Applications £000s	Land & Buildings £000s	Office Equipment £000s	Furniture & Fixtures £000s	Motor Vehicles £000s	
Cost						
At 1 April 2018	167	542	102	91	589	1,323
Additions	4	-	-	-	65	65
Disposals	-	-	-	(81)	(20)	(101)
At 31 March 2019	171	542	102	10	633	1,287
Depreciation						
At 1 April 2018	(163)	(66)	(100)	(90)	(512)	(768)
Charge for the period	(3)	(8)	(4)	(1)	(43)	(56)
Disposals	-	-	-	81	20	101
At 31 March 2019	(166)	(74)	(103)	(10)	(534)	(723)
At 31 March 2019	5	468	(1)	(0)	99	566
At 31 March 2018	4	476	3	1	77	555

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

10 Stock	CHARITY		GROUP	
	2019	2019	2019	2018
	£000s	£000s	£000s	£000s
Commodities	-	-	-	129
Medical Supplies	-	-	-	69
	<u>-</u>	<u>-</u>	<u>-</u>	<u>198</u>

11 Debtors	CHARITY		GROUP	
	2019	2019	2019	2018
	£000s	£000s	£000s	£000s
Amounts due from donors	6,305	6,305	6,305	4,286
Other debtors	105	105	105	200
Prepayments	224	224	224	407
	<u>6,634</u>	<u>6,634</u>	<u>6,634</u>	<u>4,893</u>

12 Creditors	CHARITY		GROUP	
	2019	2019	2019	2018
	£000s	£000s	£000s	£000s
Creditors: amounts falling due within one year				
Trade creditors	124	124	124	352
Other creditors	369	369	369	1,194
Taxation and social security	459	459	459	404
Accruals	847	847	847	1,432
Deferred Income (note 14)	2,708	2,708	2,708	1,507
	<u>4,507</u>	<u>4,507</u>	<u>4,507</u>	<u>4,889</u>

Pension contributions were made during the year to defined contribution schemes in Ethiopia, Nigeria, South Sudan, Uganda, and the UK. As at 31 March 2019, there were £37k (2018: £58k) of outstanding contributions to such schemes, that are included in Other creditors above.

13 Provisions for Liabilities	2019				2018	
	Programme	Overseas tax	Staff costs	Grants	Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
At the beginning of the year	-	250	157	175	581	690
Utilised during the year	-	(14)	(71)	(104)	(189)	(282)
Charged to the SoFA for the year	150	1	70	(71)	150	173
As at 31 March 2019	<u>150</u>	<u>237</u>	<u>156</u>	<u>-</u>	<u>542</u>	<u>581</u>

The provision for overseas tax relates to obligations in countries where Malaria Consortium is operating or has operated in the past. The staff provision includes amounts for severance payments on contract completion and programme provision includes potential liabilities through grants that may become payable. It is expected that Malaria Consortium will settle these obligations within the next five years.

14 Deferred Income

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

	2019	2018
	£000s	£000s
Deferred income at 1 April	1,507	14,259
Incoming resources deferred in the year	25,562	29,149
Amounts released from previous and current year	<u>(24,361)</u>	<u>(41,901)</u>
	<u>2,708</u>	<u>1,507</u>

15 Operating lease commitments - land and buildings

	2019	2018
	£000s	£000s
The amount payable on leases expiring:		
Within 1 year	528	479
Between 2 -5 years	728	884
	<u>1,256</u>	<u>1,363</u>

16 Analysis of net assets between funds

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	funds	funds	funds	funds	funds	funds
	2019	2019	2019	2018	2018	2018
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets	-	571	571	-	560	560
Net Current assets less provisions	41,543	3,715	45,259	22,925	3,758	26,683
	<u>41,543</u>	<u>4,286</u>	<u>45,829</u>	<u>22,925</u>	<u>4,318</u>	<u>27,243</u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

17 Related Parties

Malaria Consortium has a 100% interest in Public Health Nigeria Limited, a company registered in Nigeria. Public Health Nigeria Limited has net liabilities of £Nil at 31 March 2019 (2018: £104k) and expenditure of £1.323 million in the financial year (2018: £104k). 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 7. Additional disclosure in connection with organisations that the trustees are affiliated to or involved with is provided below:

Summary of related parties 18/19					
Entity	Description	Related Parties(Trustees)	Income	Expenditure	Balance
			GBP	GBP	GBP
					Credit
Swiss TPH	Registration fee of CHF 250 for attendance at the 14th Annual Vector Control Working Group	1. Marcel Tanner is a former Director of Swiss TPH 2. Joanna Schellenberg is an External Review Board Member of Swiss TPH		197	
All Party Parliamentary Group (APPG)	APPG on Malaria and NTDs paid for a staff member's travel costs to Uganda	1. Baroness Sheehan is the Treasurer of the APPG	499		
London School Hygiene and Tropical Medicine (LSHTM)	Funds provided by Malaria Consortium for SMC and Access SMC programme	1. Precious Lunga is a trustee of LSHTM		-14,271	443,127
		2. Brian Greenwood is employed by LSHTM		104,239	
		3. Joanna Schellenberg is employed by LSHTM			

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2019

18 Statement of Financial Activities for the year ending 31 March 2018

	2018			
	Restricted Funds		Unrestricted	Total
	SMC £000s	Other £000s	Funds £000s	Funds £000s
Income from:				
Donations	-	-	28	28
Legacies	-	-	120	120
Donated Goods	-	363	108	471
Charitable activities				
Grants, contracts & consultancy income	21,043	39,528	1,772	62,343
Investments - Interest received	-	-	26	26
Other	-	-	68	68
Total Income	21,043	39,891	2,122	63,056
Expenditure on:				
Raising funds	-	-	268	268
Charitable activities	2,315	39,763	3,804	45,882
Total Expenditure	2,315	39,763	4,072	46,150
Net (expenditure) / income	18,728	128	(1,950)	16,906
Net movement in funds	18,728	128	(1,950)	16,906
Reconciliation of funds				
Total fund brought forward	3,978	91	6,268	10,337
Total fund balances at end of year	22,706	219	4,318	27,243