

## **Trustees' Report and Financial Statements**

**For the Year to 31 March 2021**

Established in 2003, Malaria Consortium is one of the world's leading non-profit organisations specialising in the prevention, control and treatment of malaria and other communicable diseases among vulnerable populations. Our mission is to improve lives in Africa and Asia through sustainable, evidence-based programmes that combat targeted diseases and promote child and maternal health.

UK Registered Charity No: 1099776  
Company Number : 4785712

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**Malaria Consortium**

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**For the Year to 31 March 2021**

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### Reference and Administrative Details

<b>Status</b>	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.
<b>Company Number</b>	4785712
<b>Charity Number</b>	1099776
<b>Registered Office</b>	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, Togo, Thailand, Cambodia and Myanmar.
<b>Patron</b>	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:

<b>(CHAIR)</b>	Professor Marcel Tanner
<b>(TREASURER)</b>	Canisius Anthony
	Dr Allan Schapira
	Dr Neil Squires
	Dr Precious Lunga
	Dr Simon Kay
	Mark Clark
	Sarah Veilex
	The Rt. Hon. Baroness Sheehan
	Professor Jayne Webster
	Dr Linus Igwemezie
	Ian Boulton
	Jehangir (Joe) Gandhi (Appointed 12 November 2020)
	Sheri Adigun (Appointed 12 November 2020)
	Sarah de Tournemire (Appointed 12 November 2020 )

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 2021. The Trustees' Report also contains the information required in a Strategic Report as set out on pages 7 to 16.

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, unless a temporary extension of one year is granted for a committee chair while a suitable replacement is found.

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).
- The 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. The organisation has a well-established job evaluation mechanism linked to a normalised pay and benefits framework. This framework is reviewed regularly for cost-of-living increments and benchmarked country by country in a rolling plan, using established market indices. The Chief Executive's level of remuneration is similarly linked to that framework.

There are Trustees specifically designated as the leads for Safeguarding, Global Data Protection and Good Distribution Practice, the latter necessary to review ongoing alignment of practice with the needs of the Medicines and Healthcare products Regulatory Agency (MHRA) licence required as a UK NGO moving pharmaceuticals across international borders.

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

<b><i>Meeting</i></b>	<b><i>Number of meetings</i></b>	<b><i># trustees in attendance (average)</i></b>
Annual General Meeting	1	11
Board Meeting	4	12
Governance Committee	4	4
FARC	4	3
C&HR	2	5

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. It uses an annual retreat to review progress against the agreed strategy and to take a measure of the performance as a Board. This is usually a self-assessment against a clear set of criteria and a review of progress against priorities set the previous year. In this reporting period the Board also commissioned and received the results of an independent external review of Board effectiveness covering all key aspects of alignment with Charity Commission Guidance.

Each year, unless curtailed by a pandemic, 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 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, Burkina Faso, Togo and Cameroon, and for Asia in Bangkok, Thailand covering Cambodia, Thailand, Myanmar, 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](http://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, Imperial College and University College London. Internationally, we collaborate with Karolinska Institute, Institute Pasteur, University of Oslo, Mahidol University (Bangkok, Thailand), University of Nigeria, University of Pretoria, and Makerere University (Uganda)

Malaria Consortium's income is predominantly restricted, but the funding portfolio is changing. 57% of our income is raised through project-based contract and grant applications. Income on these projects is recorded at the same time as expense is incurred. There continues to be increased funding from philanthropy around the world, particularly from those who support charities that have achieved GiveWell's Top Charity status. For us this is mainly, though not exclusively, linked to closing 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.

GiveWell continues to award grants but will be releasing funds during the SMC season itself and not providing funds in advance of the season. These commitments from our donors and the restricted funds at the end of the financial year 2021 allow us to plan for both continuities in existing areas for the following three years, and expansion to cover further eligible children.

## **Mission**

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**

It was our intention to roll out a new strategy in March 2020, linked to revised strategic objectives. Due to the arrival of the COVID-19 pandemic, and as noted in the Report and Accounts for 2020, it was agreed to hold the formal launch of a new strategy until 2021, and focus on supporting our host governments on maintaining/adapting existing programmes and research, while accommodating the public health necessities of the pandemic, and to extend our existing objectives for the reporting period.

These 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**

The reporting period for 2020/21 has been difficult operationally. We cannot ignore the significant challenge and loss faced around the world, and we honour those who have been at the frontline of serving their communities, and mourn with those who have lost loved ones, directly or indirectly as a result of the pandemic. Malaria Consortium has taken a risk-based approach to duty of care of our staff and, despite the pandemic, seen significant operational successes against our objectives. We have had to source and procure significant quantities of personal protective equipment (PPE) and hygiene materials for staff, community distributors and health workers involved in our programmes, in the context of global shortages due to the pandemic. Thanks to the professionalism of our staff, and the agreements with our existing and new donors, we were able to do so such that no programmes were stopped due to PPE unavailability. No staff were furloughed or laid off in the UK, but we have been saddened to have to end some programmes prematurely due to funding changes and cuts by Her Majesty's Government.

In this context of a global pandemic, we present a selection of key achievements and challenges for the year, linked to our objectives:

### **To guide global 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 remotely maintained a presence in key partnerships and working groups linked to policy and advocacy. Globally these include at the WHO's Malaria Policy Advisory Group (MPAG) and Vector Control Working Group. We continue to host the Surveillance, Monitoring and Evaluation Reference Group (SMERG) and through the Roll Back Malaria Partnership to End Malaria. We also hosted the Vector Control and Surveillance working groups of the Asia Pacific Malaria Elimination Network (APMEN) in Asia. In the UK, we continued to work with the All Party Parliamentary Group for Malaria and Neglected Tropical Diseases and BOND, and we 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. We continue to participate in WHO Technical consultations.

This year, as soon as the pandemic became a reality, we advocated for interventions in malaria and other infectious diseases to be recognised as 'essential services' so that, where possible, trade-offs, between the lives of children under the age of 5 and adults who may suffer the consequences of severe COVID, could be avoided. We rapidly modified the protocols for Seasonal Malaria Chemoprevention, to include the necessary protections against COVID in training Community Distributors and all distribution activities. These protocols, with some adaptation, were adopted by WHO for all SMC activity globally. In addition, we engaged in modification of iCCM guidelines at global and at country level - particularly Uganda and Mozambique.

In Nigeria, as the chosen partner for the UK's Foreign, Commonwealth and Development Office (FCDO) for the implementation of the Support to the National Malaria Programme (SuNMaP2), we continued working alongside the government to develop sustainable

public and private sector interventions in six states, although we are saddened to report that this programme is a casualty of FCDO's recent spending review.

During the reporting period we have achieved Independent Research Organisation status, only the second UK charity in the health space to do so. This allows us to access funding directly, although often in a competitive bid environment, for a wider set of research opportunities. This is a great step forward for Malaria Consortium.

**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) for children of three to 59 months. This intervention is approved by WHO for this age group for regions where malaria transmission is at a peak during a period of around four months, using a combination of sulphadoxine pyrimethamine and amodiaquine (SPAQ). The total eligible group for this intervention is now in excess of 32 million children across the Sahel region of Sub-Saharan Africa. Malaria Consortium has directly reached 12 million children in the reporting period, up from 6 million in the prior period, with the major increase in being in Nigeria with new funding from the Global Fund, releasing philanthropic funding to then launch SMC in two new, previously uncovered states. We have also conducted trials for suitability/acceptance/effectiveness for SMC in two districts of Nampula Province, Mozambique covering 100,000 children. This is the first trial of its kind in a part of Africa where there is known resistance to sulphadoxine pyrimethamine (SP) as a treatment, and has been made possible in this timeline through immediately accessible philanthropic funding. Results are very encouraging and we are repeating/widening the trial. Should it be shown conclusively that SPAQ is currently effective in this belt of Africa, where there is an identifiable season, it opens up significant new life-saving opportunities for many more eligible children.

The trials of the RTSS vaccine for malaria and the speed of development of the COVID-19 vaccine has led to renewed hope that a malaria vaccine may be able to be developed, fast-tracked and widely deployed – though equitability in supply/availability remains a challenge. We continue to follow these developments and look forward to the arrival of new effective tools in the fight against communicable disease.

**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 interventions against malaria. In this reporting year, we distributed nets directly in South Sudan and Nigeria as part of our role as a Global Fund sub-recipient. In Uganda, we further monitored the durability and performance of the last wave of nets distributed, that demonstrated the improved effectiveness of pyrethroid-impregnated nets when accompanied by an adjuvant chemical, piperonyl butoxide (PBO), where there is resistance of the mosquito population to pyrethroids alone.

In Cambodia, we completed an integrated vector management programme for dengue control in Cambodia. While successful in demonstrating that vectors can be managed to an extent, no new funding has yet been identified to expand this work, and resources have been reallocated to the management of COVID-19. We are privileged to be continuing and extending our work with mobile and migrant populations in forested areas in the north and north-east of the country, where most of the residual falciparum malaria is to be found, having received funding from the Global Fund funding round for 2021-2023 to work with the Government to accelerate progress towards elimination.

In Myanmar, our schools-based programme for promoting dengue control, has been put on hold, initially due to the pandemic and then further delayed by the takeover of the government by the military.

Funded with a grant through GiveWell, Malaria Consortium used a multi-factoral, risk-based modelling approach to malaria at a much more granular level in Uganda and Nigeria. This has allowed a reprioritisation by the government of deliveries in the 2021 net distribution in Uganda to the populations most vulnerable to malaria risk, and identified two key states in Nigeria where there was a significant funding gap in high risk areas. This has in turn resulted in the release of funding to run two net campaigns to reach 11.4 million in the next reporting period.

As noted above, we hosted and provided technical support through both the Vector Control Working Group and the Surveillance Working Groups 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.

### **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**

This objective is targeted at improving access to and quality in diagnosis and treatment at all levels of the health system, and has clearly been impacted to different levels country –by-country by the global COVID-19 pandemic. Despite that, overall, more than 15 million patients accessed quality assured treatment for malaria, diarrhoea and pneumonia with Malaria Consortium support, with protocols re-written and programmes continuing through community-based interventions. We cannot, however, understate the likely risk of other fever-inducing disease outbreaks where limited resources are reallocated, stretched health-workers are exposed without appropriate protection, and communities fear to present with fever in light of the pandemic. We envisage there will be a need to respond to outbreaks of disease in the coming years and the importance of community-based surveillance will become even more evident.

In Uganda, we conducted now-published research into the interrelationship between malaria and COVID-19, demonstrating a clear correlation between high exposure to malaria and a reduced likelihood of suffering severe COVID-19. Though the correlation is clear, the 'mechanism' is not, and new variants of COVID-19 are showing themselves to have some different characteristics in ease of transmission and degrees of severity.

Unfortunately, in northern Uganda, the UK's Foreign Commonwealth and Development Office (FCDO)-supported programme, Supporting Uganda's Response to Malaria

(SURMa), was an early casualty of the cuts in UK Government funding, with activity significantly reduced from October 2020 and closed at the end of the reporting period. Gladly, our sister organisation (Malaria Consortium US) released funding to maintain some of the core activities through to September, when it is hoped that it will be replaced with Global Fund funding.

In South Sudan, activities to support parts of the health system by implementing the Health Pooled Fund there, have continued in Aweil in the north-west, and with more humanitarian funding in the north-east. We do have to note the sad loss of one of our staff there, as one of 300 killed in inter-community fighting, though not connected with his role.

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

COVID-19 has revealed the fragility of many health systems, even those which are relatively well-funded and resourced. We will be living with COVID-19 for a while to come and our work to support the emergence of health systems from the pandemic is in its early stages, and there will be backward steps first in many countries as backlogs of demand appear. The pandemic has driven us all to look more deeply at how technology can be used to support remote education, training and supervision, and, where possible, support enhanced quality of access, protocol-driven diagnosis and treatment, and referral.

In Mozambique, we have been able to expand the functionality of our community health worker-focused, smart phone-based application called upSCALE. This supports household and birth and death registration, family planning and protocols for integrated community case management (iCCM) of malaria, pneumonia and diarrhoea, to include advice on the identification of COVID-19 symptoms and referral and tracking for post-partum haemorrhage. This tool also provides data in a form that can be integrated directly with the country's health management information system. A version of this tool is also being piloted in Uganda to provide similar support to village health workers, and looking how similar data can be captured through private sector providers.

## Financial Review

### Income

Total income received during the year amounted to £68 million, a decrease of £3 million (4%) on the previous year. The decrease in income was primarily due a change in the way GiveWell will release grant funding for SMC. Grant funding committed for future SMC seasons will be released during the financial year for which the funding has been granted. We continue to receive significant philanthropic funding for SMC amounting to 85% of the funds required for targeted expansion until 2024. Funding from UKAID was up £2.2 million to £8.9 million (2020: £6.7m) with the additional procurement contract for SuNMaP2 in Nigeria. The US government agency, USAID, directly and via sub-agreements including Pathfinder and Abt Associates contributed 8% of total income. We saw a welcome increase in funding from Global Fund to £12.3 million (2020: £5.5m) [Up 118% from the prior year] with the continuation of malaria activities in Nigeria. Other donors contributed the balance. Please refer to note 2c on page 20 for the full list of our funding partners.

### Expenditure

Charitable expenditure on programmes increased by £22.6 million (2021: £66.4 million, 2020: £43.8 million). This increase in charitable expenditure from 2019/20 is primarily due to the expansion of the SMC program (+£7 million), Global Fund Reducing the Malaria Burden program, Nigeria (+£5.8 million), Sunmap2, Nigeria (+£2.5 million), Gates Foundation funded Surveillance project, Mozambique (+£1.5 million), MasterCard Foundation funded distribution of PPE equipment in Uganda (£0.95 million). Note 3 on page 30 shows this expenditure categorised according to our five strategic objectives. Preventive Treatment and Health Systems are our two biggest areas of work representing 48% and 23% respectively of the total programme expenditure for the year; 39% of expenditure occurred in Nigeria and a further 14% in Uganda. Multi-country expenditure in Africa relates to the procurement of commodities for the SMC initiatives. Support costs as a proportion of direct costs are 6% (2020:10%). Increase in programme spending has enabled greater recharge of support costs.

### Result for the year

The total net movement in funds for the year was an increase of £1.2 million (2020: £26.84 million). The increase in funds in the year principally reflects £1 million increase in unrestricted reserves to £6.1 million (2020: £5.1 million). At the end of the year, restricted funds for Seasonal Malaria Chemoprevention activities were £67.8 million (2020: £67.6 million) reflecting SMC grants received in advance of the seasonal activity for SMC.

Included in creditors is £4.1m due to funds received in advance from Bill and Melinda Gates Foundation and Catholic Relief Services, which will be utilised in the next financial year.

## 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 reserve policy is *"to hold reserves, sufficient to cover existing commitments relating to staff and operational leases and four months of support costs to maintain the organisation's shape in the event of timing differences in funding."*

### General Reserves (Unrestricted)

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 required is £3.1 million, which is sufficient to meet existing contractual commitments of £1.8 million and £ 1.26 million for the support costs for four months. The current level of unrestricted reserves is £5.6 million (2020:£3.7 million). In addition, the Board of Trustees decided it was prudent and necessary to set aside a designated reserve of £0.49 million from unrestricted reserves. Total unrestricted reserves including designated reserves as at 31 March 2021 were £6.1m (2019: £5.1 m)

£0.49 million has been designated by the Board as below:

Designated Funds	31st March 2021		31st March 2020	
	£000s		£000s	
Foreign Exchange Movements	263		1,050	
Programme Co-finance	78		78	
Research	51		80	
Scholarship	54		63	
Learning & Development	44		44	
<b>Total</b>	<b>490</b>		<b>1,315</b>	

### 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 auditor**

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 auditor 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 auditor are aware of that information.

### **Compliance with Trustees Duties under Section 172(2) Companies Act 2006**

Trustees must act in the way they consider, in good faith, would be most likely to promote Malaria Consortium's success to achieve its charitable purposes. The Trustees, in doing so, delegate day to day management and decision-making to the Chief Executive , who, with the Global Management Group, is required to act to further Malaria Consortium's strategy and to ensure that the activities are carried out in compliance with agreed plans and policies. The Trustees receive updates on Malaria Consortium's performance and plans at each Board of Trustee meeting. In carrying out their duties the Trustees have regard (amongst other matters) to:

#### **The likely consequences of any decision in the long term**

From October 2019 onwards, Trustees have regularly considered the new strategy. It was the intention of the Trustees to roll out a new strategy in March 2020, linked to revised strategic objectives. Due to the arrival of the COVID-19 pandemic, and as noted in the Report and Accounts for 2020, it was agreed to hold the formal launch of a new strategy until 2021, and focus on supporting our host governments on maintaining/adapting existing programmes and research, while accommodating the public health necessities of the pandemic, and to extend our existing objectives for the reporting period. In doing so, they considered the likely long-term consequences of their decisions. See the Strategic Report (Page 7-10).

#### **The interest of the charity's employees**

The organisation had a plan to engage with staff during 2020 which had to be postponed as a result of the impacts of COVID-19. Malaria Consortium plans to engage with all staff through a series of employee engagement surveys in 2021 and 2022. The design of the surveys was enhanced to reflect the changes in conditions following COVID.

#### **The need to foster the charity's business relationships with suppliers, customers and others**

Our network of collaborators includes research activities, local partnership organisations, global and local working groups, Ministries of Health where Malaria Consortium works, local advocacy partners in endemic areas, academic co-investigators in research projects and WHO Technical consultations. These partnerships are key to our work worldwide. Mutual respect for each other, together with transparency and accountability underpins our work with other.



Our values govern our procurement process and all our suppliers must comply with our Code of Conduct and principles of our Procurement Policy.

There are Trustees specifically designated as the leads for Global Data Protection and Good Distribution Practice, the latter necessary to review ongoing alignment of practice with the needs of the Medicines and Healthcare Products Regulatory Agency (MHRA) licence required as a UK NGO moving pharmaceuticals across international borders.

### **The impact of the charity's operations on the community and the environment**

We have continued to invest and improve our safeguarding to ensure that we better protect all those we work with. One of our Trustees is specifically designated as the lead for Safeguarding. Our Safeguarding work in 2020/21 included review of safeguarding policy and identifying and training safeguarding focal points in each country we operate in.

There are Trustees specifically designated as the leads for Safeguarding, Global Data Protection and Good Distribution Practice, the latter necessary to review ongoing alignment of practice with the needs of the Medicines and Healthcare Products Regulatory Agency (MHRA) licence required as a UK NGO/Company moving pharmaceuticals across international borders.

Malaria Consortium continues to consider the impact of its work on the local environment and climate change and reviews the need to travel internationally in keeping with the need to reduce its carbon footprint.

### **Maintaining a reputation for high standards of business conduct**

As we strive to achieve our strategic objectives, we lead by example and seek to demonstrate in all areas high standards of business conduct. Our Procurement and recruitment policies reflect our values and commitment to safeguarding and high standards of conduct.

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.

We require all our partners, suppliers and employees to adhere to our anti-bribery and anti-corruption policy as well as our code of conduct which prohibit fraud, bribery and nepotism.

### **The need to act fairly as between members of the charity**

This criterion has negligible application to Malaria Consortium as the trustees are the sole members of the charity and the Charity is not run in the interest of the members but to deliver the objects of the charity.

## **Compliance with Streamlined Energy and Carbon Reporting (SECR)**

Malaria Consortium is classified as a low energy user under the UK Government's Energy Reporting standards, and so information on its energy and carbon usage is not disclosed in this report.

### **Auditor**

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

### **Going Concern**

The financial statements have been prepared on a going concern basis which the Board of Trustees considers to be appropriate. The reasons for preparing accounts on this basis have been provided in the Note 1 a to the financial statements for the year ended 31 March 2021.

### **Plans for Future Periods**

Malaria Consortium will continue to have a primary focus on malaria whilst expanding our portfolio in our identified business areas. This will be done under a new strategy for 2021-2025, that is currently being rolled out. The strategy does not fundamentally change the direction of travel, but does acknowledge: the spectrum of progress on the roadmap to elimination; the importance of data and the shift from evidence to modelling; the unfinished nature of the pandemic; the likely change in the pattern and severity of diseases in light of that pandemic and the need for adaptability; the changing role of technology; and the continued shift in the way funds are released both domestically and internationally.

The new strategy has four key areas of focus:

1. Accelerating burden reduction to elimination. This will see the continuation of our work supporting governments and communities to reduce the burdens of disease with a combination of existing and new tools and approaches at all levels of endemicity, against a backdrop of changing epidemiology and climate variation.
2. Strengthening data-informed decision-making and digital approaches. This will include: modelling and visualising disease-risk at more granular levels to better prioritise and target interventions; promoting public health surveillance of diseases, vectors, genomes and molecular markers and the integration of disease surveillance and response in the wider health system; and enhancing local capacity to interpret and respond to the available data.
3. Supporting health sector resilience to achieve Universal Health Coverage (UHC) by 2030. Each country is at a different place in its journey towards UHC and the pandemic has shown us the fragility of even well-established systems to infectious disease shocks, further highlighting the need to build resilience, starting at the community-level, for our health systems. But there is no one right answer about the pathway to be taken and we plan to work to support the governments and communities we serve to identify and take the action they can to move along that

pathway, leveraging both public and private sectors for ‘public-health-good’ and evidencing impact and value for money as key elements of the decision-making processes.

4. **Influencing policy and practice.** This remains at the heart of what Malaria Consortium has been and still is. Leveraging our IRO status and the support of our partners and donors around the world, we plan to: continue to carry out high quality operational and implementation research and evaluations to continuously improve existing interventions and in support of new, evidence-based interventions; help national programmes interpret WHO’s technical guidance, using context-specific evidence, into policy and practice on the ground; help prioritise country-led research agenda; carry out technical advocacy and strategic communications and document and share research findings and lessons learned.

We have been deeply encouraged through this last year with the thoughtful generosity of those that support our work. Being a ‘GiveWell top charity’ for SMC, and the wider support this has engendered from the Effective Altruist community around the world enables us to see consistency in our ability to intervene and a degree of financial certainty in uncertain times, not just to stand still, but to pioneer work and generate evidence of impact and effectiveness in new areas as we look ahead.

### **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 (including Safeguarding and Staffing): A failure to safeguard operations and staff adequately particularly in high-risk areas resulting in a serious incident.***

We have worked at strengthening our safeguarding policies and procedures and provided relevant training to our staff. 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.

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.

The trustees have given consideration to these major risks to which the charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

### **A reflection on the impact of COVID-19**

It is also appropriate to reflect more on the potential impacts of COVID19 on our operations as part of the overall risk assessment. In the places we work, trade-offs are necessary, not just between economic impact and public health good, but, in many cases, between one infectious disease and another. During the pandemic, Malaria Consortium has been working with governments and multilateral agencies to describe how existing programmes can continue, but with due consideration to the additional challenges of preventing the spread of COVID-19 and its risk to staff and beneficiaries.

Ongoing forecasts suggest that, while there will be some slowdown of activities, impact of any slowdown will be mostly offset by the need for re-training to deliver under new COVID-19-safe protocols, and with the purchase of personal protection equipment (PPE) for staff and health workers. In addition, Governments have generally accepted the need for anti-malarial (and other infectious disease) programming to continue as 'essential services'; donors are encouraging continuation of programming wherever possible, with necessary adjustments; 50% of the activity for Malaria Consortium in the coming financial year is aligned with pre-funded Seasonal Malaria Chemoprevention (SMC); no staff have been furloughed or laid off since the onset of the pandemic; there have been no issues with the receipt and movement of funds; and we have demonstrated our capacity to operate remotely medium term.

We envisage, therefore, while we are keeping this under constant review, we will be able to continue our mission and operate at or near current levels and maintain the life-saving impact of our work.

A note of thanks.

How to conclude our narrative in a year like this? Some thanks...

- again to those (new and ongoing) who have continued to express their generosity by supporting us through giving. We have seen a notable increase in ongoing income from individuals and donor advised funds. This means we can continue our work.
- to the staff that have worked tirelessly to make real progress on our mission. There have been immense pressures, and highs and lows of morale, in and out of lockdowns and we recognise that without their own and their families' support, none of this would be possible.
- to Linklaters for their ongoing support on legal matters,
- to LEK Consulting Advance Pro Bono for their support in thinking through the digital landscape that underpins our strategy for technology
- to Neil Squires, Canisius Anthony and Mark Clark who have all come to the end of their tenure as Trustees for their partnership in and commitment to the mission of Malaria Consortium



Marcel Tanner

**Chair**

23.09 2021

## **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 28<sup>th</sup> July 2021 and signed on their behalf by:



**Marcel Tanner**  
Chair

23.09.2021

## Independent auditor's report to the members of Malaria Consortium

### Opinion

We have audited the financial statements of Malaria Consortium ("the charitable company") for the year ended 31 March 2021 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 charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 charitable company or to cease their operations, and as they have concluded that the group and the charitable 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").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the charitable company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group or the charitable company will continue in operation.



## **Fraud and breaches of laws and regulations – ability to detect**

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management as to the high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls.

Professional standards also require us to make a rebuttable presumption that the fraud risk from income recognition is a significant risk. We have not rebutted this risk for Malaria Consortium, which receives a significant amount of grants in the form of restricted or unrestricted funding.

Due to the nature of the entity in the not-for-profit sector, expenditure recognition (existence and accuracy) has also been identified as a fraud risk due to the risk that the payment is overstated or does not exist, in order that matching income can be recognised

We performed procedures including:

- Identified journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals with no description and journals posted to seldom used accounts.
- Reviewed a sample of grant funding agreements and agreed the payment profile back to the bank statements to confirm income has been recognised at the correct amount in the appropriate period
- Tested a sample of receipts and payments made close to the year-end to assess cut off processes for revenue and expenditure
- Assessed the completeness of disclosed related party transactions in the financial statements.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulation*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards). We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, recognising the nature of the Group’s activities. We discussed with management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Other information**

The trustees are responsible for the other information, which comprises the Trustees' Annual Report, and identify any additional "other information" included in the annual report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report 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:

- 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 charitable company 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.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 19, 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; 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's and the charitable 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 charitable 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](http://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 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 anyone 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.



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

**Joanne Lees**

**KPMG LLP**

**15 Canada Square**

**Canary Wharf**

**London**

**E14 5GL**

**24 September 2021**

**Malaria Consortium**  
**Statement of Financial Activities (incorporating an Income and Expenditure Account)**  
**for the year ending 31 March 2021**

	Note	CHARITY			GROUP			CHARITY	GROUP		
		2021			2021			2020**	2020**		
		Restricted Funds SMC* £000s	Other £000s	Unrestricted Funds £000s	Total Funds £000s	Restricted Funds SMC* £000s	Other £000s	Unrestricted Funds £000s	Total Funds £000s	Total Funds £000s	
<b>Income from:</b>											
Donations	2a	528	-	452	980	528	-	452	980	638	638
Legacies	2a	-	-	-	-	-	-	-	-	-	-
Donated Goods	2b	-	-	159	159	-	-	159	159	253	253
Charitable activities											
Grants, contracts & consultancy income	2c	28,859	33,417	4,482	66,758	28,859	33,417	4,482	66,758	69,252	69,252
Investments - Interest received		104	-	22	126	104	-	22	126	766	766
Other		-	-	41	41	-	-	41	41	54	54
<b>Total Income</b>		<b>29,491</b>	<b>33,417</b>	<b>5,156</b>	<b>68,064</b>	<b>29,491</b>	<b>33,417</b>	<b>5,156</b>	<b>68,064</b>	<b>70,963</b>	<b>70,963</b>
<b>Expenditure on:</b>											
Raising funds		-	-	335	335	-	-	335	335	303	303
Charitable activities	3	29,291	33,417	3,779	66,487	29,291	33,417	3,779	66,487	43,819	43,819
<b>Total Expenditure</b>	7	<b>29,291</b>	<b>33,417</b>	<b>4,114</b>	<b>66,822</b>	<b>29,291</b>	<b>33,417</b>	<b>4,114</b>	<b>66,822</b>	<b>44,122</b>	<b>44,122</b>
<b>Net (expenditure) / income</b>		<b>200</b>	<b>-</b>	<b>1,042</b>	<b>1,242</b>	<b>200</b>	<b>-</b>	<b>1,042</b>	<b>1,242</b>	<b>26,841</b>	<b>26,841</b>
<b>Net movement in funds</b>		<b>200</b>	<b>-</b>	<b>1,042</b>	<b>1,242</b>	<b>200</b>	<b>-</b>	<b>1,042</b>	<b>1,242</b>	<b>26,841</b>	<b>26,841</b>
<b>Reconciliation of funds</b>											
Total fund brought forward		67,596	-	5,074	72,670	67,596	-	5,074	72,670	45,829	45,829
<b>Total fund balances at end of year</b>	8	<b>67,796</b>	<b>-</b>	<b>6,116</b>	<b>73,912</b>	<b>67,796</b>	<b>-</b>	<b>6,116</b>	<b>73,912</b>	<b>72,670</b>	<b>72,670</b>

All income and expenditure derive from continuing activities.

The notes on pages 27 to 35 form an integral part of these financial statements.

**\* Seasonal Malaria Chemoprevention (SMC)**

Malaria Consortium received £29.15 m in FY 2021 from Good Ventures (£18.02 m) and Give Well (£11.3 m) for Seasonal Malaria Chemoprevention. This fund, together with other donations, asterisked in Note 2c, cannot be utilised until July 2021 as it is 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.

**\*\* 2020 Comparative of Total Funds**

The split of funds for 2020 is shown in full in note 18 on page 35 of the financial statements

**Malaria Consortium**  
**Balance Sheet as at 31 March 2021**

	Note	CHARITY				GROUP			
		2021		2020		2021		2020	
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Fixed Assets</b>									
Intangible Assets	9		2		3		2		3
Tangible Assets	9		568		514		568		514
<b>Total Fixed Assets</b>			<b>570</b>		<b>517</b>		<b>570</b>		<b>517</b>
<b>Current Assets</b>									
Stock	10		2		-		2		-
Debtors	11		3,487		5,377		3,482		5,377
Cash at bank and in hand			80,854		76,584		80,859		76,584
<b>Total Current Assets</b>			<b>84,343</b>		<b>81,961</b>		<b>84,343</b>		<b>81,961</b>
<b>Current Liabilities</b>									
Creditors falling due within one year	12		(8,747)		(8,633)		(8,747)		(8,633)
<b>Net Current Assets</b>			<b>75,596</b>		<b>73,328</b>		<b>75,596</b>		<b>73,328</b>
<b>Total assets less current liabilities</b>			<b>76,166</b>		<b>73,845</b>		<b>76,166</b>		<b>73,845</b>
<b>Provisions</b>									
Provisions for liabilities	13		(2,254)		(1,175)		(2,254)		(1,175)
<b>Net Assets</b>			<b>73,912</b>		<b>72,670</b>		<b>73,912</b>		<b>72,670</b>
<b>Represented by:</b>									
<i>Unrestricted income funds</i>	8								
General			5,626		3,759		5,626		3,759
Designated			490		1,315		490		1,315
<b>Total Unrestricted Funds</b>			<b>6,116</b>		<b>5,074</b>		<b>6,116</b>		<b>5,074</b>
<i>Restricted income funds</i>	8								
SMC			67,796		67,596		67,796		67,596
Other			-		-		-		-
<b>Total Restricted Funds</b>			<b>67,796</b>		<b>67,596</b>		<b>67,796</b>		<b>67,596</b>
<b>Total Funds</b>			<b>73,912</b>		<b>72,670</b>		<b>73,912</b>		<b>72,670</b>

The financial statements on pages 21 to 32 were approved by the Board and authorised for issue on 28.07.2021 and signed on its behalf:

Joe Ghandhi  
Treasurer  
23.09.2021

Company registration number: 4785712

The attached notes on pages 24 to 32 form an integral part of these financial statements.

**Malaria Consortium**  
**Cash Flow Statement for the year ending 31 March 2021**

	Notes	2021 £000s	2020 £000s
<b>Cash flows from Operating Activities</b>			
Cash inflow / (outflow) from operating activities	A	4,225	32,145
<b>Cash flows from Investing Activities</b>			
Interest income		126	766
Purchase of fixed assets		(81)	
<b>Net cash (used in) / provided by investing activities</b>		<u>45</u>	<u>766</u>
<b>Increase / (Decrease) in cash in the year</b>		<u><b>4,270</b></u>	<u><b>32,911</b></u>
Cash at the beginning of the year	B	76,584	43,673
<b>Cash at the end of the year</b>	B	<u><b>80,854</b></u>	<u><b>76,584</b></u>

**Notes to the Cash Flow Statement for the year ending 31 March 2021**

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

	2021 £000s	2020 £000s
Net income for the year	1,242	26,841
Depreciation charge	28	55
Adjustment for depreciation		-
Decrease / (Increase) in stock	(2)	-
Decrease / (Increase) in debtors	1,890	1,257
Increase / (Decrease) in creditors	114	4,126
Increase / (Decrease) in provisions	1,079	632
Investment income	(126)	(766)
<b>Cash inflow / (outflow) from operating activities</b>	<u><b>4,225</b></u>	<u><b>32,145</b></u>

**B Analysis of cash**

	At 1 April 2021 £000s	At 1 April 2020 £000s
Cash at bank and in hand	80,854	76,584
<b>Total cash</b>	<u><b>80,854</b></u>	<u><b>76,584</b></u>

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**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. There are no areas of material estimation or judgement in the Accounts.

The financial review in the Trustees' Report reviews the finances of the charity for the year ended 31 March 2021 in comparison to the prior year. The Trustees' report explains how the charity is structured and managed and how major risks are dealt with.

The financial statements have been prepared on a going concern basis which the Board of Trustees considers to be appropriate for the following reasons.

The Board of Trustees has reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Trustees is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the charity will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The charity has a healthy cash balance and a large proportion of grant funding required for 2021/22, 2022/23 and 2022/24 has been received in advance from donors. The charity has received funds in advance from philanthropic funders including grant funding of £29.15m in FY 2021 from the Good Ventures (£18.02 m) and Give Well (£11.3 m) for Seasonal Malaria Chemoprevention. £67.79 million is held in restricted funds for this programme which is sufficient to fund the programme for the next two financial years. During the FY 20201 we have also received further commitments for further \$24.5 million for this programme.

Funds from other donors like the Bill and Melinda Gates Foundation and Global Fund are received in advance for programme activities and retained as deferred income. £80.85 million held as cash and bank balances reflects the restricted funds as well as Malaria Consortium unrestricted funds. In the light of the ongoing COVID 19 situation, the Board of Trustees has undertaken a strategic review of the finances, secured and committed funding for the next three financial years and consider the current level of cash balances, restricted funds , unrestricted reserves sufficient to meet programme and organisational needs.

Consequently, the Board of Trustees is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**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 2021**

**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 2021**

**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 Malaria Enterprise Limited in the year has been considered and 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 Malaria Enterprise Limited. However the operations of Malaria 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		CHARITY		GROUP	
	2021		2021		2020		2020	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Restricted Funds</b>								
Restricted donations		528		528		194		194
<b>Subtotal</b>		<b>528</b>		<b>528</b>		<b>194</b>		<b>194</b>
<b>Unrestricted Funds</b>								
Other donations		452		452		444		444
<b>Subtotal</b>		<b>452</b>		<b>452</b>		<b>444</b>		<b>444</b>
<b>Total</b>		<b>980</b>		<b>980</b>		<b>638</b>		<b>638</b>

**2b Donated Goods**

Donated goods received this year were health centre supplies in South Sudan with a market value of £92k (2020: 89k); Microsoft licenses in the UK valued at £67k (2020: £57k); and malaria drugs worth £141 provided directly by Population Services International to the RAI2e project in Cambodia (2020: £nil).

**2c Income from charitable activities**

	CHARITY		GROUP		CHARITY		GROUP	
	2021		2021		2020		2020	
	Restricted funds £000s	Unrestricted funds £000s	Restricted funds £000s	Unrestricted funds £000s	Restricted funds £000s	Unrestricted funds £000s	Restricted funds £000s	Unrestricted funds £000s
* Good Ventures*	18,022	-	18,022	-	28,535	-	28,535	-
* GiveWell*	11,130	-	11,130	-	11,952	-	11,952	-
USAID	5,687	-	5,687	-	5,885	-	5,885	-
Department for International Development**	7,151	-	7,151	-	4,843	-	4,843	-
Catholic Relief Services / The Global Fund	9,890	-	9,890	-	3,802	-	3,802	-
* Effective Altruism*	2,463	-	2,463	-	2,996	-	2,996	-
Health Pooled Fund	1,980	-	1,980	-	1,822	-	1,822	-
Bill & Melinda Gates Foundation	2,912	-	2,912	-	1,789	-	1,789	-
United Nations Children's Fund (UNICEF) / Department for International Development	1,709	-	1,709	-	1,810	-	1,810	-
Population Services International / The Global Fund	1,903	-	1,903	-	1,301	-	1,301	-
United Nations Children's Fund (UNICEF)	1,076	-	1,076	-	934	-	934	-
Mastercard Foundation	1,043	-	1,043	-	-	-	-	-
United Nations for Project Services (UNOPS) / The Global Fund	425	-	425	-	396	-	396	-
James Percy Foundation	147	-	147	-	212	-	212	-
Global Fund / Institut Pasteur	143	-	143	-	153	-	153	-
University of Southern California / BMGF	102	-	102	-	229	-	229	-
Abt Associates Inc. / USAID	90	-	90	-	93	-	93	-
Norwegian Research	79	-	79	-	-	-	-	-
Intrahealth / USAID	73	-	73	-	91	-	91	-
Global Health / Department for International Development	60	-	60	-	-	-	-	-
Comic Relief	58	-	58	-	538	-	538	-
WHO	55	-	55	-	390	-	390	-
The Against Malaria Foundation	41	-	41	-	536	-	536	-
Good Ventures (non-SMC)	36	-	36	-	-	-	-	-
Reachout	12	-	12	-	-	-	-	-
* Fundacion Empresa y Sociedad*	7	-	7	-	121	-	121	-
Médecins Sans Frontières	1	-	1	-	128	-	128	-
Pathfinder / USAID	-	-	-	-	163	-	163	-
* Cynara Foundation*	-	-	-	-	110	-	110	-
ICRA USAID adjt	-	-	-	-	(63)	-	(63)	-
Transfer to unrestricted SMC	(2,867)	2,867	(2,867)	2,867	(2,116)	2,116	(2,116)	2,116
Transfer to unrestricted Other	(1,284)	1,284	(1,284)	1,284	(2,609)	2,609	(2,609)	2,609
	-	-	-	-	-	-	-	-
MCUS	-	255	-	255	-	-	-	-
	-	-	-	-	-	-	-	-
* SMC Donors of less than £100,000 each*	104	-	104	-	219	-	219	-
Grants and Contracts for projects of less than £100,000 each	28	76	28	76	267	-	267	-
<b>Total income from charitable activities</b>	<b>62,276</b>	<b>4,482</b>	<b>62,276</b>	<b>4,482</b>	<b>64,527</b>	<b>4,725</b>	<b>64,527</b>	<b>4,725</b>

\* 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 2021, reflecting the seasonal nature of this activity.

\*\* Malaria 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 are triggered under a risk-based, payment-by-res. Income from FCDO for Sunmap2 received during the year was £7.09 m; Expenditure on Sunmap 2 was £6.16m

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**3 Details of charitable activities**

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

	CHARITY				GROUP				CHARITY				GROUP			
	Operational programmes	Grants to Partners	Support costs	2021 Total	Operational programmes	Grants to Partners	Support costs	2021 Total	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2020 Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Guide Policies	115	-	7	122	115	-	7	122	245	-	28	273	245	-	28	273
Preventive Treatment	26,800	3,434	1,822	32,056	26,800	3,434	1,822	32,056	12,796	3,681	1,872	18,349	12,796	3,681	1,872	18,349
Vector Control	4,629	982	338	5,949	4,629	982	338	5,949	5,036	1,004	686	6,726	5,036	1,004	686	6,726
Case Management	12,436	106	756	13,298	12,436	106	756	13,298	7,375	118	851	8,344	7,375	118	851	8,344
Health Systems	13,142	1,064	856	15,062	13,142	1,064	856	15,062	8,259	835	1,033	10,127	8,259	835	1,033	10,127
<b>Total spent - charitable activities</b>	<b>57,122</b>	<b>5,586</b>	<b>3,779</b>	<b>66,487</b>	<b>57,122</b>	<b>5,586</b>	<b>3,779</b>	<b>66,487</b>	<b>33,711</b>	<b>5,638</b>	<b>4,470</b>	<b>43,819</b>	<b>33,711</b>	<b>5,638</b>	<b>4,470</b>	<b>43,819</b>

  

	CHARITY				GROUP				CHARITY				GROUP			
	Operational programmes	Grants to Partners	Support costs	2021 Total	Operational programmes	Grants to Partners	Support costs	2021 Total	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2020 Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Burkina Faso	2,328	2,041	263	4,632	2,328	2,041	263	4,632	791	1,838	299	2,928	791	1,838	299	2,928
Chad	2,260	1,348	217	3,825	2,260	1,348	217	3,825	861	1,313	247	2,421	861	1,313	247	2,421
Ethiopia	228	-	14	242	228	-	14	242	418	-	47	465	418	-	47	465
Mozambique	3,903	288	253	4,444	3,903	288	253	4,444	1,253	-	142	1,395	1,253	-	142	1,395
Nigeria	24,127	434	1,480	26,041	24,127	434	1,480	26,041	12,530	531	1,484	14,545	12,530	531	1,484	14,545
South Sudan	3,943	387	261	4,591	3,943	387	261	4,591	2,908	304	365	3,577	2,908	304	365	3,577
Togo	183	-	11	194	183	-	11	194	-	-	-	-	-	-	-	-
Uganda	7,514	982	512	9,008	7,514	982	512	9,008	6,543	1,507	914	8,964	6,543	1,507	914	8,964
Africa multi country	11,518	-	694	12,212	11,518	-	694	12,212	6,749	-	767	7,516	6,749	-	767	7,516
Cambodia	712	106	49	867	712	106	49	867	974	145	127	1,246	974	145	127	1,246
Myanmar	125	-	8	133	125	-	8	133	344	-	39	383	344	-	39	383
Asia multi country	90	-	5	95	90	-	5	95	227	-	26	253	227	-	26	253
United Kingdom	191	-	12	203	191	-	12	203	113	-	13	126	113	-	13	126
<b>Total spent - charitable activities</b>	<b>57,122</b>	<b>5,586</b>	<b>3,779</b>	<b>66,487</b>	<b>57,122</b>	<b>5,586</b>	<b>3,779</b>	<b>66,487</b>	<b>33,711</b>	<b>5,638</b>	<b>4,470</b>	<b>43,819</b>	<b>33,711</b>	<b>5,638</b>	<b>4,470</b>	<b>43,819</b>

**4 Support costs**

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

	CHARITY		GROUP		CHARITY		GROUP	
	2021	Total	2021	Total	2020	Total	2020	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Communications	363	363	363	363	343	343	343	343
Finance	1,008	1,008	1,008	1,008	891	891	891	891
Human Resources	451	451	451	451	454	454	454	454
Information Technology	236	236	236	236	202	202	202	202
Management	372	372	372	372	393	393	393	393
Programme Support	1,198	1,198	1,198	1,198	2,018	2,018	2,018	2,018
Governance	151	151	151	151	169	169	169	169
	<b>3,779</b>	<b>3,779</b>	<b>3,779</b>	<b>3,779</b>	<b>4,470</b>	<b>4,470</b>	<b>4,470</b>	<b>4,470</b>

**5 Personnel and staff costs**

	CHARITY			GROUP			CHARITY			GROUP		
	2021			2021			2020			2020		
	UK	Overseas	Total	UK	Overseas	Total	UK	Overseas	Total	UK	Overseas	Total
<i>Average number</i>												
Project and technical staff	19	182	201	19	391	410	16	192	208	1	16	339
Operations and logistics staff	1	85	86	1	115	116	2	92	94	2	122	124
Management, finance and administration staff	33	29	62	33	48	81	32	24	56	32	41	73
	<b>53</b>	<b>296</b>	<b>349</b>	<b>53</b>	<b>554</b>	<b>607</b>	<b>50</b>	<b>308</b>	<b>358</b>	<b>50</b>	<b>502</b>	<b>552</b>

	CHARITY		GROUP		CHARITY		GROUP	
	2021	Total	2021	Total	2020	Total	2020	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Aggregate costs</b>								
Fees, salaries and agency staff costs	8,466	8,466	12,667	12,667	8,077	8,077	11,263	11,263
Social security costs	545	545	616	616	540	540	593	593
Pension contributions	148	148	472	472	143	143	392	392
Overseas staff allowances	456	456	456	456	424	424	424	424
	<b>9,615</b>	<b>9,615</b>	<b>14,211</b>	<b>14,211</b>	<b>9,184</b>	<b>9,184</b>	<b>12,672</b>	<b>12,672</b>

**Higher Paid Employees**

The number of employees whose emoluments excluding employers national insurance and pension contributions that amounted to more than £60,000 during the year was as follows:

	CHARITY		GROUP		CHARITY		GROUP	
	2021		2021		2020		2020	
	Number		Number		Number		Number	
£60,000 - £69,999	7	7	7	7	7	7	7	7
£70,000 - £79,999	6	6	6	6	7	7	7	7
£80,000 - £89,999	2	2	2	2	2	2	2	2
£90,000 - £99,999	2	2	2	2	2	2	2	2
£100,000 - £109,999	1	1	1	1	2	2	2	2
£110,000 - £119,999	2	2	2	2	1	1	1	1
£120,000 - £129,999	0	0	0	0	1	1	1	1

During the year, pension costs on behalf of these employees amounted to £40,674 (2020: £46,860). The total remuneration of ten key management personnel, including employer national insurance and pension contributions, was £636,182 (2020: £831,597). The salary of the Chief Executive was £112,201 (2020: £115,093). The Chief Executive did not receive any pension contributions in 2020 (2019: Nil).

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**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	CHARITY	GROUP
	2021	2021	2020	2020
	£000s	£000s	£000s	£000s
Operating lease rentals	639	639	657	657
Depreciation	28	28	55	55
Auditors' remuneration:	172	175	119	125
Trustees' reimbursed expenses	2	2	1	1

Auditors' remuneration is further detailed as follows:

	Statutory Accounts £000s	USAID FRR £000s	Project Audit £000s	Tax Advisory £000s	TOTAL £000s
<b>KPMG</b>					
Ethiopia	-	-	1	-	1
South Sudan			4		4
Uganda	45			1	46
UK (including VAT)	75	44			119
<b>Total KPMG Fees</b>	<b>120</b>	<b>44</b>	<b>5</b>	<b>1</b>	<b>170</b>
<b>PKF</b>					
Nigeria	5				5
<b>Total fees paid to PKF</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Total Audit Fees (including VAT)</b>	<b>125</b>	<b>44</b>	<b>5</b>	<b>1</b>	<b>175</b>

Trustees are not remunerated. Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips. There were no field trips in 2021 (2020: 0). Three trustees were reimbursed £1,483 during 2021 (2020: 0).

**8 Statement of Funds**

	CHARITY				GROUP					
	As at 1 April 2020	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2021	As at 1 April 2020	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2021
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Restricted Funds</b>										
Seasonal Malaria Chemoprevention (SMC)	67,596	28,859	(29,291)	632	67,796	67,596	28,859	(29,291)	632	67,796
Other	-	33,417	(33,417)	-	-	-	33,417	(33,417)	-	-
<b>Total Restricted Funds</b>	<b>67,596</b>	<b>62,276</b>	<b>(62,708)</b>	<b>632</b>	<b>67,796</b>	<b>67,596</b>	<b>62,276</b>	<b>(62,708)</b>	<b>632</b>	<b>67,796</b>
<b>Total Unrestricted Funds</b>										
Free reserves	3,759	5,788	(3,289)	(632)	5,626	3,759	5,788	(3,289)	(632)	5,626
Designated funds	1,315	-	(825)	-	490	1,315	-	(825)	-	490
<b>Total Unrestricted Funds</b>	<b>5,074</b>	<b>5,788</b>	<b>(4,114)</b>	<b>(632)</b>	<b>6,116</b>	<b>5,074</b>	<b>5,788</b>	<b>(4,114)</b>	<b>(632)</b>	<b>6,116</b>
<b>Total Funds</b>	<b>72,670</b>	<b>68,064</b>	<b>(66,822)</b>	<b>-</b>	<b>73,912</b>	<b>72,670</b>	<b>68,064</b>	<b>(66,822)</b>	<b>-</b>	<b>73,912</b>

**Purpose of Designated Funds**

The balance of designated reserves as at 1st April 2021 of £490 k is to provide against future exchange losses (£263 k), Sylvia Meek Scholarship Fund (£54 k), Research Fund (£51 k), Staff Development (£44k) and Programme Co-Finance (£78k).

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**8 Statement of Funds (continued)**

Further analysis of restricted funds by project is shown below:

	As at 1 April 2020	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2021
	£000s	£000s	£000s	£000s	£000s
<b>Restricted Funds</b>					
Support to the APMEN Vector Control WG	-	90	(90)		-
World Malaria Day	-	5	(5)		-
Karolinska Institute Workshop	-	20	(20)		-
ACCESS SMC	-	2	(2)		-
SMC third party funding	67,596	28,859	(28,763)	104	67,796
MCUSA SMC funding	-	-	(528)	528	-
Implementation of SMC & Support to NMEP	-	-	-		-
Mastercard PPE Distribution	-	941	(941)		-
Malaria Action Program for Districts	-	5,094	(5,094)		-
2nd Universal Coverage Campaign LLINs	-	61	(61)		-
RHITES-E	-	69	(69)		-
Anti-malaria activities	-	26	(26)		-
SESR-based strategies on dengue control	-	7	(7)		-
VC IDIQ	-	78	(78)		-
MY SCHOOL	-	125	(125)		-
WHO Active Surveillance UG	-	43	(43)		-
Good Ventures non-SMC	-	31	(31)		-
MZ MC US Covid	-	43	(43)		-
UG MC US Covid	-	33	(33)		-
ARIDA Protocol and Field Trials Services	-	1	(1)		-
RAI2e	-	222	(222)		-
Reducing the Malaria Burden	-	9,238	(9,238)		-
Implementation of RAI2E	-	370	(370)		-
Strengthening Uganda response	-	1,805	(1,805)		-
Niger State TA for CBHW Program	-	178	(178)		-
Strengthening Community Based Malaria	-	157	(157)		-
Global Fund ATM Forest RAI2E Cambodia	-	148	(148)		-
iCCM+: Access to quality health service	-	60	(60)		-
MSF & MC US Inc North	-	1	(1)		-
NTD-Support Centre	-	66	(66)		-
IPTi Effect	-	28	(28)		-
SMC BMGF	-	49	(49)		-
Global Fund NFM3	-	170	(170)		-
Rai3e Regional	-	51	(51)		-
Scaling Up for Universal Coverage	-	1,694	(1,694)		-
SuNMaP 2	-	1,687	(1,687)		-
Lot16-Essential Health Care Serv-Aweil	-	1,804	(1,804)		-
Lot15-Essential health Care Srv-Iolstate	-	127	(127)		-
Lot18-Essential Health Care Srv-Warrap	-	7	(7)		-
UNICEF-Digital HSS-MZ	-	458	(458)		-
BMGF-Functional Malaria Surv-MZ	-	2,955	(2,955)		-
SS-UNICEF-LOT-4	-	302	(302)		-
SuNMaP 2 - PBR	-	2,357	(2,357)		-
SS-UNICEF-LOT-7	-	396	(396)		-
SuNMaP Commodities	-	2,118	(2,118)		-
MERG	-	24	(24)		-
RAFT LSHTM UK	-	57	(57)		-
5% Initiative Cameroon	-	11	(11)		-
UG MC US Covid	-	208	(208)		-
<b>Total restricted funds</b>	67,596	62,276	(62,708)	632	67,796
<b>Unrestricted funds - Free reserves</b>	3,759	5,788	(3,289)	(632)	5,626
<b>Unrestricted funds - Designated funds</b>	1,315		(825)		490
<b>Total Funds</b>	<b>72,670</b>	<b>68,064</b>	<b>(66,822)</b>	<b>-</b>	<b>73,912</b>

9

	Intangible Assets		Tangible Assets			Total £000s
	Software Applications	Land & Buildings	Office Equipment	Furniture & Fixtures	Motor Vehicles	
	£000s	£000s	£000s	£000s	£000s	
<b>Cost</b>						
At 1 April 2020	171	542	103	10	633	1,288
Additions	-	-	-	-	81	81
Disposals	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>171</b>	<b>542</b>	<b>103</b>	<b>10</b>	<b>714</b>	<b>1,369</b>
<b>Depreciation</b>						
At 1 April 2020	(168)	(82)	(103)	(10)	(579)	(774)
Charge for the period	(1)	(7)	-	-	(20)	(27)
Disposals	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>(169)</b>	<b>(89)</b>	<b>(103)</b>	<b>(10)</b>	<b>(599)</b>	<b>(801)</b>
<b>At 31 March 2021</b>	<b>2</b>	<b>453</b>	<b>-</b>	<b>-</b>	<b>115</b>	<b>568</b>
<b>At 31 March 2020</b>	<b>3</b>	<b>460</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>514</b>

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

10 Stock	CHARITY	GROUP	CHARITY	GROUP
	2021	2021	2020	2020
	£000s	£000s	£000s	£000s
Commodities	-	-	-	-
Medical Supplies	2	2	-	-
	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>

11 Debtors	CHARITY	GROUP	CHARITY	GROUP
	2021	2021	2020	2020
	£000s	£000s	£000s	£000s
Amounts due from donors	2,794	2,794	4,239	4,239
Other debtors	349	344	678	678
Prepayments	344	344	460	460
	<u>3,487</u>	<u>3,482</u>	<u>5,377</u>	<u>5,377</u>

12 Creditors	CHARITY	GROUP	CHARITY	GROUP
	2021	2021	2020	2020
	£000s	£000s	£000s	£000s
<b>Creditors: amounts falling due within one year</b>				
Trade creditors	948	948	1,008	1,008
Other creditors	650	650	886	886
Taxation and social security	474	474	532	532
Accruals	2,090	2,090	1,719	1,719
Deferred Income (note 14)	4,585	4,585	4,488	4,488
	<u>8,747</u>	<u>8,747</u>	<u>8,633</u>	<u>8,633</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 2021, there were £62k (2020: £25k) of outstanding contributions to such schemes, that are included in Other Creditors above.

13 Provisions for Liabilities	Programme	Overseas tax	Staff costs	Grants	2021	2020
	£000s	£000s	£000s	£000s	Total £000s	Total £000s
At the beginning of the year	301	256	144	474	1,175	543
Utilised during the year					-	(246)
Charged to the SoFA for the year	161	-	-	918	1,079	878
As at 31 March 2021	<u>462</u>	<u>256</u>	<u>144</u>	<u>1,392</u>	<u>2,254</u>	<u>1,175</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. The programme provisions are potential liabilities on contracts that may become payable. The grant provision is for the payment by results risks from Sunmap2. It is expected that Malaria Consortium will settle these obligations within the next financial year.

#### 14 Deferred Income

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

	2021	2020
	£000s	£000s
Deferred income at 1 April	4,488	2,708
Incoming resources deferred in the year	34,259	23,351
Amounts released from previous and current year	(34,162)	(21,571)
	<u>4,585</u>	<u>4,488</u>

#### 15 Operating lease commitments - land and buildings

	2021	2020
	£000s	£000s
The amount payable on leases expiring:		
Within 1 year	420	488
Between 2 -5 years	22	152
	<u>442</u>	<u>640</u>

#### 16 Analysis of net assets between funds

	Restricted funds	Unrestricted funds	Total funds	Restricted funds	Unrestricted funds	Total funds
	2021	2021	2021	2020	2020	2020
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets	-	570	570	-	517	517
Net Current assets less provisions	67,796	5,546	73,342	67,597	4,556	72,153
	<u>67,796</u>	<u>6,116</u>	<u>73,912</u>	<u>67,597</u>	<u>5,073</u>	<u>72,670</u>

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**17 Related Parties**

Malaria Consortium has a 100% interest in Malaria Public Health Limited, Nigeria, a company registered in Nigeria. Malaria Public Health Limited, Nigeria has net liabilities of £91k at 31 March 2021 (2020: £100k) and expenditure of £4.8 million in the financial year (2020: £3.706m). 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:

<b>Summary of related parties 2020/21</b>				
<b>Entity</b>	<b>Description</b>	<b>Related Parties (Trustees)</b>	<b>Income</b>	<b>Expenditure</b>
			<b>GBP</b>	<b>GBP</b>
Swiss Tropical & Public Health Institute (Swiss TPH)	Flights for Chair to attend Board Meeting	1. Marcel Tanner is a former Director of Swiss TPH		330
London School Hygiene and Tropical Medicine (LSHTM)	Publication Charges	1. Precious Lunga is a company director of LSHTM		3,920

**Malaria Consortium**  
**Notes to the financial statements for the year ended 31 March 2021**

**18 Statement of Financial Activities for the year ending 31 March 2020**

	CHARITY				GROUP			
	2020				2020			
	Restricted Funds		Unrestricted	Total	Restricted Funds		Unrestricted	Total
	SMC	Other	Funds	Funds	SMC	Other	Funds	Funds
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Income from:</b>								
Donations	194	-	444	638	194	-	444	638
Legacies	-	-	-	-	-	-	-	-
Donated Goods	-	84	169	253	-	84	169	253
Charitable activities								
Grants, contracts & consultancy income	41,817	22,710	4,725	69,252	41,817	22,710	4,725	69,252
Investments - Interest received	597	-	169	766	597	-	169	766
Other	-	-	54	54	-	-	54	54
<b>Total Income</b>	<b>42,608</b>	<b>22,794</b>	<b>5,561</b>	<b>70,963</b>	<b>42,608</b>	<b>22,794</b>	<b>5,561</b>	<b>70,963</b>
<b>Expenditure on:</b>								
Raising funds	-	-	303	303	-	-	303	303
Charitable activities	16,477	22,872	4,470	43,819	16,477	22,872	4,470	43,819
<b>Total Expenditure</b>	<b>16,477</b>	<b>22,872</b>	<b>4,773</b>	<b>44,122</b>	<b>16,477</b>	<b>22,872</b>	<b>4,773</b>	<b>44,122</b>
<b>Net (expenditure) / income</b>	<b>26,131</b>	<b>(78)</b>	<b>788</b>	<b>26,841</b>	<b>26,131</b>	<b>(78)</b>	<b>788</b>	<b>26,841</b>
<b>Net movement in funds</b>	<b>26,131</b>	<b>(78)</b>	<b>788</b>	<b>26,841</b>	<b>26,131</b>	<b>(78)</b>	<b>788</b>	<b>26,841</b>
<b>Reconciliation of funds</b>								
Total fund brought forward	41,465	78	4,286	45,829	41,465	78	4,286	45,829
<b>Total fund balances at end of year</b>	<b>67,596</b>	<b>-</b>	<b>5,074</b>	<b>72,670</b>	<b>67,596</b>	<b>-</b>	<b>5,074</b>	<b>72,670</b>