

Highlights from the Trustees' Report and Financial Statements

1st April 2012 to 31st March 2013



Company Number: 4785712

Charity Number: 1099776

Malaria Consortium

Highlights from the Trustees' Report and Financial Statements 1 April 2012 to 31 March 2013

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The last year has been a very active one for Malaria Consortium. As the new Chief Executive, arriving at the organisation at the end of February, I have been impressed by both the depth of Malaria Consortium in our expertise in fields in which we work and the breadth of the ways in which that work is implemented for maximising impact and sustainability. Some examples of this are covered here.

We continue to develop and implement improved approaches to delivery of prevention and case management for control of communicable diseases, especially malaria, childhood illnesses and neglected tropical diseases (NTDs).

In the area of prevention of malaria, we expanded the use of the [NetCALC tool](#), which estimates the number of long-lasting insecticide treated nets (LLINs) needed under different scenarios of distribution approaches and uptake rates to allow countries to develop better continuous distribution plans, especially in [Nigeria](#) and [Ghana](#). In addition, we supported LLIN distributions directly and, by doing so, we have increased our learning on how to improve them. For diagnosis of malaria, we have further developed approaches for the introduction of rapid diagnostic tests (RDTs) into the private sector, so as to support the emergence of multiple channels of supply and increase access.

In the continuing growth of our work on NTDs, two particular points are worthy of note. We undertook an assessment in South Sudan to document our work to date there and supported the development of the next national strategy, and in the UK we became chair of the Influencing Group in the [UK Coalition on NTDs](#).

Those who have followed Malaria Consortium for a time will be aware that we were an early proponent of, and advocate for, integrated community case management (ICCM). This integrates the diagnosis and treatment of malaria with that of pneumonia and diarrhoea and, in some cases, malnutrition, particularly for children under the age of five years. Through training community-based workers, interventions are possible soon after onset of fever, close to the homes of those who cannot access a health centre quickly. For more please see our [website](#). This year we completed a three-year [Canadian International Development Agency supported ICCM project](#), resulting in the training of over 10,000 community health workers across four countries, who together performed more than one million diagnoses and treatments for malaria and over 660,000 treatments for pneumonia. We received follow-up grants in Mozambique, South Sudan (including treatment for children with malnutrition) and for six months in Zambia.

Linked to ICCM in Uganda and Mozambique is the Bill & Melinda Gates Foundation (BMGF) funded [inSCALE](#) programme. This programme is now at the stage of evaluating the effectiveness, in terms of the retention and motivation of ICCM health workers, of the use of technological interventions in the diagnosis and data gathering elements of community case management. As part of our DFID/UKaid COMDIS HSD Research Programme Consortium grant with Leeds University we have completed field work and analysis of a study comparing [rural and peri-urban ICCM in Uganda](#) and a study on improving rational use of [antibiotics for treatment of pneumonia in Zambia](#).

Very high on the agenda, for all involved in the control and elimination of infectious diseases, is the containment of resistance. In the case of malaria this has two particular aspects; the resistance of mosquitoes to current insecticides and the resistance of the malaria parasite to the current drug treatments. Each, in its own right, is a significant challenge and demands continuous vigilance and ongoing innovation. As a member of the newly created WHO Drug Resistance Containment Technical Expert Group, we are guiding global strategies on containment. We have also continued extensive

work in [Cambodia, Thailand and Myanmar](#) on implementing containment strategies. We are actively involved in the Asia Pacific Malaria Elimination Net Work ([APMEN](#)), and our work on the joint strategy for response to artemisinin resistance in the Greater Mekong Sub region was widely disseminated, forming a basis for the new Emergency Response to Artemisinin Resistance.

The countries in which we work find themselves at different stages along the path to elimination of malaria. Though many of the key components of intervention are common, each needs a targeted approach and combination of activities, relevant to its respective setting. As part of our objective to 'spearhead innovative approaches for monitoring, evaluation and surveillance systems, and to undertake high quality operational research', we have set up a major long term research programme in Uganda, Ethiopia and Cambodia, called '[Beyond Garki](#)'¹. This study is designed to obtain a deeper understanding of factors influencing malaria in light of the different epidemiological settings, climatic effects and the control efforts in each of the settings. Funded by the BMGF, we have begun work in to assess the feasibility and acceptability of a newly recommended intervention for the Sahel region of Africa - [seasonal malaria chemoprevention](#). This approach gives oral, preventive treatment to children under the age of five years only during the peak transmission season for malaria. In Myanmar, we have been exploring potential innovations to provide protection from mosquitoes for rubber tappers working outdoors at night time.

Part of our task is to communicate new learning and successes for continuous programme improvement. In light of that, for World Malaria Day we supported a workshop in Brussels for European Parliament and Commission members to encourage funding commitment for 2014-2020; additionally, we hosted an [ICCM policy forum](#) in London with key EU stakeholders and donors and launched an online [publications database](#) on our website, including four new learning papers. In partnership with the UK's Guardian newspaper, we also launched Malaria Consortium's [partnerzone](#) through our sponsorship of the Guardian's new development hub on malaria and infectious diseases. We also saw a very successful six month run for our [Malaria: blood, sweat, and tears](#) exhibition by Adam Nadel at the [Chicago Field Museum](#), which received nearly 200,000 visitors.

Malaria Consortium continues to grow and we believe we have a strategic role in the areas in which we operate. In order to maintain leadership of thought, technical and operational research leadership and to be in a position to provide critical implementation support in some of our key countries, as well as ensuring financial sustainability, we must continue to invest in the strengthening of our organisation. There is significant activity in our areas of focus, and, as we move towards the end of the timeframe for the Millennium Development Goals, it is important that opportunities are not missed. So this year we recruited an in-house business development team and we are building a wider cadre of Trustees to provide insight to, and oversight for, the organisation.

We thank all our partners for their continued support.



Charles Nelson
Chief Executive, Malaria Consortium

¹ Garki is a district in Northern Nigeria where a lot of evidence gathering was done during the malaria eradication campaigns in the 1970s.

Malaria Consortium

Legal and Administrative Details

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

Company Number 4785712

Charity Number 1099776

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

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

The Trustees

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

<i>Chair</i>	Dr Julian Lob-Levyt		
<i>Treasurer</i>	Richard Page		
	Professor Whitney Addington	Resigned	6 September 2012
	Dr Garth Glentworth	Resigned	6 September 2012
	William Chalmers	Resigned	22 November 2012
	Roger Wilson		
	Tim Armstrong		
	Ian Boulton		
	Professor Melissa Leach		
	Robert Seabrook		

Chief Executive Charles Nelson Appointed 15 February 2013

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

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

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

The trustees are responsible for preparing the Trustees' Annual Report 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 have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees are required to:

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

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

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

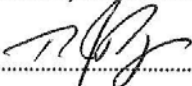
Disclosure of information to auditors

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

Auditors

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

Approved by the trustees on 15 August 2013 and signed on their behalf by:


.....

Treasurer

Date: 15/8/13

Malaria Consortium

Independent Auditor's report to the Members of Malaria Consortium

We have audited the financial statements of Malaria Consortium for the year ended 31 March 2013 set out on pages 15 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 12 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

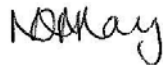
In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Malaria Consortium

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

15th August 2013

15 Canada Square
London
E14 5GL

Malaria Consortium
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 March 2013

	Note	2013			2012
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations for Core Operations	2a	367,108	-	367,108	74,623
Gifts in Kind	2b	-	351,928	351,928	440,518
Investment income					
Interest received		26,138	-	26,138	57,454
Other income		53,717	-	53,717	11,390
Incoming resources from charitable activities:					
Grants, contracts & consultancy income	2c	5,859,679	24,563,634	30,423,313	29,785,415
Total Incoming Resources		6,306,642	24,915,562	31,222,204	30,369,400
Resources Expended					
Cost of generating funds		623,353	-	623,353	438,890
Charitable activities	3	4,810,222	25,087,866	29,898,088	29,418,137
Governance costs	7	212,501	-	212,501	181,954
Total Resources Expended	8	5,646,076	25,087,866	30,733,942	30,038,981
Net incoming/(outgoing) resources		660,566	(172,304)	488,262	330,419
Net movement in funds		660,566	(172,304)	488,262	330,419
Fund balances at start of year		4,824,414	248,415	5,072,829	4,742,410
Fund balances at end of year	9	£5,484,980	£76,111	£5,561,091	£5,072,829

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

The notes on pages 19 to 25 form an integral part of these financial statements.

Malaria Consortium
Balance Sheet as at 31 March 2013

	Note	2013		2012	
		£	£	£	£
Fixed Assets					
Tangible Assets	10		676,365		711,683
Investments	11		-		1
			676,365		711,684
Current Assets					
Debtors	12	3,594,502		8,487,108	
Short term deposits		1,517,272		2,000,000	
Cash at bank and in hand		6,251,401		5,903,974	
			11,363,175		16,391,082
Creditors					
Amounts falling due within one year	13	6,027,158		11,685,174	
			6,027,158		11,685,174
Total assets less current liabilities			6,012,382		5,417,592
Provision for Liabilities	14		451,291		344,763
Net Assets			£5,561,091		£5,072,829
 Represented by:					
Unrestricted funds	9		5,484,980		4,824,414
Restricted funds	9		76,111		248,415
			£5,561,091		£5,072,829

The financial statements on pages 16 to 25 were approved by the Board and authorised for issue on 15th August 2013 and signed on its behalf:

Richard Page
Treasurer

Company registration number: 4785712

The attached notes on pages 19 to 25 form an integral part of these financial statements.

Malaria Consortium
Cash Flow Statement for the year ended as at 31 March 2013

	Notes	2013 £	2012 £
Cash Outflow from Operating Activities	A	(6,023)	(2,899,825)
Returns on Investments and Servicing of Finance			
Investment income received		26,138	57,454
Capital Expenditure and Financial Investment			
Payments to acquire tangible fixed assets		<u>(155,416)</u>	<u>(29,069)</u>
Decrease in Cash	C	<u><u>(135,301)</u></u>	<u><u>(2,871,440)</u></u>

Notes to the Cash Flow Statement for the year ended 31 March 2012

A Adjustment of Net Incoming / (Outgoing) Resources to Net Cash Inflow / (Outflow) from Operating Activities			
		2013 £	2012 £
Net incoming resources		488,262	330,419
Depreciation charge		188,809	243,727
Decrease / (Increase) in debtors		4,892,606	(3,551,596)
Decrease in creditors		(5,658,016)	(228,808)
Increase in provisions		106,528	344,763
Investment income		(26,138)	(57,454)
Loss on disposal		1,925	19,124
Write down value of investment		1	-
Net cash outflow from operating activities		<u><u>(6,023)</u></u>	<u><u>(2,899,825)</u></u>
B Analysis of Changes in Net Funds			
	At 1 April 2012 £	Cash Flows £	At 31 March 2013 £
Cash at bank and in hand	7,903,974	(135,301)	7,768,673
Total net funds	<u><u>£7,903,974</u></u>	<u><u>(135,301)</u></u>	<u><u>£7,768,673</u></u>
C Reconciliation of Net Cash Flow to Movement in Net Funds			
		2013 £	2012 £
Decrease in cash in the period		(135,301)	(2,871,440)
Change in net funds		(135,301)	(2,871,440)
Net funds at start of year		<u>7,903,974</u>	<u>10,775,414</u>
Net funds at end of year		<u><u>£7,768,673</u></u>	<u><u>£7,903,974</u></u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

1 Accounting Policies

a Basis of Financial Statements

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

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

The financial review in the Trustees Report reviews the finances of the charity for the year ended 31 March 2013 in comparison to the prior year. The charity has a healthy cash balance and a large proportion of grant funding required for 2013/14 and 2014/15 contracted with donors. The Trustees report explains how the charity is structured and managed and how major risks are dealt with. The Board has a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Thus the Board of Trustees continue to adapt the going concern basis of accounting in preparing the financial statements.

b Funds Accounting

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

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

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

c Incoming Resources

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

All incoming resources becoming available to the charity are recognised in the Statement of Financial Activities on the basis of entitlement. In respect of income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grants or long term contract income, income entitlement is considered to be conditional upon delivery of the specified level of service, in accordance with FRS5 and the Charities SORP. Income is therefore recognised to the extent the charity has delivered the service or activity, with the grants less the management fee being credited to restricted income in the SOFA. The expenditure incurred to date is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet.

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

d Resources Expended

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

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

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

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

e Foreign Currencies

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

f Tangible Fixed Assets and Depreciation

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

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

1 Accounting Policies (continued)

g Pension Costs

The company makes agreed contributions to individual "defined contribution" pension schemes for certain employees. The cost represents amounts payable in the year.

h 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.

i Group accounts

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

	2013	2012
	£	£
2a Incoming resources from voluntary income - donations in cash:		
Unrestricted Funds		
Montrose International LLP	338,730	46,837
Other donations	28,378	12,984
Total Unrestricted Funds	367,108	59,821
Restricted Funds	-	14,802
Total Funds	£367,108	£74,623

2b Gifts in Kind

Gifts in kind relate to commodities received from UNICEF for integrated community care programmes in Uganda and South Sudan with a value of £349,861. All commodities were distributed during the financial year. In addition, a gift in kind of IT software with a market value of £2,067 was received during the year.

2c Incoming resources from charitable activities:

Department for International Development UK	8,657,833	8,566,657
Department for International Development UK Contribution - Programme Partnership Arrangement (PPA) *	2,315,181	530,834
Canadian International Development Agency	4,104,648	3,940,208
FHI360 / USAID	3,247,475	685,625
John Hopkins University / USAID	3,104,030	1,804,946
Bill & Melinda Gates Foundation	1,482,271	1,458,454
Global Fund / World Vision International Mozambique	1,120,775	5,406,674
Global Fund / National Center for Parasitology, Entomology and Malaria Control, Cambodia	1,079,275	904,067
Adventist Development and Relief Agency International / USAID	939,319	502,190
Global Fund / Population Services International	924,379	205,709
United Nations Children's Fund (UNICEF)	743,116	1,086,427
Comic Relief	840,064	1,426,759
Global Fund / Ministry of Health (Thailand)	488,623	68,750
Centers for Disease Control and Prevention	459,021	338,093
United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)	400,899	517,159
United States Agency for International Development (USAID) / Ethiopia	221,915	475,563
University Research Co. LLC / USAID	132,218	190,657
Grants and contracts for projects of less than £100,000 each	162,271	1,676,643
Total incoming resources from charitable activities	£30,423,313	£29,785,415

* The PPA Contribution from the DFID is recognised on a performance basis. During 2012-13, cash receipts for this contribution amounted to £2,670,268 (2011-12 £2,670,269), expenditure was £2,315,304 (2011-12 £530,834) and the balance of £2,494,522 (2011-12 £2,139,435) is part of the year end balance with the DFID (note 14).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

3 Details of charitable activities

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

	Operational programmes	Grants to Partners	Support costs	2013 Total	2012 Total
	£	£	£	£	£
Prevention and case management	12,779,298	198,090	1,497,293	14,474,681	10,545,634
Elimination of communicable diseases	2,109,334	762,882	35,780	2,907,996	3,276,064
Health systems capacity building	6,869,526	-	765,927	7,635,453	11,744,103
Spearhead M&E, surveillance and operational research	2,124,908	217,350	246,748	2,589,006	2,528,031
Communicate learning and successes	26,481	-	(50,833)	(24,352)	629,121
Investment in Malaria Consortium's institutional strengths	2,315,304	-	-	2,315,304	695,184
Total spent - charitable activities	£26,224,851	£1,178,322	£2,494,915	£29,898,088	£29,418,137

	Operational programmes	Grants to Partners	Support costs	2013 Total	2012 Total
	£	£	£	£	£
Nigeria	9,776,962	161,688	1,352,084	11,290,734	8,086,418
Uganda	3,410,060	52,567	410,569	3,873,196	3,381,596
South Sudan	2,388,619	-	75,022	2,463,641	2,489,136
Ethiopia	195,238	-	(29,788)	165,450	1,230,509
Zambia	3,942	-	324	4,266	(556)
Mozambique	1,131,302	-	65,726	1,197,028	5,597,847
Ghana	107,277	-	16,294	123,571	175,405
Africa multi country	5,410,888	217,350	517,231	6,145,469	5,932,732
Asia	1,248,802	746,717	65,451	2,060,970	1,704,904
United Kingdom	2,551,761	-	22,002	2,573,763	820,146
Total spent - charitable activities	£26,224,851	£1,178,322	£2,494,915	£29,898,088	£29,418,137

4 Support costs

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

	2013 Total	2012 Total
	£	£
Communications	125,704	84,170
Finance	473,778	468,266
Human Resources	176,203	17,803
Management	710,161	877,775
Programme Support	1,009,069	350,265
	£2,494,915	£1,798,279

5 Personnel and staff costs

	2013			2012
	UK	Overseas	Total	Total
<i>Average number</i>				
Project and technical staff	10	126	136	108
Operations and logistics staff	1	95	96	103
Management, finance and administration staff	10	57	67	79
	21	278	299	290

The prior year numbers for staff are restated to correctly classify operations and project staff in Mozambique.

	2013 Total	2012 Total
	£	£
Aggregate costs		
Fees, salaries and agency staff costs	5,274,664	5,070,352
Social security costs	143,676	160,199
Pension costs	58,712	48,883
Overseas staff allowances	440,116	353,538
	£5,917,168	£5,632,972

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

5 Personnel and staff costs (continued)

Higher Paid Employees

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

	2013	2012
	Number	Number
£60,000 - £69,999	4	4
£70,000 - £79,999	4	4
£80,000 - £89,999	1	1
£90,000 - £99,999	2	-
£100,000 - £109,999	-	-
£110,000 - £119,999	-	1

During the year, pension costs on behalf of these employees amounted to £9,120 (2012: £11,300)

6 Taxation

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

7 Governance costs

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

	2013	2012
	£	£
Statutory Audit Fees (note 8)	55,000	25,952
Other Audit Fees	15,402	22,204
Internal audit	16,062	45,907
Legal and Professional Fees	52,878	21,953
Trustees' reimbursed expenses	1,392	1,529
Strategic planning and development	71,767	64,409
	<u>71,767</u>	<u>64,409</u>
	<u>£212,501</u>	<u>£181,954</u>

8 Resources expended

The resources expended figures are stated after charging:

	2013	2012
	£	£
Operating lease rentals	318,680	329,420
Depreciation	188,810	243,727
Auditors' remuneration:		
Audit of these financial statements	55,000	-
Amounts receivable by the company's auditor and its associates in respect of audit-related assurance services	39,625	-
Taxation compliance services	23,633	-
Fees to other auditors	-	25,952
Trustees' reimbursed expenses	1,392	1,529
	<u>1,392</u>	<u>1,529</u>

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips for 3 trustees (2012: 6). Trustees are not remunerated.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

9 Statement of Funds

	As at 1 April 2012	Incoming resources	Resources expended	Inter-fund Transfers	As at 31 March 2013
	£	£	£	£	£
Restricted Funds					
1 Elimination of communicable diseases	-	2,872,216	(2,872,216)	-	-
2 Prevention and case management	170,085	12,836,202	(12,977,385)	-	28,902
3 Health systems capacity building	37,637	6,851,733	(6,869,526)	-	19,844
4 Spearhead M&E, surveillance and operational research	40,693	2,328,930	(2,342,258)	-	27,365
5 Communicate learning and successes	-	26,481	(26,481)	-	-
	<u>248,415</u>	<u>24,915,562</u>	<u>(25,087,866)</u>	<u>-</u>	<u>76,111</u>
Unrestricted funds - Free reserves	4,824,414	6,306,642	(5,633,280)	(193,650)	5,304,126
Unrestricted funds - Designated funds	-	-	(12,796)	193,650	180,854
Total funds	<u>£5,072,829</u>	<u>£31,222,204</u>	<u>£(30,733,942)</u>	<u>-</u>	<u>£5,561,091</u>

The transfer of restricted funds and unrestricted funds has arisen due to recovery of overheads which have been agreed within the terms and conditions of the grant

Purpose of Restricted Funds

- 1 Be engaged in the elimination of malaria, lymphatic filariasis and other communicable diseases in a range of transmission settings using innovative strategies and approaches
- 2 Develop and implement improved approaches to delivery of prevention and case management for control of communicable diseases
- 3 Provide focussed and pragmatic health systems capacity building linked to disease control, childhood illnesses and NTDs
- 4 Spearhead innovative approaches for monitoring, evaluation and surveillance systems, and undertake high quality operational research
- 5 Communicate new learning and successes for continuous programme improvement
- 6 Invest in institutional strengthening to ensure financial sustainability and maintain its position as an international high quality technical organisation

Each restricted fund represents several separate projects funded by different donors who are listed in note 2 on page 20 and further details of these project funds is given below.

Purpose of Designated Funds

The designated funds are for strategic investment to achieve funding for work in neglected tropical diseases, in line with our strategic objectives.

Further analysis of restricted funds by project is shown below:

	As at 1 April 2012	Incoming resources	Resources expended	Inter-fund Transfers	As at 31 March 2013
	£	£	£	£	£
Restricted Funds					
Pioneer Initiative	-	590,834	(590,834)	-	-
Uganda PCA	-	720,179	(720,179)	-	-
Containment and malaria pre-elimination Networks	79,262	635,549	(714,811)	-	-
Containment & Elimination of Plasmodium SuNMaP	-	469,373	(469,373)	-	-
	-	7,259,261	(7,259,261)	-	-
STOP Malaria	30,263	1,716,604	(1,717,963)	-	28,904
MAPS	37,176	2,616,436	(2,653,612)	-	-
HMM ACTs Under 5s	-	506,968	(506,968)	-	-
Emergency Nutrition	-	344,035	(344,035)	-	-
Scale up SMC	-	25,774	(25,774)	-	-
Malaria Eradication Scientific Alliance	-	1,055	(1,055)	-	-
ProMPT	16,846	100,722	(107,277)	-	10,291
Community-based treatment	-	3,631,750	(3,631,750)	-	-
COMDIS HSD	-	153,714	(153,714)	-	-
Malaria Prevention and Control GF	-	1,059,120	(1,059,120)	-	-
Investment for the future - malaria control	-	378,651	(378,651)	-	-
BCC & Social Marketing of AMFM	-	50,624	(50,624)	-	-
CHF Emergency Nutrition Vulnerable Group	-	5,951	(5,951)	-	-
National ICCM in Inhambane	-	10,808	(10,808)	-	-
ICCM in Luapula	-	3,942	(3,942)	-	-
M&E Mekong Region	-	417,359	(417,359)	-	-
Operational research for implementation	15,280	173,912	(187,240)	-	1,952
CHRAIC	-	28,619	(28,619)	-	-
InScale	-	1,281,677	(1,281,677)	-	-
Durability of mosquito nets	4,521	10,505	(10,506)	-	4,520
Other projects	65,067	1,660,055	(1,694,678)	-	30,444
Total restricted funds	<u>248,415</u>	<u>24,915,562</u>	<u>(25,087,866)</u>	<u>-</u>	<u>76,111</u>
Unrestricted funds - Free reserves	4,824,414	6,306,642	(5,633,280)	(193,650)	5,304,126
Unrestricted funds - Designated funds	-	-	(12,796)	193,650	180,854
Total funds	<u>£5,072,829</u>	<u>£31,222,204</u>	<u>£(30,733,942)</u>	<u>-</u>	<u>£5,561,091</u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

10 Tangible fixed assets

	Land and Buildings	Office Equipment	Furniture & Fixtures	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1st April 2012	527,924	321,839	15,949	621,103	1,486,815
Additions	-	9,426	72,054	73,936	155,416
Disposals	-	(6,724)	(938)	-	(7,662)
At 31 March 2013	527,924	324,541	87,065	695,039	1,634,569
Depreciation					
At 1st April 2012	(27,050)	(239,794)	(12,215)	(496,073)	(775,132)
Charge for the period	(21,605)	(46,992)	(15,824)	(104,388)	(188,809)
Disposals	-	5,150	587	-	5,737
At 31 March 2013	(48,655)	(281,636)	(27,452)	(600,461)	(958,204)
At 31 March 2013	£479,269	£42,905	£59,613	£94,578	£676,365
At 31 March 2012	£500,874	£82,045	£3,734	£125,030	£711,683

11 Investments in Subsidiary

	2013	2012
	£	£
Shares in Subsidiary Undertakings		
Cost at start of year	1	1
Write down value of investment	(1)	-
Cost at end of year	-	£1

Malaria Consortium has a wholly owned trading subsidiary, Malaria Enterprises Ltd, a company incorporated in England and Wales. Its taxable profit is donated under gift aid to Malaria Consortium. Malaria Enterprises Limited's activities in the year were limited to receiving the share of profit from Montrose LLP, which this year included a payment of £300,000 under the terms of the termination of the partnership agreement with Montrose International LLP. The results of the undertakings for the last relevant financial year are as follows:

	2013	2012
	£	£
Turnover	338,730	48,993
Cost of sales	-	-
Gross profit	338,730	48,993
Total expenses	(1,526)	(2,156)
Profit / (loss) for the year	337,204	46,837
Donation to parent charity	(337,204)	(46,837)
Retained (loss)/profit for the year	-	-

12 Debtors

	2013	2012
	£	£
Amounts due from donors	2,595,987	7,109,653
Amounts owed by subsidiary undertaking	-	46,837
Other debtors	728,941	1,157,720
Prepayments	269,574	172,898
	£3,594,502	£8,487,108

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2013

13 Creditors	2013	2012
Creditors: amounts falling due within one year	£	£
Trade creditors	464,624	406,016
Other creditors	31,807	291,032
Taxation and social security	230,623	76,840
Accruals	1,139,491	4,850,737
Deferred Income (note 15)	4,160,613	6,060,549
	<u>£6,027,158</u>	<u>£11,685,174</u>

14 Provisions for Liabilities

	Overseas withholding tax £	Overseas employment tax £	Total £
At the beginning of the year	-	344,763	344,763
Utilised during the year	-	(126,317)	(126,317)
Charge to the SoFA for the year	68,363	164,482	232,845
As at 31 March 2013	<u>£68,363</u>	<u>£382,928</u>	<u>£451,291</u>

The provision for overseas employment tax relates to employee obligations in countries where Malaria Consortium is operating or has operated in the past. It is expected that Malaria Consortium will settle these tax obligations within the next five years.

15 Deferred Income

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

	2013	2012
	£	£
Deferred income at 1 April	6,060,549	10,080,559
Amounts released from previous years	(5,880,180)	(6,754,321)
Incoming resources deferred in the year	3,980,244	2,734,311
	<u>£4,160,613</u>	<u>£6,060,549</u>

16 Operating lease commitments - land and buildings

	2013	2012
	£	£
The amount payable within the next 12 months on leases expiring:		
Within 1 year	196,992	105,655
Between 2 -5 years	102,219	236,443
	<u>£299,211</u>	<u>£342,098</u>

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total 2013	Total 2012
				£
Fixed Assets	676,365	-	676,365	711,684
Net Current assets	4,808,615	76,111	4,884,726	4,361,145
	<u>£5,484,980</u>	<u>£76,111</u>	<u>£5,561,091</u>	<u>£5,072,829</u>

18 Contingent Liabilities

Malaria Consortium is involved in various international tax compliance claims arising in the normal course of business. The financial impact of any future claim cannot be reliably quantified. Malaria Consortium receives funding from donors, for various activities, which are subject to audit. Such audits may result in disallowance of certain expenditures, which would be absorbed by Malaria Consortium unrestricted funds. In management's opinion, the ultimate outcome of such actions would not have a significant effect on the financial position, changes in net assets, or cash flows of the charity.

19 Related Parties

Malaria Enterprises Limited is a wholly owned subsidiary of Malaria Consortium. For part of the year Malaria Enterprises Limited was a member of Montrose International LLP and Malaria Enterprises Limited's activities in the year were limited to receiving the share of profit from Montrose International LLP. During the year Malaria Enterprises Limited gift-aided the profit share of £338,730 to Malaria Consortium. During the year Malaria Consortium purchased services from Montrose International LLP for £613,346.

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