

Company Number: 4785712
Charity Number: 1099776

Malaria Consortium

**Trustees' Report and Financial Statements
For the Year to 31 March 2018**

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

Reference and Administrative Details

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

Company Number 4785712

Charity Number 1099776

Registered Office The Green House, 244-254 Cambridge Heath Road, London E2 9DA 4LT, UK
The Consortium, during this period, also had offices in Uganda, Burkina Faso, Chad, Ethiopia, Mozambique, South Sudan, Nigeria, Thailand, Cambodia and Myanmar.

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

The Trustees

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

(CHAIR) Professor Marcel Tanner

(TREASURER) Canisius Anthony

Anthony Davy

Dr Allan Schapira

Dr Joanna Schellenberg

Dr Neil Squires

Dr Nermeen Varawalla

Dr Precious Lunga

Dr Simon Kay

Mark Clark

Peter Potter-Lesage

Professor Fred Binka

Professor Sir Brian Greenwood

Sarah Veilex

The Rt. Hon. Baroness Northover (resigned 29 January 2018)

The Rt. Hon. Baroness Sheehan (appointed 01 March 2018)

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 2018. The Trustees' Report also contains the information required in a Strategic Report as set out on pages 6 to 12.

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 15] under the Articles of Association. The Board meets quarterly, and for the Annual General Meeting (AGM) in July, where the audited accounts are approved. Also, at the AGM one third of the trustees retire, and are eligible for re-election as long as they have not served for a continuous period exceeding six years. After six years trustees must retire.

There are three sub-committees of the Board:

- The Governance Committee to review and make recommendations regarding Board effectiveness, and ongoing Board development and lead the process of Board renewal. Currently, the Committee comprises four trustees, one non-trustee member and the Chief Executive (non-voting).
- 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 Chief Finance Officer (non-voting).
- Compensation & HR Committee (C&HR) to review and make recommendations on the Chief Executive's remuneration, the framework for the Global Management Group's remuneration and the organisation's human resources

strategy and policies. Currently, the Committee comprises a minimum of three trustee members, including the Chair of the Board of Trustees.

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

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

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

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

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

Malaria Consortium utilises an annual performance and development review 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, Sierra Leone and Guinea Bissau; and for Asia in Bangkok, Thailand covering Thailand, Cambodia, 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.

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

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

Malaria Consortium's income is predominantly restricted. Until recently most of this was raised through successful project-based contract and grant applications. Income on these projects is recorded at the same time as expense is incurred. In the last year, we have seen a significant shift to funding raised from philanthropists and individuals who support those who have achieved GiveWell Top Charity Status. For us this is currently linked to continuing to close gaps in coverage for seasonal malaria chemoprevention (SMC) across the Sahel. This is a very welcome development for maintaining and further developing life-saving interventions for children under the age of five and in broadening our funding base. But it also has significant impact on the way our numbers are reported. Money that is raised in this way, under the 'Statement of Recommended Practice (SORP)', has to be reported in the year it is received, as opposed to when the expenditure occurs. Because of the seasonal nature of our activity, with expenditure concentrated in July to November (the rainy season), keen observers will notice a significant rise in our restricted reserves. This is to be expected when funding is provided when expense occurs seasonally and/or when it is intended to cover multiple years.

The trustees would like to acknowledge, and thank the respective families for, the receipt of two significant legacies. One is from the estate of Dr Sylvia Meek (our former Technical Director and co-founder of Malaria Consortium), who dedicated her life to infectious disease control and to the people most impacted by those diseases. Her legacy continues. The other is from the estate of Ruth Tait, who believed strongly in humanitarian and development efforts, and was generous with both her time and her resources in contributing to many organisations. We are privileged to have been one of them.

Mission and Objectives

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

Objectives

This reporting period, reflects the fourth operating year of the current five-year strategy 2015-2019, which is based on four key business areas and five strategic objectives. The four key business areas are:

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

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

The objectives are:

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

Strategic Report

Achievements and Performance

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

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

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

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 in the Sahel Region of Sub-Saharan Africa. This intervention is approved by WHO for this age-group for regions where malaria transmission is at a peak during a period of no more than four months, and where the available drugs (sulphadoxine pyrimethamine plus amodiaquine - SPAQ) are still effective. The total eligible group for this intervention is about 25 million children. Partly funded by Unitaid, and partly by funds raised from philanthropists, Malaria Consortium continued to deliver directly child-friendly, dispersible products across three countries, Nigeria, Chad and Burkina Faso. At the same time, this intervention, taken to scale by Malaria Consortium and our partners, has been sustainably transferred into local government hands, funded by Global Fund, the US President's Malaria Initiative and World Bank in Mali, Niger, Guinea and The Gambia. In the 2017 rainy season we directly reached over 3.87 million children saving between 17,000 and 22,000 lives. Malaria Consortium maintained GiveWell top recommended charity status focused on this intervention.

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

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 large-scale distribution of long lasting insecticidal nets (LLINs), which remains the key, high-value intervention against malaria. In this reporting year, we distributed over 20 million nets. In Uganda, with Global Fund, UK aid, USAID and Against Malaria Foundation backing, we supported the Government of Uganda to complete the second universal net distribution for the country; 11 million nets were distributed in the reporting period with the balance of eight million nets to be distributed in the next financial year. A significant trial of a new net, that has an adjuvant chemical to enhance the effectiveness of the pyrethroid insecticide, is being undertaken as part of this initiative.

We are implementing an integrated vector management programme for dengue control in Cambodia, particularly after our research has shown that a variety of approaches and field testing tools are well-accepted in the community. This work has the potential to impact on a number of diseases as the vector, *Aedes aegypti*, is the one responsible for the transmission of the Zika virus and yellow fever. It remains a challenge to solidify donor interest in direct funding for this work.

Malaria Consortium is hosting and providing technical support to both the Vector Control Working Group and the Surveillance Working Group of the Asia Pacific Malaria Elimination Network (APMEN) 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

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

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

There has been further progress on the field evaluation of tools for the diagnosis of pneumonia. Funded by UNICEF, Malaria Consortium has continued analysis of several electronic devices in Ethiopia and Nepal. We are also continuing research in Nigeria on

identifying severe pneumonia in the community linked to the clinical sign of 'chest in-drawing'.

Integrated community case management (iCCM) of malaria, pneumonia and diarrhoea remains a key approach to management of the common childhood diseases in Southeast Asia and Sub-Saharan Africa. This is also linked, where possible, to community assessment of malnutrition and access to therapeutic feeding, directly or indirectly (iCCM+). We now have experience of this approach in Mozambique, Uganda, Nigeria, South Sudan and Myanmar. In each country, the roles of community health workers differ and combination funding is required as Global Fund can only provide commodities associated with malaria in this context.

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

Malaria Consortium has traditionally used malaria as our access point and leveraged this to support wider aspects of service delivery such as community delivery, clinical capacity building, supervision, laboratory services, antenatal care, child and maternal health and data capture and analysis. This is particularly effective in high malaria transmission areas as we help to bring down the burden of both simple and complex cases of disease and allow the system to concentrate on improving differential diagnosis and targeted treatment in the remaining cases. It also allows time for the clinical staff to build capacity and balance the supply chain.

As the burden of malaria decreases and the focus moves towards elimination, new tools and techniques need to be in place. Surveillance and rapid response to outbreaks become key and surveillance becomes an intervention in its own right. Technology is increasingly playing a part in data capture and sharing, and in the support and supervision of remote and community workers. Linkages are also being made to wider interventions in child and maternal health. In Mozambique, funded by DFID through UNICEF, we have expanded a programme of technology-facilitated support to, and supervision of, community health workers for child and maternal health. This has now expanded to two new provinces and is intended to be rolled out nationwide.

In Uganda, as the lead agency on the USAID Malaria Action Program for Districts, we are working across the country to bring stratified malaria interventions to both community and facility-based services, across both public and private sectors. This is a flagship USAID-funded programme over five years and is the first USAID priming role we have the privilege to undertake.

Financial Review

Income

Total income received during the year amounted to £63 million, an increase of £8 million (15%) on the previous year. As noted above, this reflects a change in our funding portfolio with more income recognised under the 'SORP' which is not directly linked to expenditure in the same year. Contributions from the Open Philanthropy Project Fund, Three Graces Foundation, Inc., GiveWell and Effective Altruism of £21.3m, together with £11.6m from Unitaid for Seasonal Malaria Chemoprevention accounted for 52% of total income. The Global Fund via sub-agreements with the Ministries of Health in Uganda and Thailand, World Vision International, Population Services International and Catholic Relief Services contributed another 23% of total income, with £10.3m designated specifically for the second universal net coverage in Uganda. The US government agency, USAID, directly and via sub-agreements including Pathfinder and IntraHealth contributed 10% of total income with other donors contributing the balance. Please refer to note 2c on page 22 for the full list of our funding partners.

Expenditure

Charitable expenditure on programmes decreased by £4.6 million to £45.9 million. Note 3 on page 23 shows this expenditure categorised according to our five strategic objectives. Vector Control and Preventive Treatment are our two biggest areas of work representing 47% and 32% respectively of the total programme expenditure for the year; 42% of expenditure occurred in Uganda and a further 13% in South Sudan. Multi-country expenditure in Africa is related to the procurement of commodities for the SMC initiatives. Support costs as a proportion of direct costs are 9% compared to 10% in the previous year. In carrying out its programmes Malaria Consortium works with a number of partners to which it sub-contracts its work. Total sub-contract expenditure during the year was £0.9 million, as compared to £9.3m in the prior year, most of which was for SMC initiatives.

Result for the year

The total net movement in funds for the year was an increase of £16.9 million compared to an increase of £4.2 million in the prior year. The increase in funds in the year principally reflects timing differences associated with the £20.4m donation from Open Philanthropy Project fund for SMC: the funds were received in December 2017 but can only be utilised from July 2018 given the seasonal nature of the activity for which they are to be used. At the end of the year, restricted funds for ongoing projects were £22.9 million, largely reflecting the SMC donations, from the Open Philanthropy Project, Three Graces Foundation, Inc., GiveWell and Effective Altruism whilst unrestricted funds were £4.3 million.

The main movements in the balance sheet were a decrease in creditors of £17.1m as cash received in advance from the Global Fund in December 2016 for the net distribution in Uganda was expended during the financial year, after being a deferred creditor in the prior year. Cash received for SMC activities of £21.6m during the financial year is not a deferred creditor.

Reserves Policy

The majority of the organisation's operational commitments are related to activities funded by restricted funds. The contractual agreements cover the completion of such tasks and related financial commitments. 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. Last year, the Finance, Audit and Risk committee reviewed the level of reserves appropriate to the organisation's current activities and, in light of recent guidance from the Charity Commission, recommended to the Board of Trustees a change in the reserves policy. Malaria Consortium's reserve policy is that it will hold unrestricted reserves to cover existing commitments relating to staff and operational commitments and four months of support costs to maintain the organisation's shape in the event of timing differences of funding.

Based on the current reserves policy the minimum level of reserves are set at £3.0m to cover existing contractual commitments of £1.7m and the organisation's support costs for four months of £1.3m. In addition, the Board of Trustees decided it was prudent and necessary to set aside a designated reserve of £1.0m, from unrestricted reserves, to cover future exchange losses. This is mainly to cover unfavourable movements between GBP and USD.

The free reserves as at 31 March 2018 were £3.0m. This is represented by net assets of £27.2m less restricted funds of £22.9m, designated funds of £1.0m and fixed assets of £0.6m. Total unrestricted reserves as at 31 March 2018 were £4.3m which was in excess of the £3.0m minimum required under its reserves policy.

Investment Policy and Performance

As significant funds were received during the year for seasonal activities, these funds were invested in longer-term interest bearing notice accounts. The nature of the other activities of the charity is such that unforeseen calls can be made on its resources at short notice when new opportunities arise. Accordingly, these liquid reserves are held in interest-bearing accounts that can be called on without notice. Monies will be held in the most likely currency of expenditure. The charity does not speculate on currency, but hedges against potential losses based on cash flow requirements.

Disclosure of information to auditors

The trustees who held office at the date of approval of the Trustees' Annual Report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and each trustee has taken all the steps they ought to take to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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

Plans for Future Periods

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

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

1. Expand our reach on seasonal malaria chemoprevention (SMC) across the Sahel, and deliver programmes to enhance take up of intermittent preventive treatment for malaria in pregnancy.
2. Push to widen uptake of preventive interventions for dengue and other arboviruses, continue to promote the distribution and use of Long-lasting Insecticide Treated Nets (LLINs) in appropriate settings, both through campaigns and especially continuous distribution models, support countries to stratify need and focus intervention as they move towards malaria elimination, linked to other interventions such as iCCM and SMC and continue to drive access to high quality diagnostics and treatments, in particular, widening the assessment and use of new pneumonia diagnosis tools.
3. Explore new avenues for health system improvement through the use of surveillance models, data capture and use for decision-making, and greater economic impact analysis linked to the SDGs.

Principal Risks and Uncertainties

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

Risk Assessment

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

1. **Strategic: More competition due to other organisations expanding into areas of Malaria Consortium's interest resulting in reduced funding opportunities.** There is much increased competition for resources driven by political pressure on international aid budgets, proposals for funding becoming less linked to specific

diseases and an increased interest from multi-sectoral organisations. To mitigate this, Malaria Consortium works with a wide combination of international partners, is building experience of working across additional disease conditions and interventions in the communities at risk of malaria, and is constantly tracking the balance of the portfolio of research and implementation programmes.

2. **Governance: Failure to ensure proper corporate governance from a lack of appropriately skilled trustees leading to poor reputation.** The trustees acknowledge the importance of reflecting the diversity of its stakeholders and areas of work amongst themselves. We have established clear plans, based on a diversity and skills matrix, for further promoting diversity. Furthermore, in light of recent revelations elsewhere in the charity sector, the trustees have reviewed Malaria Consortium's Code of Conduct and all key policies and guidelines linked to safeguarding beneficiaries and employees and are reassured that appropriate safeguards are in place.
3. **Performance: A failure to deliver a project through internal and external factors, resulting in a loss of reputation.** To gain funding in an increasingly competitive sector, the organisation needs to demonstrate consistently to funders our ability to deliver. The programmatic achievements of the organisation remain impressive, with repeated and increased funding from donors. In addition, the organisation has increased its accountability, transparency and assurance to demonstrate good value for money to donors and strengthen our safeguarding approach. Operational calls between senior management in the head office and in the regional offices continue to review performance and expenditure on a monthly basis and a quarterly performance review is shared with the Board.
4. **Operational: A failure to safeguard staff adequately particularly in high risk areas resulting in a serious incident.** The greatest need for our services is often in areas with high, and changing, security threats, particularly in South Sudan, Northern Nigeria 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.



Marcel Tanner
Chairman
26th July 2018

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 26th July, 2018 and signed on their behalf by:



Canisius Anthony
Treasurer

10th December 2018

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 2018 which comprise the Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 March 2018 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 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 charitable company 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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information, which comprises the Trustees' Annual Report, which constitutes the Strategic 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 for the financial year, is consistent with the financial statements; and
- in our opinion that report has 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 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 13, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

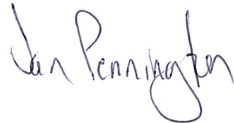
Auditor's responsibilities

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.

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.



Ian Pennington (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

10th December 2018

Malaria Consortium
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ending 31 March 2018

	Note	2018			2017**	
		Restricted Funds		Unrestricted	Total	
		SMC*	Other	Funds	Funds	
		£000s	£000s	£000s	£000s	
Income from:						
Donations	2a	-	-	28	28	121
Legacies	2a	-	-	120	120	169
Donated Goods	2b	-	363	108	471	872
Charitable activities						
Grants, contracts & consultancy income	2c	21,043	39,528	1,772	62,343	53,791
Investments - Interest received		-	-	26	26	16
Other		-	-	68	68	62
Total Income		21,043	39,891	2,122	63,056	55,031
Expenditure on:						
Raising funds		-	-	268	268	311
Charitable activities	3	2,315	39,763	3,804	45,882	50,529
Total Expenditure	7	2,315	39,763	4,072	46,150	50,840
Net income / (expenditure)		18,728	128	(1,950)	16,907	4,191
Net movement in funds		18,728	128	(1,950)	16,907	4,191
Reconciliation of funds						
Total fund brought forward		3,978	91	6,268	10,337	6,146
Total fund balances at end of year	8	22,706	219	4,318	27,243	10,337

All income and expenditure derive from continuing activities.

The notes on pages 20 to 27 form an integral part of these financial statements.

*** Seasonal Malaria Chemoprevention (SMC)**

Malaria Consortium received a large donation of £20.4m in December 2017 from the Open Philanthropy Project Fund for Seasonal Malaria Chemoprevention (2016/17: £4.0m from Good Ventures). This fund together with certain other donations, asterisked in Note 2c, can only be utilised from July 2018 given that SMC is 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.

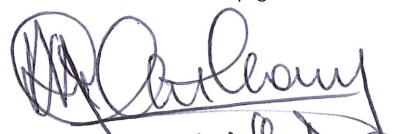
**** 2017 Comparative of Total Funds**

The split of funds for 2017 is shown in full in note 18 on page 27 of the financial statements

Malaria Consortium
Balance Sheet as at 31 March 2018

	Note	2018		2017	
		£000s	£000s	£000s	£000s
Fixed Assets					
Intangible Assets	9		4		9
Tangible Assets	9		556		539
Total Fixed Assets			560		548
Current Assets					
Stock	10	198		91	
Debtors	11	4,893		7,968	
Cash at bank and in hand		27,062		24,378	
Total Current Assets		32,153		32,437	
Current Liabilities					
Creditors falling due within one year	12	(4,889)		(21,958)	
Net Current Assets			27,264		10,479
Total assets less current liabilities			27,824		11,027
Provisions					
Provisions for liabilities	13		(581)		(690)
Net Assets			27,243		10,337
Represented by:					
<i>Unrestricted income funds</i>					
General	8		3,368		5,318
Designated			950		950
Total Unrestricted Funds			4,318		6,268
<i>Restricted income funds</i>					
SMC	8		22,706		3,978
Other			219		91
Total Restricted Funds			22,925		4,069
Total Funds			27,243		10,337

The financial statements on pages 17 to 27 were approved by the Board and authorised for issue on 26th July 2018 and signed on its behalf:


Canisius Anthony
Treasurer
10th December 2018.

Company registration number: 4785712

The attached notes on pages 20 to 27 form an integral part of these financial statements.

Malaria Consortium
Cash Flow Statement for the year ending 31 March 2018

	Notes	2018 £000s	2017 £000s
Cash flows from Operating Activities			
Cash inflow from operating activities	A	2,658	16,434
Cash flows from Investing Activities			
Interest income		26	16
Purchase of fixed assets		-	(68)
Net cash provided by / (used in) investing activities		26	(52)
Increase in cash in the year		2,684	16,382
Cash at the beginning of the year	B	24,378	7,996
Cash at the end of the year	B	27,062	24,378

Notes to the Cash Flow Statement for the year ending 31 March 2018

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

	2018 £000s	2017 £000s
Net income for the year	16,906	4,191
Depreciation charge	81	119
Adjustment for depreciation	(92)	-
(Increase) in stock	(107)	(91)
Decrease / (Increase) in debtors	3,075	(2,041)
(Decrease) / Increase in creditors	(17,070)	14,304
(Decrease) in provisions	(109)	(32)
Investment income	(26)	(16)
Cash inflow from operating activities	2,658	16,434

B Analysis of cash

	At 1 April 2018 £000s	At 31 March 2017 £000s
Cash at bank and in hand	27,062	24,378
Total cash	27,062	24,378

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

1 Accounting Policies

a Basis of Financial Statements

The financial statements have been prepared under the historic cost convention and in accordance with applicable Financial Reporting Standard (FRS102) and the Statement of Recommended Practice (SORP) 2015 "Accounting and Reporting by Charities". The format of the Income and Expenditure Account has been adapted from that prescribed by the Companies Act 2006 to better reflect the special nature of the charity's operations. The accounts comply with the Companies Act 2006.

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

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

The financial review in the Trustees' Report reviews the finances of the charity for the year ended 31 March 2018 in comparison to the prior year. The charity has a healthy cash balance and a large proportion of grant funding required for 2018/19 and 2019/20 is contracted with donors. The Trustees' report explains how the charity is structured and managed and how major risks are dealt with. The Board has a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. Thus the Board of Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

b Funds Accounting

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

Designated funds represent unrestricted funds that are set aside by the Trustees for particular purposes.

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

c Income

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

All income becoming available to the charity is recognised in the Statement of Financial Activities on the basis of entitlement. In respect of income not tied to time-limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related grants or long term contract income, income entitlement is considered to be conditional upon delivery of the specified level of service, in accordance with FRS102 and the Charities SORP 2015. Income is therefore recognised to the extent the charity has delivered the service or activity, with the grants less the management fee being credited to restricted income in the SOFA. The expenditure incurred to date is used as a reasonable estimate or approximation of the charity's performance and so income entitlement. Any such income not recognised in the year will be carried forward as deferred income and is included in liabilities in the balance sheet. The element relating to management fees is included within unrestricted income.

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 2018

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, this is in accordance with donors' rules. 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 2018

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 not about its Group. The operation of the subsidiary company Malaria Enterprise 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.

	2018	2017
	£000s	£000s
2a Income from donations		
Unrestricted Funds		
Other donations	28	121
Legacies	120	169
Total	148	290

2b Donated Goods

Donated goods received this year relate to commodities from UNICEF in South Sudan with a market value of £41k (2017: £718k) including artemisinin-based combination therapies (ACTs) and Plumpynuts. In addition, in South Sudan we received donated goods including ACTs and malaria rapid diagnostic tests (MRDTs) valued at £293k (2017: £58k) to support our work within the community from Population Services International. In the UK, pro-bono legal services were valued at £68k (2017: £58k) and Microsoft licenses amounted to £39k (2017: £37k).

	2018		2017	
	Restricted funds	Unrestricted funds	Restricted funds	Unrestricted funds
	£000s	£000s	£000s	£000s
Open Philanthropy Project Fund (an advised fund of Silicon Valley Community Foundation)*	20,393	-	-	-
Unitaid	11,241	339	23,104	985
Ministry of Health (Uganda) / The Global Fund	9,960	332	3,107	220
USAID	5,289	506	1,834	572
United Nations Children's Fund (UNICEF)	2,976	44	2,410	202
Population Services International / Department for International Development	2,583	251	1,358	91
World Vision International Mozambique / The Global Fund	1,879	(5)	3,008	105
Health Pooled Fund	1,227	38	596	29
Population Services International / The Global Fund	1,162	41	964	90
WHO	829	13	1,403	112
Three Graces Foundation, Inc.*	699	-	-	-
Comic Relief	456	43	1,200	159
United Nations for Project Services (UNOPS) / The Global Fund	407	(23)	856	42
Catholic Relief Services / The Global Fund	319	0	580	36
Pathfinder / USAID	199	45	-	-
Intrahealth / USAID	148	31	-	-
Leeds University / Department for International Development	152	23	220	69
Ministry of Health (Thailand) / The Global Fund	162	6	314	16
GiveWell*	154	-	-	-
IRC / Eleanor Crook Foundation	128	15	-	-
Bill & Melinda Gates Foundation	80	8	126	48
University of Southern California / BMGF	65	9	-	-
James Percy Foundation	34	3	86	6
Effective Altruism*	29	-	-	-
University Research Co., LLP / USAID	13	3	239	63
FHI360 / USAID	-	(166)	1,171	540
Good Ventures*	(231)	231	3,978	-
Department for International Development UK Contribution - Programme Partnership Arrangement (PPA)	-	-	-	2,026
Save the Children Canada / WHO	-	-	458	41
Three Millennium Development Goal Fund	-	-	298	34
Medicine for Malaria Ventures / Unitaid	-	-	290	97
Department for International Development UK	-	-	205	63
Centers for Disease Control and Prevention	-	-	197	16
Population Services International / Unitaid	-	-	83	(62)
Grants and Contracts for projects of less than £100,000 each	220	(16)	148	(42)
Total income from charitable activities	60,571	1,772	48,233	5,558

* Seasonal Malaria Chemoprevention: the funds provided by these donors are designated for use in SMC Activities and are planned to be expended from July 2018, reflecting the seasonal nature of this activity.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

3 Details of charitable activities

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

	Operational programmes	Grants to Partners	Support costs	2018 Total	Operational programmes	Grants to Partners	Support costs	2017 Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Guide Policies	98	-	9	107	1,994	28	155	2,176
Preventive Treatment	10,458	3,128	1,228	14,814	14,358	8,757	1,768	24,883
Vector Control	17,539	2,191	1,784	21,514	11,407	353	900	12,659
Case Management	6,119	-	553	6,672	7,356	-	563	7,919
Health Systems	1,861	684	230	2,775	2,598	88	205	2,892
Total spent - charitable activities	36,075	6,003	3,804	45,882	37,712	9,226	3,591	50,529

	Operational programmes	Grants to Partners	Support costs	2018 Total	Operational programmes	Grants to Partners	Support costs	2017 Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Burkina Faso	2,891	-	261	3,152	2,121	-	162	2,283
Chad	1,320	-	119	1,439	1,256	-	96	1,352
Ethiopia	307	-	28	335	470	-	36	506
Guinea Bissau	-	203	18	221	-	-	-	-
Mozambique	2,657	-	240	2,897	4,195	-	321	4,516
Nigeria	3,364	-	304	3,668	5,245	15	402	5,662
South Sudan	4,693	577	477	5,747	3,830	239	311	4,380
Sierra Leone	30	-	3	33	94	-	7	101
Uganda	15,586	2,040	1,594	19,219	7,873	129	612	8,614
Africa multi country	4,132	2,925	639	7,696	9,598	8,352	1,373	19,323
Cambodia	401	118	47	566	806	162	74	1,043
Myanmar	289	-	26	315	846	12	66	924
Thailand	-	-	-	0	433	22	35	490
Asia multi country	86	140	20	246	220	62	22	304
United Kingdom	319	-	29	348	725	233	73	1,031
Total	36,075	6,003	3,804	45,882	37,712	9,226	3,591	50,529

4 Support costs

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

	2018 Total	2017 Total
	£000s	£000s
Communications	328	257
Finance	329	599
Human Resources	254	318
Information Technology	104	155
Management	501	664
Programme Support	2,111	1,498
Governance	177	100
Total	3,804	3,591

5 Personnel and staff costs

	2018			2017		
	UK	Overseas	Total	UK	Overseas	Total
<i>Average number</i>						
Project and technical staff	17	206	223	22	199	221
Operations and logistics staff	2	101	103	1	93	94
Management, finance and administration staff	29	44	73	25	55	80
Total	48	351	399	48	347	395

	2018 Total	2017 Total
	£000s	£000s
Aggregate costs		
Fees, salaries and agency staff costs	7,593	8,187
Social security costs	408	387
Pension contributions	104	110
Overseas staff allowances	462	610
Total	8,567	9,294

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:

	2018 Number	2017 Number
£60,000 - £69,999	3	7
£70,000 - £79,999	2	5
£80,000 - £89,999	3	3
£90,000 - £99,999	5	2
£100,000 - £109,999	-	1
£110,000 - £119,999	2	3
£130,000 - £139,999	-	1
£160,000 - £169,999	-	1

During the year, pension costs on behalf of these employees amounted to £28,796 (2017: £14,967).

The total remuneration of eight key management personnel, including employer national insurance and pension contributions, was £683,899 (2017: £, 961,150).

The salary of the Chief Executive was £117,361 (2017: £115,513). The Chief Executive did not receive any pension contributions in 2018 (2017: Nil).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

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:

	2018	2017
	£000s	£000s
Operating lease rentals	769	601
Depreciation	81	119
Auditors' remuneration:		
Audit of these financial statements	56	73
Amounts receivable by the company's auditor in respect of audit-related assurance services	73	115
Taxation compliance services	28	14
Trustees' reimbursed expenses	1	6

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips although there were none in 2018 (2017: 2). Trustees are not remunerated.

8 Statement of Funds

	As at 1 April 2017 £000s	Total Income £000s	Total Expenditure £000s	Inter-fund Transfers £000s	As at 31 March 2018 £000s
Restricted Funds					
Seasonal Malaria Chemoprevention (SMC)	3,978	21,043	(2,315)	-	22,706
Other	91	39,641	(39,513)	-	219
Total Restricted Funds	4,069	60,684	(41,828)	-	22,925
Total Unrestricted Funds					
Free reserves	5,318	2,122	(4,072)	-	3,368
Designated funds	950	-	-	-	950
Total Unrestricted Funds	6,268	2,122	(4,072)	-	4,318
Total Funds	10,337	62,806	(45,900)	-	27,243

Purpose of Designated Funds

The balance of designated reserves as at 1st April 2018 of £950k is to provide against future exchange losses.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

8 Statement of Funds (continued)

Further analysis of restricted funds by project is shown below:

	As at 1 April 2017	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2018
	£000s	£000s	£000s	£000s	£000s
Restricted Funds					
Support to the APMEN Vector Control Working Group	-	65	(65)	-	-
World Malaria Day	-	33	(33)	-	-
ACCESS SMC	-	11,241	(11,241)	-	-
SMC third party funding	3,978	21,043	(2,315)	-	22,706
WASH	-	30	(30)	-	-
Malaria Prevention and Control	-	1,879	(1,879)	-	-
Regional Artemisinin Initiative	-	119	(119)	-	-
Evaluation of Spatial Repellents	-	(1)	1	-	-
RAI-ICC2	-	286	(286)	-	-
Malaria Action Program for Districts	-	5,040	(5,040)	-	-
2nd Universal Coverage Campaign LLINs	-	11,920	(11,920)	-	-
RHITES-E	-	148	(148)	-	-
Anti-malaria activities	-	2	(2)	-	-
RAI2e	-	49	(49)	-	-
Antimicrobial Resistance	-	37	(37)	-	-
ICCM+NBEG	-	1	(0)	-	1
RACe	-	712	(712)	-	-
Integrated Community based Interventions	-	34	(34)	-	-
ICCM + MNC	-	202	(202)	-	-
Scaling Up for Universal Coverage	2	1,067	(1,059)	-	10
Strengthening Healthcare in Iyolwa	-	50	(50)	-	-
ICCM in Aweil North County	-	181	(181)	-	1
SAM in Aweil West and Centre Counties	89	-	-	-	89
ARIDA Protocol and Field Trials Services	-	184	(184)	-	-
CCM of Chest Indrawing Pneumonia	-	117	(117)	-	-
ICCM Myanmar Pilot Extension	-	86	(86)	-	-
Community Dialogues NTDs	-	80	(80)	-	-
ICCM2	-	2,868	(2,750)	-	118
Expansion of Community-led Services	-	203	(203)	-	-
Rise for Nutrition	-	128	(128)	-	-
Sustained Scale-Up Malaria Elimination	-	275	(275)	-	-
MNCH Program	-	10	(10)	-	-
Reducing the Malaria Burden	-	44	(44)	-	-
Community Dialogues (LV)	-	4	(4)	-	-
COMDIS HSD	-	7	(7)	-	-
TRAction	-	13	(13)	-	-
mHealth System Strengthening	-	492	(492)	-	-
Health Pooled Fund (2) Lot 11	-	1,227	(1,227)	-	-
EPS for VMW Payment Scheme	-	28	(28)	-	-
Transform: Primary Health Care	-	199	(199)	-	-
Evaluation of Malaria Prevention in MMP	-	162	(162)	-	-
Digital health system strengthening	-	201	(201)	-	-
Malaria Indicator Survey Study	-	55	(55)	-	-
COMDIS HSD Extension	-	123	(123)	-	-
Bangladesh Study	-	36	(36)	-	-
Other Projects	-	4	(4)	-	-
Total restricted funds	4,069	60,684	(41,828)	-	22,925
Unrestricted funds - Free reserves	5,318	2,122	(4,072)	-	3,368
Unrestricted funds - Designated funds	950	-	-	-	950
Total Funds	10,337	62,806	(45,900)	-	27,243

9 Fixed assets

	Intangible Assets		Tangible Assets			Total £000s
	Software Applications	Land & Buildings	Office Equipment	Furniture & Fixtures	Motor Vehicles	
	£000s	£000s	£000s	£000s	£000s	
Cost						
At 1 April 2017	167	542	150	100	747	1,539
Additions	-	-	-	-	-	-
Disposals	-	-	(48)	(9)	(159)	(216)
At 31 March 2018	167	542	102	91	589	1,323
Depreciation						
At 1 April 2017	(157)	(142)	(141)	(96)	(622)	(1,001)
Adjustment of depreciation	-	90	-	2	-	92
Charge for the period	(6)	(14)	(7)	(5)	(49)	(75)
Disposals	-	-	48	9	159	216
At 31 March 2018	(163)	(66)	(100)	(90)	(512)	(768)
At 31 March 2018	4	476	2	1	77	556
At 31 March 2017	9	400	10	4	125	539

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

10 Stock	2018	2017
	£000s	£000s
Drugs	79	2
Medical Supplies	119	89
	<u>198</u>	<u>91</u>

11 Debtors	2018	2017
	£000s	£000s
Amounts due from donors	4,286	6,944
Other debtors	200	812
Prepayments	407	212
	<u>4,893</u>	<u>7,968</u>

12 Creditors	2018	2017
	£000s	£000s
Creditors: amounts falling due within one year		
Trade creditors	352	715
Other creditors	1,194	4,757
Taxation and social security	404	308
Accruals	1,432	1,919
Deferred Income (note 14)	1,507	14,259
	<u>4,889</u>	<u>21,958</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 2018, there were £58k (2017: £129k) of outstanding contributions to such schemes, that are included in Other creditors above.

13 Provisions for Liabilities				2018	2017
	Overseas tax	Staff costs	Grants	Total	Total
	£000s	£000s	£000s	£000s	£000s
At the beginning of the year	245	283	162	690	722
Utilised during the year	(113)	(168)	(1)	(282)	(327)
Charged to the SoFA for the year	118	41	14	173	295
As at 31 March 2018	<u>250</u>	<u>156</u>	<u>175</u>	<u>581</u>	<u>690</u>

The provision for overseas tax relates to obligations in countries where Malaria Consortium is operating or has operated in the past. The staff provision includes amounts for severance payments on contract completion and an entomology scholarship. Other potential liabilities through grants not yet realised but may become payable. It is expected that Malaria Consortium will settle these obligations within the next five years.

14 Deferred Income

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

	2018	2017
	£000s	£000s
Deferred income at 1 April	14,259	4,775
Incoming resources deferred in the year	29,149	58,611
Amounts released from previous and current year	(41,901)	(49,127)
	<u>1,507</u>	<u>14,259</u>

15 Operating lease commitments - land and buildings

	2018	2017
	£000s	£000s
The amount payable on leases expiring:		
Within 1 year	479	213
Between 2-5 years	884	1
	<u>1,363</u>	<u>214</u>

16 Analysis of net assets between funds

	2018			2017		
	Restricted funds	Unrestricted funds	Total funds	Restricted funds	Unrestricted funds	Total funds
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets	-	560	560	-	548	548
Net Current assets less provisions	22,925	3,758	26,683	4,069	5,720	9,789
	<u>22,925</u>	<u>4,318</u>	<u>27,243</u>	<u>4,069</u>	<u>6,269</u>	<u>10,337</u>

17 Related Parties

Malaria Consortium has a 100% interest in Public Health Nigeria Limited, a company registered in Nigeria. Public Health Nigeria Limited had net liabilities of £103,967 at 31 March 2018 (2017: ENIL) and expenditure of £103,967 in the financial year (2017: ENIL). Malaria Consortium has not prepared consolidated accounts on the grounds of materiality. 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.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2018

18 Statement of Financial Activities for the year ending 31 March 2017

	2017			
	Restricted Funds		Unrestricted	Total
	SMC £000s	Other £000s	Funds £000s	Funds £000s
Income from:				
Donations	-	-	121	121
Legacies	-	-	169	169
Donated Goods	-	776	96	872
Charitable activities				
Grants, contracts & consultancy income	3,978	44,255	5,558	53,791
Investments - Interest received	-	-	16	16
Other	-	-	62	62
Total Income	3,978	45,031	6,022	55,031
Expenditure on:				
Raising funds	-	-	311	311
Charitable activities	-	44,940	5,589	50,529
Total Expenditure	-	44,940	5,900	50,840
Net (expenditure) / income	3,978	91	122	4,191
Net movement in funds	3,978	91	122	4,191
Reconciliation of funds				
Total fund brought forward	-	-	6,146	6,146
Total fund balances at end of year	3,978	91	6,268	10,337