



THE AGAINST MALARIA FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements
for the year ended 30 June 2019

Charity no: 1105319
Company no: 05175899

The Against Malaria Foundation

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The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Report of the trustees for the year ended 30 June 2019

The trustees are pleased to present their annual report, including their Strategic Report, together with the financial statements of The Against Malaria Foundation ('the charity') for the financial year ended 30 June 2019.

Reference and administrative details

Charity number:	1105319
Company number:	05175899
Registered & Principal Office:	10 Bricket Road, St Albans, Herts AL1 3JX.
Website:	www.againstmalaria.com
Auditors:	Crowe U.K. LLP, Carrick House, Lypiatt Road, Cheltenham, GL50 2QJ
Bankers:	Citigroup NA, Citigroup Centre, 33 Canada Square, Canary Wharf, London, E14 5LB
Solicitors:	Maurice Turner Gardner, 15th Floor, Milton House, Milton Street, London EC2Y 9BH
Accountants:	PwC LLP, 10 Bricket Road, St Albans, Herts AL1 3JX

Directors and trustees

The directors of the charity are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The present and past trustees serving during the financial year and since the year end are as follows:

Elected trustees:	Arthur Boler Jonathan Calascione Stephanie Cook Guy Davis Richard Paul Lane Robert Keith Hamilton Mather Jeremy James Schwartz Peter Sherratt – Executive Chairman
Secretary and CEO:	Robert Keith Hamilton Mather
Key Management Personnel:	Robert Keith Hamilton Mather Peter Sherratt

Structure, Governance and Management

Governing Document

The Against Malaria Foundation ('AMF') is a company limited by members' guarantee and a registered charity governed by its memorandum and articles of association dated 9 July 2004. It is registered as a charity with the Charity Commission. There are currently eight members of the company each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

Trustees must be appointed by a resolution of a meeting of the trustees evidenced by memorandum or by written resolution signed by all trustees. Upon election, each trustee holds office for a period of three years which may be renewed or terminated early.

Trustee induction and training

All new trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes and the strategy and financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Report of the trustees for the year ended 30 June 2019 (continued)

Charity Governance Code

The trustees have reviewed in full the Charity Governance Code and are satisfied the charity operates within the requirements and spirit of the code. Comments and examples on each of the Code's seven pillars are included below. The trustees see review of AMF's practices in respect of the code a continuing task as AMF evolves.

1. Organisational purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

AMF has a clear focus on funding and distributing long-lasting insecticide-treated nets which is a highly effective mechanism to reduce suffering from malaria. AMF keeps under review the effectiveness of its programmes. In FY2017, AMF funded both six million PBO LLINs, a new type of net, and an associated randomized controlled trial to assess the effectiveness of these nets as a better tool to deal with mosquitoes that have developed a resistance to pyrethroids, the insecticide most widely used on LLINs.

2. Leadership

Every charity is led by an effective board that provides strategic leadership in line with the charity's aims and values.

The board is comprised of individuals with significant business and not-for-profit experience and leadership. Strategic issues are a feature of each board meeting with discussion and questioning focused on how AMF's choices and actions tie to AMF's key objectives of reducing mortality and morbidity from malaria.

3. Integrity

The board acts with integrity, adopting values and creating a culture which help achieve the organisation's charitable purposes. The board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.

The board places great emphasis on AMF acting with integrity at all times and ensuring that public trust in AMF is maintained. No complaints have been received during the year (previous years also none). Members of the board regularly review key policies and over the years AMF has developed clear policies covering anti-bribery, anti-corruption, anti-fraud, whistle-blowing and other matters. These policies are publicly available. Potential for conflicts of interest is asked of each board director as an initial agenda item at each board meeting, and no such conflicts have arisen.

4. Decision-making, risk and control

The board makes sure that its decision-making processes are informed, rigorous and timely and that effective delegation, control and risk assessment and management systems are set up and monitored.

The board takes an active interest in operational and management systems and risk and regularly seeks reports from and has informal discussions with senior management. The Finance Committee is composed of four trustees and is regularly involved in decisions and reviews between board meetings. A Risk Register, which is publicly available, is reviewed at each board meeting and updated as necessary. The Risk Register has seen revisions in recent years in the area of data management and security.

5. Board effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

The board is made up of individuals with significant experience in a number of specialist areas

Report of the trustees for the year ended 30 June 2019 (continued)

relevant to the charity's objectives including strategy, operations, fundraising, finance, marketing, malaria research and board governance. A Malaria Advisory Group (MAG), consisting of leading malaria experts, is also available to advise the board when needed. AMF keeps under review the composition of the board and the MAG. In 2016, an insecticide resistance expert joined the MAG.

6. Diversity

The board's approach to diversity supports its effectiveness, leadership and decision-making.

The board regularly discusses equality of opportunity and encourages senior management to consider diversity in hiring,

7. Openness and accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

Transparency and accountability are core and guiding principles of AMF. They are also considered key to building and maintaining donor confidence. AMF links each donation it receives to a specific net distribution allowing donors to follow exactly where the nets they fund are distributed. AMF publishes a significant volume of data surrounding each of its net distributions covering operations and impact.

Remuneration

The key management personnel do not receive remuneration, salaries or benefits. The remuneration of all staff is based on a) market levels b) their skills and experience and c) the importance of the roles to the effective running of AMF.

Organisation

The charity is part of a worldwide operation which, as noted below, currently consists of eleven sister foundations all with the common goal of providing aid to relieve the suffering caused by malaria through the provision of long-lasting insecticidal nets (LLINs).

The charity held its first major fundraising activity, a global swim, in late 2005 and since then donations have been received from individuals and organisations in 162 countries. Where it is considered appropriate, for example where tax and other incentives are judged of sufficient importance to the success of the charity, the trustees have agreed the separate formal registration of sister foundations in other countries. Thus, as well as in the UK, the charity is registered in Australia, Belgium, Canada, Germany, Ireland, Italy, The Netherlands, New Zealand, South Africa and the USA. Registration in other countries may follow. Each of the sister foundations has its own governing board and, in order to ensure consistency of operation, these governing boards typically include at least two of the UK charity's trustees.

The UK board of trustees (<http://www.againstmalaria.com/Trustees>), which can have up to twelve members, administers the charity. Given the level of involvement of the UK trustees over all operations, it is considered appropriate that this report is based upon total aggregate worldwide donations and expenditure. The board meets quarterly and is advised by a finance sub-committee which oversees, amongst other things, the procurement of LLINs. A Chief Executive Officer is appointed by the trustees to manage the day to day operations of the charity.

The trustees take advice when needed from leading academics involved in malaria including a group made up of some of the world's leading malaria experts. This group, the Malaria Advisory Group (MAG, <http://www.againstmalaria.com/MAG>), has extensive experience both in the strategies used to combat malaria and in the implementation of malaria programmes. The MAG itself draws upon, and liaises with, a broad array of individuals and organisations to formulate advice on how money raised should be spent.

Report of the trustees for the year ended 30 June 2019 (continued)

Objectives and activities

The objective of the charity is to reduce the suffering from malaria.

In order to achieve its objective, the charity buys and organises the distribution of LLINs. For all significant distributions, it enters into legal agreements which set out processes which must be followed to reduce the risks inherent in development programmes. This includes a high level of data collection, entry and analysis, and oversight of programmes by local organisations. Highly transparent and accountable reporting to all donors, for example via linking every individual donation to a specific distribution, is a key aspect of the charity's approach. Malaria education for those receiving nets is one of a number of additional elements typical of all distribution programmes.

The trustees are happy to state publicly on the website, and elsewhere, that all public donations, i.e. 100% of funds received via fundraising activities or via direct donations, are used to buy LLINs. The ability to allocate 100% of these funds to buy LLINs is due to generous pro bono support received from many individuals and organisations and by private funding received to cover non-LLIN costs.

The trustees refer to the advice contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The trustees regard the relief of suffering from malaria through the AMF programmes as clearly being for public benefit. In particular, the trustees consider how planned activities will contribute to the charity's aims and objectives for the public benefit.

Strategic Report

Financial Summary

AMF made good progress this year. The year to 30 June 2019 saw revenues of US\$42,472,068 (2018: US\$34,471,018) an increase of US\$8.0m or 23%. This increase was due to a continued growth both of AMF's broad base of donor support, with the value of sub-US\$1m donations from US\$30.0m to US\$35.4m, an increase of 18%, as well as an increase in the number and value of US\$1m+ donations.

The revenues achieved were in part attributable to AMF being top ranked by the charity evaluator GiveWell for the eighth year in a row, and retaining also for the eighth year in a row the same top recommended status of The Life You Can Save and Giving What We Can. About half of AMF's revenues during the year can be directly linked to the Effective Altruism movement.

The total number of donations received during the year was 112,872 (2018: 91,635), an increase of 23%.

LLINs granted during the year cost US\$21,342,843 (2018: US\$27,283,312). AMF's strategy continues to focus on fewer, larger distributions. This has been for several reasons:

- More funding has been available to AMF
- Larger distributions are more efficient as long as they are managed effectively
- By contributing more significant quantities of nets, AMF can hope to influence, where necessary, data collection to demonstrate nets were distributed as intended and post-distribution monitoring to track net use and condition.
- AMF hopes to encourage others who distribute nets to look critically at AMF's procedures and results to see if they will adopt some of these practices and approaches in their own distributions.

Report of the trustees for the year ended 30 June 2019 (continued)

Results for the year

In the financial year, 13.7 million LLINs were distributed in four countries, protecting 24.7 million people, with a further 3.3 million LLINs in the process of being distributed at year end, to cover 5.9 million people. A further set of distributions of in total 8.4 million LLINs is scheduled to start in December 2019 to protect 15.1 million people.

A further four distributions with a need of 51.6 million LLINs were under discussion at year end, all at an advanced stage.

All distributions that took place during the year, or that are planned, are listed publicly at <http://www.againstmalaria.com/Nets>.

Post-distribution monitoring (PDM) of net presence, use and condition, which takes place at six-monthly or at nine-monthly intervals, continued to be carried out as planned and shows generally strong levels of continued net use and condition. All data are published and can be accessed via the website.

AMF has also made significant progress this year in the following areas:

- The increased scale of the distributions funded has been maintained. Distributions are now regularly of millions of nets with the largest to date 12.7m LLINs. We continue to assess multi-million net distributions and expect distributions of this size to continue to feature in the future.
- AMF has continued to develop partnerships in some of the most challenging areas to work, as judged by poverty, difficult geography, weak health systems and lack of infrastructure. Given the malaria burden in these areas is amongst the highest in the world and the level of existing malaria prevention substantially less than the minimum needed, these partnerships have the potential to bring significant improvements in health to the local communities.
- AMF contributed nets to universal coverage campaigns, that currently occur each three years, in three countries it has supported before, Ghana (3.6 million LLINs), Malawi (4.3m) and Papua New Guinea (1.0m) to help to continue to drive down malaria.
- AMF carried out a distribution in Guinea for the first time, with 4.8m LLINs funded and distributed between April and June 2019 (3.9m) and scheduled for July and August 2019 (0.9m). The same high levels of data-driven accountability that has characterised previous AMF distributions have been applied here. Two additional operational elements were introduced in Guinea for the first time. First, a 'split shipment' of nets whereby the second shipment of (0.9m) nets only took place once actual household-level registration data was known and overall net need was known accurately. This ensured the right number of nets were funded, both to ensure no shortfall and universal coverage was achieved, and no overfunding of nets that would otherwise lead to fewer nets being available to protect people in other countries. Second, the first name and first initial of last name of all household members was recorded during registration as a mechanism to encourage, and provide confidence in, accurate population reporting and net need numbers. We are thankful for the performance and dedication of the country's National Malaria Control Programme leadership and team, and in-country partners involved in the data entry of 1.3 million paper-based household records and in the monitoring of the distribution during its various stages. Verification of the results is ongoing.
- In all distributions that AMF now supports, household-level data (including the name of the head of household, some details for all other household members, number of people in the household and number of nets needed) are put in electronic form to allow analysis, error checking and verification so as to be able to establish, and provide confidence in, accurate net need numbers.

Report of the trustees for the year ended 30 June 2019 (continued)

It gives easy access for all partners to the complete set of data for the numbers and locations of nets to be distributed.

- During the year, AMF has developed further its understanding and experience with electronic-device data collection, as an alternative to collecting household data on paper. For example, in the Ghana 2018 universal coverage campaign, all household data was collected in this way as was all post-distribution monitoring data. We have been assessing carefully the wider deployment of this technology and considering country-by-country factors. While we will remain flexible to using paper-based data collection if there are compelling reasons why it should be used in a particular environment, data collection using electronic devices will now be the norm. Advantages of electronic-device data collection include some or all of:
 - Acts against potential theft (by allowing real-time tracking of data)
 - Improved cost effectiveness (by costing less)
 - Improved accountability (by allowing real-time tracking of data)
 - Additional data can be collected (e.g. GPS data, which can aid verification and planning)
 - Greater transparency (by allowing data to be shared more easily and more quickly)
 - Reduced operational risk (by allowing real-time tracking of data)
 - Greater data accuracy (by allowing quicker feedback on data with issues)
- AMF has maintained the same level of accountability that has been a feature of previous AMF funded distributions. Partners have committed to provide distribution verification data (so we can understand if, and report on publicly, the nets reach beneficiaries as intended) and to carry out structured and regular post-distribution net use checks (so we can track net usage to understand and help ensure nets continue to be used).
- AMF has had a strong year extending existing relationships and developed new relationships, both with co-funders and in-country operating partners and seen an increase in willingness to embrace methodologies that deliver greater levels of accountability and transparency during net distributions.
- AMF has continued to see strong net usage levels, with data gathered during six-monthly or nine-monthly post-distribution monitoring activities (PDMs) showing sleeping space coverage on day 1 (immediately post distribution) around 95%, falling to 90-80% after 12 months and to 80-70% after 24 months.
- AMF has continued to focus on how best to tackle the potential problems associated with insecticide resistance. Resistance by some mosquitoes to the class of insecticide (pyrethroids) used in long-lasting insecticidal nets is developing and increasing in some malaria affected areas and AMF is well positioned to assist in growing the body of data on level and change over time of resistance levels given some of the locations in which we are distributing nets and our data-driven approach to those distributions and subsequent follow-up of net use.
- AMF has continued to monitor the progress of the Randomized Controlled Trail (RCT) of 6 million Piperonyl Butoxide (PBO) LLINs funded by AMF in 2017/18 in response to strong scientific evidence of insecticide resistance and a request to help in this way by the Ugandan Ministry of Health. The last of the 6 million nets were distributed in March 2018. AMF funded the accompanying multi-million-dollar, multi-year RCT, the highest standard scientific trial to assess the effectiveness of PBO nets. In keeping with the standards and protocols for such a trial, AMF has not had access to any findings or results. Publication of the results is expected in October 2019.
- The operations team has been strengthened allowing us to spend more time with partners in country, increase the number of potential partners we consider working with and develop stronger relationships with those we do. It has also allowed us to develop tools that make the work of our

Report of the trustees for the year ended 30 June 2019 (continued)

partners, and our own, more efficient. For example, new template documents and spreadsheets allow easier and quicker submission of tender documents, speed up AMF's own review. The expansion of online reporting for field activities has provided similar efficiency advantages for our partners and for AMF as well as allowing field managers at a more dispersed level to be those that report improving the accuracy and detail of the reporting we can access. We can carry out more detailed and more sophisticated analyses of data and this is improving decision making.

- AMF's data entry system (DES) has been significantly expanded. This is the system into which distribution data, including pre-distribution household-level registration data, distribution data and post-distribution monitoring data is entered, often covering millions of household records per country. The DES now allows more sophisticated, and often real time and automatic, analysis of the data that has been entered. This improves, and provides confidence for, decisions relating to, for example, the number of nets to order for a distribution and the feedback we provide on net coverage levels over time.
- Further development of the bespoke internal financial management system, FinSys, which records and processes all finance related numbers, took place during this financial year. Financial data are updated either automatically or daily. AMF's financial situation is known in real time which facilitates quick, well-informed funding decisions. AMF's cashflow is similarly updated and known at any time, even though significant funds can be received on a daily basis, which allows the time periods for which funds are placed on deposit to be closely managed which optimises the interest earned on funds in hand while ensuring funds are available on time to meet expenditure. The time spent preparing financial numbers for day to day management purposes has been reduced further. Our annual accounts and support material for statutory reporting and audit are now updated either automatically or daily within FinSys. This delivers a number of benefits. First, annual accounts and support material can be generated with minimal management time; second, the work of our auditor is made easier due to the availability in one place of all financial records and support material for cross referencing; third, accounts for audit can be generated within hours of the end of the financial year providing an opportunity for the early publication of AMF's audited accounts consistent with one of AMF's objectives of achieving high levels of transparency. In summary, the development of FinSys achieved this year:
 - Delivers real time financial information for close monitoring of the AMF's finances
 - Allows financial decisions to be made quickly and opportunities to be seized
 - Frees up management time
 - Enables accounts to be passed for audit within hours of the end of the financial year
 - Makes easier the work of our auditors
 - Provides an opportunity for early public reporting
- AMF developed relationships with new donors who donated more than \$1m, including multi-year commitments. AMF saw continued support from donors who have previously made donations to AMF of more than \$1m.
- AMF has maintained tax-deductible status for donors in the UK, US, Australia, Canada, Denmark, Germany, Ireland, Italy, Netherlands, Norway, New Zealand and South Africa. Applications to other countries are in the pipeline. This status increases donations to AMF in these countries.

AMF continues to review its approach to information gathering and reporting and will continue to be as flexible as possible in this area, whilst ensuring acceptable accountability is achieved so we can be sensibly sure that the nets donors fund are distributed as intended.

Report of the trustees for the year ended 30 June 2019 (continued)

Operations

During the year AMF hired an additional staff member in the operations management team, bringing the number of AMF staff to eight.

Risk Management

A formal risk management strategy is in place. The trustees have identified the major risks to which the charity is exposed. This information is contained within a Risk Register that is reviewed on a regular

basis, including at alternating board meetings or if specific new risks are identified, and updated as necessary. It is publicly available via <http://www.againstmalaria.com/RiskRegister.aspx>. The trustees are confident in the systems and procedures that are in place concerning both the safeguarding of assets and the minimisation of any potential impact on the charity should risks materialise. These procedures include the safeguarding of bank balances and ensuring legal safeguards are in place regarding the procurement and provision of LLINs.

We continue to be particularly watchful of the risk of theft and other loss of nets. While the nature of the environments we operate in means we cannot eliminate this risk, we have been successful so far in controlling it and will continue to require high levels of transparency and accountability in our distribution agreements and procedures.

Data privacy

AMF continues to follow data privacy practices that ensure data is held securely.

Donated Services

All but one of AMF's pro bono supporters have remained in place during the year and have committed to continuing their support for the foreseeable future. This continuing support allows AMF to focus on raising funds for net distributions and raising awareness of what can be done to fight malaria. The trustees are exceptionally grateful to these generous individuals and organisations for this financial and other assistance. Private funding, from a small number of donors with whom we have had specific conversations, continues to be made available to AMF to cover central costs (and distribution-related non-net costs). It is because of this pro bono support and private funding the trustees can guarantee 100% of all other i.e. public donations, buys LLINs.

AMF Methodology

A summary of the way the charity approaches net distributions is shown below. This process reflects an initial focus on discussions with National Malaria Control Programmes and other organisations to establish net need and attitude to accountability, which precede discussions with in-country partners.

1. AMF receives funds from individuals and groups who organise fundraising activities or who simply donate.
2. 100% of the funds from the public are used to make grants of long-lasting insecticidal (mosquito) nets (LLINs).
3. Donations from a small group of donors, with whom specific arrangements are made (private donors), are ring-fenced to cover any distribution-related non-net costs, specifically, post-distribution monitoring costs.
4. AMF discusses with the National Malaria Control Programme (NMCP) and other parties whether there is a need for nets.

Report of the trustees for the year ended 30 June 2019 (continued)

5. Co-funding discussions may take place with our funding partners.
6. AMF identifies and approaches organisations, potential distribution partners, that may have the resources and necessary experience in-country to participate in a net distribution. Participation may include carrying out PDCUs, other monitoring activities during the pre-distribution or distribution phase, or taking a significant management, planning or operational role in the distribution itself.
7. Advice and comment is sought as necessary from AMF's Malaria Advisory Group, made up of world leading malariologists (www.againstmalaria.com/MAG).
8. If AMF approves funding for a distribution, an agreement is signed with the NMCP and with co-funding or distribution partners as necessary.
9. All details of each approved distribution are made available to the public on dedicated 'distribution pages' (<http://www.againstmalaria.com/Nets>).
10. The NMCP/distribution partner then carries out the distribution of nets, including several required components that are part of the overall service delivery as follows:
 - a) pre-distribution activity in the area to receive nets to establish: a list of beneficiaries, and specifically the net need per individual household; full co-operation and involvement of local community leaders and health officers; a plan for the receipt, transport, distribution, malaria-education, delivery to all beneficiaries, hanging and post-distribution monitoring of the nets;
 - b) the distribution itself of nets including: malaria-education delivery, signed lists showing beneficiaries who have received nets; photos and video footage of the distribution and an immediate Post-Distribution Report (PDR) reporting to AMF on key aspects and numbers for the distribution; and
 - c) post-distribution activity that includes an assessment of the hang-up rate of nets which triggers additional intervention if necessary, as well as longer term post-distribution monitoring (PDMs) that take place via household visits, typically every 6 to 9 months post-distribution of the nets.
11. AMF makes public on its website the relevant documents, reports and surveys for each distribution. AMF links every donation received to a specific distribution, so donors can see exactly where the nets they have funded have been distributed.

The charity's operating strategy of transparency, accountability and clear donor feedback, combined with the guarantee that 100% of all donations from the public buys LLINs, has proven attractive to many who wish to be involved in the fight against malaria.

Feedback from donors and independent charity evaluators remains very positive. Three leading independent charity evaluators continue to rank AMF highly. GiveWell has AMF as a top-ranked charity for the eighth consecutive year and AMF has also been a top-ranked charity with Giving What We Can and The Life You Can Save for eight years in a row.

Relevant links: givewell.org/charities/amf
thelifyoucansave.org/where-to-donate/against-malaria-foundation

AMF has been selected by a number of groups, organisation and companies on five continents as a designated charity. See: <https://www.againstmalaria.com/ChosenCharityList.aspx>

AMF has benefited from a series of articles and other media coverage during the year. See: <https://www.againstmalaria.com/InTheMedia.aspx>

Report of the trustees for the year ended 30 June 2019 (continued)

It has been repeatedly established by high level scientific trials that nets are an extremely cost-effective intervention to bring malaria rates down. AMF's policy is therefore to provide nets in countries at high risk of malaria. Once accountable and transparent processes have been agreed with the relevant authorities and partners in country, nets are purchased and provided. In addition, AMF pays non-net costs in certain circumstances where it understands how these payments will be used on a detailed cost driver budget basis. This is an important part of bringing effective process to the provision of nets and subsequent follow up.

Fundraising practices

- AMF does not employ external agencies to carry out fundraising
- Those organising sponsored fundraising activities for AMF are required to comply with any and all local legal requirements and encouraged to ensure any activities and participants are safe
- AMF has not received any complaints about fundraising activities for AMF
- No issue relating to intrusion on someone's privacy or pressure on a person to give money has been brought to AMF's attention. If it were, AMF would take any such issue seriously and would act appropriately

Financial review

The results for the year are shown in the Statement of Financial Activities on page 18.

The trustees are pleased with the continued public reaction to AMF and its performance to date and are confident of prospects. The 'Against Malaria' brand continues to have considerable potential for development.

Investment policy

The trustees consider banking arrangements are satisfactory. Reserves are held on deposit with major financial institutions to minimise risk.

Reserves policy

AMF maintains funds in hand to cover: i) all existing future commitments, and ii) separate funding from private donors to cover at least two years of central and governance costs. This level of reserves is held as at 30 June 2019. The policy regarding all other funds received is to utilise them quickly but even more importantly, effectively.

Funds in hand

AMF only commits to funding nets when funds are in hand. AMF will at times hold significant funds to ensure significant commitments can be made and met. The level of funds in hand is affected by a) AMF's strategic choice to focus on a small number of large-scale net distributions to maximise efficiency and accountability, and b) AMF's emphasis on agreeing upfront on transparent processes and on funding partners who have strong capability and commitment to accountability. Negotiations to agree distributions can therefore take a number of months to finalise.

Funds in hand of US\$87,474,869 at 30 June 2019 (2018: US\$68,760,921) consist of accumulated donations for LLINs in excess of committed spend on LLINs of US\$82,099,405 (2018: US\$59,982,637), for non-nets costs of US\$5,003,697 (2018: US\$8,370,499), together with US\$355,746 (2018: US\$234,048) of private funding for administrative costs and US\$16,021 (2018: US\$173,737) of donations designated specifically for IR Research. If revenues continue at existing levels, a material level of funds in-hand could continue, reflecting a need to make commitments to fund nets between 6 to 24 months in advance of a distribution taking place.

It is expected that most funds in hand will be allocated to new net distributions by the end of Q1 or Q2 of the next financial year, FY2020.

Report of the trustees for the year ended 30 June 2019 (continued)

AMF sister foundations

Funds received by AMF sister foundations belong to the sister foundations until remitted to the UK registered charity. The boards of the AMF sister foundations also give formal approval, at the request of AMF (UK), for funds originally belonging to them to be used for specific net distributions.

Plans for future periods

The next year will see AMF continuing to pursue its policy of delivering on its promises of using 100% of all public donations received to buy LLINs and ensuring the 'donation to distribution' feedback to donors continues to be as effective and informative as possible. The trustees remain confident the transparency of the operation, as demonstrated through the website, makes AMF an attractive proposition to many interested in helping to fight malaria.

AMF's structure makes its contribution to the fight against malaria highly scalable. The number of nets that can be funded and distributed is only limited by funds received. Significant additional donations would not mean we have to change our approach or take on significantly more staff to ensure nets were distributed successfully.

The relevant elements of the structure of the charity are:

- significant use of the internet as a mechanism for receiving donations, tracking distributions, reporting to donors and marketing;
- a lean organisation with only six full time staff, only five of whom are salaried; two have worked with the charity from its inception;
- and a significant number of volunteers across many functional areas, with a number of areas, for example photo editing and translating, covered many times over;
- significant pro-bono support from individuals and corporations that has been sustained almost entirely intact for twelve years; and
- partnerships with competent distribution partners who distribute the nets.

We continue to pay attention to larger scale distributions, considering up to 10 large potential distributions at any one time. This allows some potential distributions to fall from review or be otherwise excluded, while leaving enough potential distributions to which funds can be fully allocated to minimise the time between receipt of a donation and its allocation to a specific distribution.

We continue to place greater emphasis on longer term planning, up to three years ahead, and are prepared to make commitments to distributions this far in the future. Benefits include improved planning and certainty for distribution partners, co-funders and National Malaria Control Programmes and the ability for AMF to continue to provide malaria prevention support in areas where it is currently working or has previously worked.

This continuity allows multi-year tracking of net use and malaria data and offers the possibility of efficiency benefits, working with partners able to build on previous experience and learning to achieve greater efficiency in future distributions and post-distribution follow-up.

AMF will continue to be willing to fund non-nets costs, particularly monitoring of all planning, pre-distribution registration and distribution activities and post-distribution net use monitoring, where necessary, or where there are strong reasons to do so, if there are partners committed to being accountable, transparent and responsive with reporting on non-net cost expenditure.

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

The trustees, who are also the directors of The Against Malaria Foundation for the purposes of company law, are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. 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 incoming resources and application of resources of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charitable company's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Disclosure of Information to Auditors

Insofar as each of the trustees of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all the steps that he/she should have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

Crowe U.K. LLP has indicated their willingness to be re-appointed as statutory auditor.

The Report of the trustees, including a Strategic Report, is approved by the board of trustees and signed on their behalf by:


.....
Robert Mather
Trustee and CEO
Date: 18 September 2019

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Independent Auditor's Report to the Trustees of The Against Malaria Foundation

Opinion

We have audited the financial statements of The Against Malaria Foundation for the year ended 30 June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies, numbered 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the charitable company's trustees, 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 trustees 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 the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to

Independent Auditor's Report to the Trustees of The Against Malaria Foundation (continued)

the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the Strategic Report and the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the trustees.

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

- adequate accounting records have not been kept, 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for 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 the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Independent Auditor's Report to the Trustees of The Against Malaria Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Guy Biggin
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP

Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

3 October 2019

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Statement of Financial Activities (including an Income and Expenditure Account) for the financial year ended 30 June 2019

	Notes	2019 Unrestricted Funds US\$	2018 Unrestricted Funds US\$
Income from:			
Donations	2	39,539,316	33,491,046
Investment income – interest earned		2,932,752	979,972
Total		42,472,068	34,471,018
Expenditure on:			
Charitable activities	3, 4, 9	(23,758,120)	(19,714,256)
Total		(23,758,120)	(19,714,256)
Net income and net movement in funds for the year		18,713,948	14,756,762
Total funds brought forward		68,760,921	54,004,159
Total funds carried forward	16	87,474,869	68,760,921

The notes on pages 21 to 32 form part of these financial statements.

The Against Malaria Foundation

Charity No: 1105319. Company No: 05175659

Balance Sheet as at 30 June 2019

	Notes	2019 US\$	2018 US\$
Current Assets			
Assets held for sale		298,654	-
Debtors	11	3,028,048	640,390
Current asset investments		99,361,729	95,310,837
Cash at bank		233,385	301,623
		<u>102,921,816</u>	<u>96,252,850</u>
Liabilities			
Creditors: Amounts falling due within one year	12	(15,446,947)	(25,329,229)
Net current assets		<u>87,474,869</u>	<u>70,923,621</u>
Creditors: Amounts falling due after more than one year	13	-	(2,162,700)
Net Assets		<u>87,474,869</u>	<u>68,760,921</u>
The funds of the charity			
Unrestricted funds	16	<u>87,474,869</u>	<u>68,760,921</u>
		<u>87,474,869</u>	<u>68,760,921</u>

Approved by the trustees on 18 September 2019 and authorised for issue and signed on their behalf by:

.....
 Robert Mather
 Trustee and CEO

The notes on pages 21 to 32 form part of these financial statements.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Statement of Cash Flows for the financial year ended 30 June 2019

	Notes	2019 US\$	2018 US\$
Cash flows from operating activities:			
Net cash provided by operating activities	14	1,042,398	28,421,748
Cash flows from investing activities:			
Interest income		2,932,752	979,972
Net cash provided by investing activities		2,932,752	979,972
Change in cash and cash equivalents in the reporting period		3,975,150	29,401,720
Cash and cash equivalents at the beginning of the reporting period		95,612,461	66,233,978
Change in cash and cash equivalents due to exchange rate movements		7,503	(23,237)
Cash and cash equivalents at the end of the reporting period		99,595,114	95,612,461

The notes on pages 21 to 32 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 June 2019

1 Accounting policies

a) Legal status of the charity

The Against Malaria Foundation (AMF) was incorporated in England and Wales as a company limited by guarantee (company no. 05175899) on 9 July 2004 and has no share capital. AMF is registered as a charity with the Charity Commission England and Wales (reg. no. 1105319). The liability of each member in the event of winding-up is limited to £1.

b) Registered and principal address

10 Bricket Road, St Albans, Herts, AL1 3JX

c) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The financial statements have been prepared under the historical cost convention.

The Against Malaria Foundation meets the definition of a public benefit entity under FRS 102.

Where it is considered appropriate, i.e. where tax and other incentives are judged of sufficient importance to the success of the charity, overseas entities have been, and are being, established. Thus, as well as the UK foundation, separate sister foundations have been established in Australia, Belgium, Canada, Germany, Ireland, Italy, The Netherlands, New Zealand, South Africa, and the USA. Other countries will follow. For the purposes of these financial statements and in accordance with SORP (FRS 102), these sister foundations are treated as branches of the charity and their results are included herein.

d) Going concern

The trustees have determined that there are no material uncertainties over the charitable company's ability to continue as a going concern. Accordingly, the trustees believe it is appropriate to prepare the financial statements on the going concern basis.

The principal accounting policies which have been adopted are set out below:

e) Income

Donation income, including public donations, donated services and external private funding, is recognised where entitlement has been earned, receipt is probable and the amount can be measured with sufficient reliability. Related Gift Aid on public donations is recognised concurrently with the corresponding donation.

Investment income is recognised on a receivable basis. All investment income derives from premium interest-bearing deposit accounts.

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

f) Expenditure

Expenditure is recognised when a liability is incurred.

- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements.
- AMF makes grants of LLINs. These grants are fully recognised at the point of agreement between AMF and the recipient country/organisation to which the grant is offered.
- Charitable activities expenditure comprises the grants of LLINs and the matched cost of donated services/private funding as shown in note 3.
- The purchase of the LLINs from suppliers may occur several months after the grant commitment, due to the logistics of design, specification, production and transportation.
- The charity allocates its central costs, being the donated services and private funding as shown in the table on page 26. Central costs are allocated on a basis consistent with the use of resources.
- Non-net costs are all costs associated with a net distribution excluding the cost of the nets themselves. Non-net costs include: all shipping, pre-distribution, distribution and post-distribution costs. Pre-distribution activities include establishing accurate net need per household based on a count of sleeping spaces and existing, useable LLINs. Post-distribution activities include surveys, at 6 to 9-month intervals for a period of 2 ½ years, of 1 to 5% of the nets distributed to assess net use and condition. These costs are fully recognised at the point of service provision by the partner organisation. Ongoing costs are accrued.
- Insecticide Resistance (IR) research has as its aim establishing whether insecticide resistance is developing in the various regions. The results of such studies will determine whether further study is needed and to assess the effectiveness of PBO LLINs. These costs are fully recognised at the point of agreement between AMF and the recipient organisation. Ongoing costs are accrued.

g) Foreign currencies

The US dollar (USD) is the functional and presentational currency of the charity and all non-USD public donations are converted into US dollars, the currency in which the long-lasting insecticidal nets are purchased.

For inclusion in the Statement of Financial Activities, transactions in foreign currencies are translated into USD at average rates of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates existing at the balance sheet date. All exchange differences are included in the Statement of Financial Activities.

h) Pension costs

AMF contributes to a defined contribution pension scheme on behalf of its employees. The amount charged in the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

i) Debtors

Accrued income represents the donations made to AMF before 30 June 2019 but still with the donation processing intermediary at year end awaiting the normal next week transfer to AMF and Gift Aid due. This is recognised at the settlement amount.

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

j) Creditors

Creditors 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 estimated reliably. Specifically, LLIN grant commitments represent the grants formally agreed and committed to by AMF to the recipient countries / organisations at the year end. Creditors are recognised at their settlement amount.

k) Current asset investments

Current asset investments include cash on term deposits up to 12 months.

l) Fund accounting

Funds held by AMF are unrestricted and can be used in accordance with the charitable objectives at the discretion of the trustees. The trustees commit to ensuring that all (100%) public funds received to buy LLINs, will be used for that purpose. Any necessary private funding received to cover unavoidable expenditure (administrative costs) is managed and administered separately from public donations. This is shown in note 16.

Funds are considered unrestricted as either a) donations to AMF for nets are made on the understanding the allocation of funds to specific distribution projects is at the discretion of AMF and the website's Terms & Conditions reinforce this principle; or b) where AMF agree that certain donations or fundraising will be used to fund nets for a specific distribution programme, AMF always reserves the right to use funds to buy nets for a different location. In practice, however, such decisions are infrequent and are always made with close communication and the support of fundraisers. The primary reason for a change in distribution location would be nets already (i.e. in the interim) being distributed in a specific location and there no longer being a need for nets in the original location.

Designated funds comprise unrestricted funds that have been set aside by the trustees for a particular purpose.

m) Financial instruments

The Against Malaria Foundation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their amortised cost.

n) Taxation

The company is a registered charity and as such is entitled to tax exemption on all its income and gains, properly applied for its charitable purposes.

o) VAT

Irrecoverable VAT is charged against the activity for which the expenditure was incurred.

p) Volunteers and donated services and facilities

In line with the requirements of SORP FRS102, the value of services provided by volunteers is not incorporated in these financial statements. Where services provided to the charity as a donation would normally be purchased from suppliers, this contribution is included in the financial statements based on the estimated value of the contribution to the charity.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

q) Estimates and judgements

The LLIN commitments amount is the sum expected to be paid for the purchase of nets, based on the contractual commitments made by AMF to the countries. Non-net costs commitments are the full cost of non-net costs to be incurred under agreements with NGOs. AMF accrues for these fully at the point of service provision by the partner organisation.

2 Income from donations

	2019 US\$	2018 US\$
Public sponsorship and donations	39,154,828	33,410,508
Assets held for sale	298,654	-
Donated services (pro bono support)	85,834	80,538
	<u>39,539,316</u>	<u>33,491,046</u>

3 Expenditure on charitable activities

	2019 US\$	2018 US\$
Expenditure on LLINs	21,342,843	27,283,312
Non-net costs (see note 6)	1,776,486	(8,068,436)
Insecticide resistance (IR) research	17,406	(29)
Governance costs	13,274	26,009
Central costs	615,614	450,163
Foreign exchange	(7,503)	23,237
	<u>23,758,120</u>	<u>19,714,256</u>

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

4 Analysis of expenditure

Expenditure on LLINs is funded by donations from the public. 100% of donations from the public (unless otherwise agreed) fund LLINs.

Expenditure on non-net costs is covered by a small group of donors with whom AMF agrees their donations will cover these costs.

Corporate pro-bono support covers a material portion of central costs. The remaining central costs are covered by a small group of donors with whom AMF agrees their donations will cover these costs.

Included in the US\$628,888 of central costs (activities plus governance) (2018: US\$476,172) is the value ascribed to pro bono support: US\$85,833 (2018: US\$80,537).

Therefore, net of this pro-bono support, the funds required to run the charity (central costs) were US\$543,055 (2018: US\$395,635).

Insecticide resistance research costs are covered by a small group of donors with whom AMF agrees their donations will cover these costs.

Auditor's remuneration for audit services was US\$13,274 (2018: US\$Nil).

The following table shows further detail of central costs and pro bono support.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

US\$	2019			2018		
	Activities	Governance	Total	Activities	Governance	Total
General office						
Donated services	-	-	-	-	26,009	26,009
Private funding	15,688	13,274	28,962	5,460	-	5,460
	15,688	13,274	28,962	5,460	26,009	31,469
Information technology						
Donated services	72,782	-	72,782	42,940	-	42,940
Private funding (See Note 7)	185,422	-	185,422	135,228	-	135,228
	258,204	-	258,204	178,168	-	178,168
Programme support						
Donated services	-	-	-	-	-	-
Private funding (See Note 7)	328,671	-	328,671	254,947	-	254,947
	328,671	-	328,671	254,947	-	254,947
Banking support						
Donated services	13,051	-	13,051	11,588	-	11,588
Private funding	-	-	-	-	-	-
	13,051	-	13,051	11,588	-	11,588
Total Central Costs	615,614	13,274	628,888	450,163	26,009	476,172
Category Summary						
Donated services	85,833	-	85,833	54,528	26,009	80,537
Private funding	529,781	13,274	543,055	395,635	-	395,635
	615,614	13,274	628,888	450,163	26,009	476,172
Expenditure – LLINs (see Note 5)	21,342,843	-	21,342,843	27,283,312	-	27,283,312
Non-net costs (see Note 6)	1,776,486	-	1,776,486	(8,068,436)	-	(8,068,436)
IR Research	17,406	-	17,406	(29)	-	(29)
Subtotal	23,752,349	13,274	23,765,623	19,665,010	-	19,665,010
Foreign Exchange (Gain) / Loss	(7,503)	-	(7,503)	23,237	-	23,237
TOTAL EXPENDITURE	23,744,846	13,274	23,758,120	19,688,247	26,009	19,714,256

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

5 Expenditure – Grants of LLINs

	2019 # Nets	2019 US\$	2018 # Nets	2018 US\$
DRC	11,781,650	19,792,136	-	-
Ghana	-	-	3,600,000	6,793,200
Guinea	940,000	1,739,000	3,860,000	7,141,000
Malawi	(450)	(850)	2,843,500	4,902,445
Togo	-	-	-	-
Papua New Guinea	(7,100)	(187,443)	2,542,120	3,960,567
Uganda	-	-	2,010,000	4,486,100
Zambia	-	-	-	-
	<u>12,714,100</u>	<u>21,342,843</u>	<u>14,855,620</u>	<u>27,283,312</u>

AMF continues to deploy all money raised from the public to buying nets (US\$21,342,843 this year). Other payments were made from privately raised funds to cover post distribution monitoring and other activities carried out by local NGO's. These are a key part of the AMF process for accountability, transparency and improving local healthcare.

No payments were made to individuals in the current or previous financial year.

6 Expenditure – Non-net costs

	2019 US\$	2018 US\$
DRC	155,860	-
Ghana	118,534	(716,380)
Guinea	322,276	-
Malawi	215,459	(1,786,889)
Papua New Guinea	-	(815,760)
Togo	57,687	(803,772)
Uganda	755,960	(2,786,215)
Zambia	150,710	(1,159,420)
	<u>1,776,486</u>	<u>(8,068,436)</u>

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

AMF identifies partners in-country that have the experience and staff to carry out monitoring activities during the distribution and post-distribution phases and structures agreements setting out in detail the monitoring work that will be carried out. AMF funds the costs of these activities.

No payments were made to individuals in the current or previous financial year.

7 Staff costs

Staff costs cover the cost of seven individuals (five salaried) employed by the charity during the year (2018: 6) and may be analysed as follows:

	2019 US\$	2018 US\$
Salaries and wages	347,901	247,974
Pension contributions	29,456	15,278
Social security costs	34,003	19,808
Subtotal	411,360	283,060
Contractors	53,415	39,020
Programme support and expenses	59,748	70,092
	524,523	392,172

The remuneration of key management personnel in the current and previous year was \$nil. The CEO chooses not to draw a salary. There was one employee (2018: 1) whose total employee benefits (excluding employer pension costs) for the reporting period fell within \$78k to \$91k (£60k to £70k) and two (2018: 2) whose benefits fell within \$91k to \$104k (£70k to £80k). The employees received benefits for a money purchase pension scheme (equivalent to a 4% salary contribution from the employee and 8% from the employer).

8 Pension costs

AMF operates a defined contribution pension scheme. The assets of the scheme are held separately from those of AMF in an independently administered fund. The pension cost charge represents contributions payable by AMF to the fund and amounted to US\$29,456 (2018: US\$15,278). Contributions totalling US\$Nil (2018: US\$Nil) were payable to the fund at the year end.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

9 Foreign Exchange Loss

This is not a trading loss as AMF does not trade currencies. It is an 'accounting adjustment' and represents the difference in value of non-USD balances at the end of the year, in comparison to the start of the year, where different exchange rates are in effect. This effect is comparatively small as most funds are held in USD. As an example, a balance of £1,000 at the start of the financial year might be worth US\$1,500 (if a USD/GBP exchange rate of 1.50) and at the end of the year that might have changed to US\$1,400 (if a USD/GBP exchange rate of 1.40). This would result in an apparent loss of US\$100 while in fact there had been no change to £1,000 being held.

The foreign exchange gain is included in charitable activities and was US\$7,503. In the prior year, the foreign exchange loss was US\$23,237.

10 Related parties and trustee remuneration

In the current and previous year, no trustees received any remuneration or expenses and there were no related party transactions.

11 Debtors

	2019 US\$	2018 US\$
Accrued income	3,028,048	640,390
	<u>3,028,048</u>	<u>640,390</u>

12 Liabilities

	2019 US\$	2018 US\$
Creditors: amounts falling due within one year		
LLIN grant commitments	15,420,409	24,313,802
Other taxes and social security costs	13,264	9,821
Governance costs	13,274	-
Insecticide Resistance Research	-	1,005,606
	<u>15,446,947</u>	<u>25,329,229</u>

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

13 Liabilities falling due after more than one year

	2019 US\$	2018 US\$
Creditors: amounts falling due after one year		
LLIN grant commitments	-	2,162,700
	<u>-</u>	<u>2,162,700</u>

14 Reconciliation of net income to net cash flow from operating activities

	2019 US\$	2018 US\$
Net income for the reporting period	18,713,948	14,756,762
Adjustments for:		
Investment income	(2,932,752)	(979,972)
(Increase) / Decrease in debtors	(2,387,658)	3,601,952
(Decrease) / Increase in creditors	(12,044,983)	11,019,769
Donated asset	(298,654)	-
Exchange rate movements (Gain) / Loss	(7,503)	23,237
Net cash provided by operating activities	<u>1,042,398</u>	<u>28,421,748</u>

15 Analysis of cash and cash equivalents

	2019 US\$	2018 US\$
Cash in hand	233,385	301,623
Notice deposits	<u>99,361,729</u>	<u>95,310,837</u>
Total cash and cash equivalents	<u>99,595,114</u>	<u>95,612,460</u>

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

16 Unrestricted funds of the charity

	2019						2018					
	Total	Public Donations (for LLIN grants)	Specific Donations (for non-net costs)	Specific Donations (for IR Research)	Private Funding (for central costs)	Donated Services (est. pro bono value)	Total	Public Donations (for LLIN grants)	Specific Donations (for non-net costs)	Specific Donations (for IR Research)	Private Funding (for central costs)	Donated Services (est. value of pro bono)
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Funding, donations and sponsorship brought forward	68,760,921	59,982,637	8,370,499	173,737	234,048	-	54,004,159	53,343,403	255,058	151,356	254,342	-
<u>Income from:</u>												
Funding, donations and sponsorship	39,539,316	39,053,482	-	-	400,000	85,834	33,491,046	33,010,508	-	-	400,000	80,538
Investment income	2,932,752	2,899,648	22,684	9,690	730	-	979,972	909,580	47,005	22,352	1,035	-
	42,472,068	41,953,130	22,684	9,690	400,730	85,834	34,471,018	33,920,088	47,005	22,352	401,035	80,538
Transfers between designated funds	-	1,507,350	(1,613,000)	(150,000)	255,650	-	-	-	-	-	-	-
Total Funds	111,232,989	103,443,117	6,780,183	33,427	890,428	85,834	88,475,177	87,263,491	302,063	173,708	655,377	80,538
<u>Expenditure on:</u>												
Charitable activities	(23,752,349)	(21,342,843)	(1,776,486)	(17,406)	(529,780)	(85,834)	(19,665,010)	(27,283,312)	8,068,436	29	(395,634)	(54,529)
Governance	(13,274)	-	-	-	(13,274)	-	(26,009)	-	-	-	-	(26,009)
Other gains/losses	7,503	(869)	-	-	8,372	-	(23,237)	2,458	-	-	(25,695)	-
	(23,758,120)	(21,343,712)	(1,776,486)	(17,406)	(534,682)	(85,834)	(19,714,256)	(27,280,854)	8,068,436	29	(421,329)	(80,538)
Total funds carried forward	87,474,869	82,099,405	5,003,697	16,021	355,746	-	68,760,921	59,982,637	8,370,499	173,737	234,048	-

Note 1: 100% of any interest earned on public donations and 100% of any Gift Aid received is used to buy LLINs. These funds are designated as per column titles.

Note 2: Transfers between designated funds occurred during the year allocating funds to match operational needs as determined by the trustees.

The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

Notes forming part of the financial statements for the year ended 30 June 2019 (continued)

17 Financial instruments

Financial assets that are debt instruments measured at amortised costs:

	2019 US\$	2018 US\$
Accrued income	3,028,048	640,390
Cash at bank and in hand	99,595,114	95,612,460

Financial liabilities measured at amortised cost:

	2019 US\$	2018 US\$
LLIN commitments	15,420,409	26,476,502
Insecticide Resistance Research commitment	-	1,005,606
Audit fee accrual	13,274	-