

Company Number: 4785712

Charity Number: 1099776

Malaria Consortium

Trustees' Report and Financial Statements For the Year to 31 March 2015

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

<i>Chair</i>	Dr Julian Lob-Levyt	
<i>Treasurer</i>	Richard Page	(resigned 23 June 2015)
<i>Acting Treasurer</i>	Peter Potter-Lesage	
	Canisius Anthony	(appointed 17 July 2015)
	Dr Joanna Schellenberg	
	Dr Neil Squires	(appointed 27 April 2015)
	Dr Nermeen Varawalla	
	Ian Boulton	
	Kate Wallace	(resigned 30 July 2015)
	Professor Fred Binka	
	Professor Melissa Leach	
	Professor Sir Brian Greenwood	
	Robert Seabrook	
	Roger Wilson	(resigned 13 June 2015)
	The Rt. Hon. Baroness Hayman	
	Tim Armstrong	(resigned 5 March 2015)

Chief Executive Charles Nelson

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

Auditor KPMG LLP
Chartered Accountants

Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2015. The Trustees' Report also contains the information required in a Strategic Report as set out on pages 5 to 13.

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 (2005) - 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 was established under a Memorandum of Association which established the objects and powers of the charitable company, and is governed under its Articles of Association. The charity is governed by a Board of Trustees, of whom there shall never be less than three, and the maximum number shall be eighteen. The Trustees meet quarterly for the Board of Trustees meeting, and for the Annual General Meeting (AGM), at which the audited accounts for the year are formally approved. 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.

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. The trustees may at any time select a suitable person as a trustee, either to fill a vacancy or by way of addition to their number, who should be appointed in consultation with all existing trustees on the Board and preferably with unanimous support for the appointment. Trustees are sought in a variety of ways involving exploration of the field of potential candidates, including by recommendation from those working for or with Malaria Consortium, or from existing trustees. Potential trustees are scrutinised by the Officers of the Board of Trustees 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. During the year, four Board Meetings took place, including the AGM and a retreat held in November 2014. An average of 10 trustees attended each meeting.

There are three sub-committees of the Board, the Governance Committee, the Finance, Audit and Risk Committee and the Compensation Committee. The purpose of the Governance Committee is to review and make recommendations regarding Board effectiveness, provide direction regarding on-going Board development and lead the process of Board renewal. Currently, the Committee comprises five members including the Chief Executive who is a non-voting member of the Committee. During the year there were four meetings of the Governance Committee; four trustees were at three meetings and two trustees at one meeting.

The purpose of the Finance, Audit and Risk Committee is to provide assurance to the Board that an effective internal control and risk management system is maintained and that Malaria Consortium's financial performance is being effectively managed. Currently, the Committee comprises six members, including two non-trustee members, and the Chief Executive and Chief Finance Officer as non-voting members. During the year there were four meetings of the committee and an average of three trustees attended each meeting.

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The purpose of the Compensation Committee is 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 four trustee members, including the Chair of the Board of Trustees. The committee met once during the year at which four trustees were in attendance.

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 day-to-day operational decision-making to the Chief Executive, who, with the Global Management Group (GMG), runs the organisation. The GMG is supported by Senior Management Teams at regional and country level responsible for technical, management and finance, as well as projects and programmes.

Malaria Consortium's head office is in London, United Kingdom. The regional offices for Africa, based in Kampala, Uganda and for Asia, based in Bangkok, Thailand coordinate and supervise programmes and projects at country level in the two regions. The Country Director of Nigeria reports directly to the Chief Executive. Global activities and any work in other parts of the world are directed through the head office in the UK. During this reporting period, country offices in Africa were operating in Kampala, Uganda; Juba, South Sudan; Addis Ababa, Ethiopia; Maputo, Mozambique; Ouagadougou, Burkina Faso; and Abuja, Nigeria. Additional provincial or sub-national offices were operational in Mbale, Hoima and Soroti in Uganda, Aweil in South Sudan, Inhambane and Nampula provinces in Mozambique, Hawassa in Ethiopia and in Kano, Lagos, Anambra, Katsina, Niger, Ogun, Enugu, Jigawa and Kaduna states in Nigeria. Staff in Nigeria also support Yobe state from Jigawa, and have presence implementing programmes in 9 other states. The Uganda Malaria Research Centre continues its activities in Kampala. In Asia offices were operational in Bangkok and Chiang Mai in Thailand and Phnom Penh, Ratnakiri and Pailin in Cambodia as well as in Yangon, Myanmar.

During this year Malaria Consortium's partners who have supported our work at the global and regional level include the Department for International Development/United Kingdom Aid (DFID/UKAID), United States Agency for International Development and US President's Malaria Initiative (USAID/PMI), Bill & Melinda Gates Foundation (BMGF), Comic Relief, Global Malaria Programme of the World Health Organisation (WHO), the Global Fund to Fight AIDS/HIV, Tuberculosis and Malaria (GFATM), Centers of Disease Control and Prevention, USA (CDC), UNICEF, UNITAID, the World Food Program (WFP) and the James Percy Foundation.

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

Close collaborations are maintained with academic institutions in UK including the Nuffield Centre for International Health and Development at Leeds University, the London School of Hygiene and Tropical Medicine and University College, London; Johns Hopkins University in the USA; Makerere University, Uganda; Kwame Nkrumah University of Science and Technology, Ghana; the University of Nigeria; Eduardo Mondlane University, Mozambique; Mahidol University, Thailand; and Pasteur Institute, Cambodia.

Malaria Consortium is involved with the Roll Back Malaria Partnership globally and at country level. In the UK, we work with the All Party Parliamentary Group for Malaria and Neglected Tropical Diseases, Malaria No More UK and others. We have a considerable amount of local advocacy partners in endemic areas, working to advocate for change and an end to malaria and neglected tropical diseases. In Nigeria, we work with the Christian Health Association of Nigeria, the Federation of Muslim Women's Association of Nigeria, the Health Reform Foundation of Nigeria, the Centre for Communication Programme Nigeria and the Health Policy and Research centre of the University of

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Nigeria. In Ethiopia, our partners include Coalition against Malaria in Ethiopia and the Carter Centre. In Mozambique, we work in conjunction with NAIMA +.

Malaria Consortium works with the commercial sector internationally especially in assessing public health products, mainly insecticide-treated mosquito nets, and more recently Rapid Diagnostic Tests (RDTs) for malaria.

Malaria Consortium raises its income, which is predominantly restricted, through successful project contract and grant applications. The organisation currently receives a small amount of funding through fundraising efforts of public and private supporters to whom we are very grateful.

Malaria Consortium, owns 100% of the shareholding of Malaria Enterprise Limited. The directors of Malaria Enterprise Limited are Richard Page, the previous Treasurer, the Chief Executive and the Chief Finance Officer of Malaria Consortium. Malaria Enterprise Limited was dormant during the year.

Malaria Consortium US Inc. was established in 2009 to further the aim and objectives of Malaria Consortium in the United States of America. The directors of Malaria Consortium US Inc. are two ex-trustees of Malaria Consortium and are independent from the UK Board of Trustees. As Malaria Consortium does not control the activities of Malaria Consortium US Inc. Malaria Consortium does not consolidate its results within these accounts.

Mission and Objectives

The mission of Malaria Consortium is to improve lives in Africa and Asia through evidence-based programmes that combat targeted diseases and promote child and maternal health. We have referred to the guidance in the Charity Commission's general 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 to serve those suffering from communicable diseases in Africa and Asia.

Objectives

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

Strategic Report

Achievements and Performance

Malaria Consortium has continued to expand its programmes to improve access to effective prevention and treatment of malaria and neglected tropical diseases to some of the poorest populations in Africa and Asia. A selection of key achievements over the year is presented below:

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

- **Prevention:**
 - Seasonal Malaria Chemoprevention (SMC) has been further extended in Northern Nigeria for 170,000 children under the age of 5 years for the 2014 season, and Malaria Consortium successfully bid for the opportunity to increase the market for SMC drugs across 7 countries in the Sahel (Nigeria, Burkina Faso, Chad, Guinea, Niger, Mali & the Gambia), targeting 7.5 million of the 24m eligible children across the region. This is funded by UNITAID and the seasonal delivery begins in July 2015. However, significant work has been undertaken in this financial year, with our partners, to secure supply of drugs in a supply-constrained market, and get 15 million treatments available in country in time for the season. This approach gives 3-4 doses of antimalarial medicines to children during the rainy season when transmission normally increases. Indications are that there has been 70%+ reduction in all cause presentation of fever to the local clinics. Now that our SMC work is moving forward, we are exploring the use of the delivery platform for nutrition interventions, particularly malnutrition screening.
 - As noted in last year's report, we have been the lead partner for the Government of Uganda in the delivery of 22 million nets to achieve universal coverage of LLINs. During this reporting period, in addition to the 11.4 million in the prior year, 9.8 million nets were delivered. The nets were donated by Global Fund for the benefit of the Government of Uganda for the distribution at a total value of £20,472,114.
 - Additionally Malaria Consortium delivered 10.2 million nets in campaigns in three states in Nigeria reaching a target population of 20.4 million people.
 - Vector control activities have been expanded this year, including research on pyrethroid resistance in Africa, dengue vector control in Asia and further efforts to find effective ways to protect people from mosquito bites whilst working outdoors at night time, which is a key need for malaria elimination in the Greater Mekong Sub region.
- **Diagnosis:**
 - For malaria we continue to test novel approaches to private sector engagement for Rapid Diagnostic tests in Uganda and Nigeria.
 - For pneumonia we have been implementing an approach for testing a selection of new field diagnostic tools in multiple locations and won funding from the Bill & Melinda Gates Foundation to deliver this research. The project is progressing well, and testing is taking place in Cambodia, South Sudan, Uganda and Ethiopia.
- **Integrated Community Case Management (ICCM):** This approach for diarrhoea, pneumonia and malaria (and sometimes nutrition (ICCM+)), complementary to facility-based services, has been demonstrated to be a significant contributor to the successful control of malaria, the consequent reduction in the number of severe cases, and a reduction in overall morbidity and mortality. This has been particularly effective in remote, hard-to-access areas. Work on testing and scaling-up the use of mHealth approaches in support of community health workers (CHWs), continued in Uganda and Mozambique with resources in Uganda supported by Malaria Consortium from our unrestricted funds and with support from DFID. We have continued our ICCM work in South Sudan with support from DFID, and we have begun support in Niger State

(Nigeria) funded by the Canadian Government through WHO. Based largely on our work in South Sudan we are also working with partners to make more use of linkages of ICCM and nutrition.

- *Malaria in Pregnancy:* As well as continuing to assess options for managing malaria in pregnancy in Southeast Asia, our DFID-supported COMDIS-HSD project assessing and addressing uptake barriers to the second dose of intermittent preventive treatment (IPT2) in Uganda made good progress. The project examines demand and supply side barriers. Based on the findings from the formative research a pilot intervention addressing the key barriers identified has been developed. This will involve sending text messages to health workers to re-inforce updated guidelines with regard to IPTp provision, which will complement the roll out of malaria in pregnancy (MIP) training for health workers currently planned by MoH.
- *Neglected Tropical Diseases (NTDs):* The year has seen a diverse set of NTD programmes developing. These include: (1) a project in Nampula province, northern Mozambique supported by DFID and BMGF to assess the effectiveness of the community dialogues approach in enhancing community participation and improving knowledge and practices for the prevention and control of neglected tropical diseases (NTDs) at community level. The community dialogues process involves trained facilitators from within the community hosting regular community dialogues sessions to explore relevant health topics, identify issues and plan for specific actions; (2) Support to the Ministry of Health in Nigeria for exploring integration of NTD and malaria control; (3) engagement of the MOH in South Sudan on NTD planning and (4) new projects to support dengue control in Cambodia recognising the serious burden of dengue and its global neglect.
- *Response to drug and insecticide resistance:* We continue to serve on the WHO Drug Resistance Containment Technical Expert Group which is guiding global strategies on tackling the threat of artemisinin resistance, and our work in the Greater Mekong Sub region to develop innovative approaches to elimination of artemisinin resistance is expanding. We have undertaken a successful project in Cambodia setting up screening points on the borders of Vietnam, Laos and Thailand to detect and correctly treat infected cases, even when they have no symptoms and to contribute to mapping artemisinin resistance markers. We are providing technical support to the newly formed Asia Pacific Leaders Malaria Alliance, which includes a focus on regional approaches to tackle resistance.
- We received donations of commodities from UNICEF in both Uganda and South Sudan with a market value of £362,948 including albendazole, artemisinin-based combination therapies and PlumpyNut®.
- *Behaviour change communications:* our innovative positive deviance approach in order to increase health knowledge and improve attitudes and practice around malaria in high-risk communities in Myanmar continues, and we are now developing similar work for dengue control. In Mozambique our work on community dialogues for neglected tropical diseases has included developing a toolkit, training facilitators, and evaluation after six months of implementation.
- *Policy contributions:* Malaria Consortium has fed actively into WHO's Global Technical Strategy and Roll Back Malaria's framework "Action and Investment to Defeat Malaria 2016-2030". Malaria Consortium staff are represented on several WHO technical expert groups and the Malaria Policy Advisory Committee, and is supporting a balanced emphasis on elimination issues without forgetting the necessity of greater efforts in high burden countries.

2. Engage in the elimination of malaria, lymphatic filariasis and other communicable diseases in a range of transmission settings using innovative strategies and approaches

- Malaria Consortium is active in countries where there are a range of transmission rates of malaria and other diseases, increasingly requiring a more tailored national, regional or sub-regional approach. While many parts of Africa will not approach malaria elimination for several years, there are other parts of Africa, and several countries in Asia, which are now

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setting their sights on elimination within the next 20 years, and Malaria Consortium is actively participating in that agenda.

- Our IMMERSE project, supported by The Centers for Disease Control and Prevention/ President's Malaria Initiative has included a range of activities, including tracking artemisinin resistance (in collaboration with Pasteur Institute, Cambodia), testing the feasibility of a new rapid diagnostic test for glucose-6-phosphate dehydrogenase (G6PD) deficiency, which could allow for wider deployment of primaquine, the roll-out of atovaquone-proguanil with directly observed therapy in areas of artemisinin resistance, and designing an assessment of insecticide-treated clothing to protect rubber tappers when they work outdoors at night time in Myanmar. We continued as an active member of Asia Pacific Malaria Elimination Network (APMEN).
- In Cambodia we completed research supported by the BMGF Malaria Elimination Scientific Alliance (MESA) to understand the feasibility and potential impact of screening for asymptomatic malaria in households where a febrile case of malaria has been reported. Rapid Diagnostic Tests (RDTs) and standard PCR are unlikely to have adequate sensitivity to identify clusters of asymptomatic infections at such low transmission levels. Fever appeared to be a good predictor of malaria. However, these results come from a very low transmission setting and have very large confidence intervals suggesting larger studies should be conducted to confirm the results.
- Malaria Consortium completed a series of surveillance assessments in the six Greater Mekong Sub region countries to support the Emergency Response of Artemisinin Resistance (ERAR) Framework. This will be a significant resource for strengthening surveillance systems in the region. We have also actively contributed to ERAR cross-border meetings and technical working groups.
- Malaria Consortium is consolidating discussions with National Malaria Control Programs and stakeholders to establish a regional cross-border surveillance platform in the GMS region building from PPA Cross-border project findings.
- As part of the WHO Drug Resistance Containment Technical Expert Group Malaria Consortium worked on a feasibility assessment for *Plasmodium falciparum* elimination for the whole Greater Mekong Sub region and concluded it is feasible, if financed adequately.

3. Provide focused and practical health systems capacity building linked to disease control, childhood illness and NTDs

- *Capacity development:* In addition to development of extensive training materials for SMC, severe malaria and ICCM, a major achievement this year was completion of the Malaria Programme Management Course documents, which we undertook for the World Health Organisation, and will be used in global training programs.
- *M-health for systems strengthening:* Our work in Mozambique on iCCM scale up included development of the inSCALE CommCare application, which is a mobile phone-based job aid, which uses images and audio to guide community health workers through the steps of a consultation to assess, diagnose, treat and refer patients with diarrhoea, malaria, pneumonia and malnutrition. Given government's interest in this approach, we are looking to extend its scope by adding a pregnancy registration and tracking module, a supply chain management tool, and linking the app to DHIS2. This is an example of intense system developments for particular diseases providing a basis for broader systems strengthening.
- *Improving referral and case management:* We completed our project in Mbale, Uganda, this year, which provided useful insights on strengthening health systems by working closely with district health authorities on referral, management of severely ill children, supply chain management and linking community service delivery with the facility system.

4. Spearhead innovative approaches for monitoring, evaluation and surveillance systems, and undertake high quality operational research

- Our major long-term research programme, called 'Beyond Garki', has continued. Garki is a town in Northern Nigeria which was the focus of earlier longitudinal research in the 1970s on the impact of intensive control on interrupting transmission of malaria to see if elimination was feasible. 'Beyond Garki' takes us beyond these findings and is aimed at obtaining a deeper understanding of factors influencing malaria, in light of the different epidemiological settings, climatic effects and the control efforts in areas where we work. A series of four surveys have been undertaken in in Uganda and Ethiopia using DFID Programme Partnership Agreement (PPA) funds. In the first surveys low malaria prevalence was observed in some sites that previously had high endemicity, but there was substantial variation between sites, emphasising the importance of not withdrawing intensive control efforts prematurely. The findings of the first surveys will serve as baseline against which results of future studies could be compared, providing more comprehensive information on a range of potential determinants of malaria rates than more geographically extensive surveys and surveillance. Malaria control strategies need to be adapted to the changing patterns and heterogeneity of transmission which requires a thorough epidemiological stratification.
- We are also carrying out an in-depth analysis of Demographic and Health Survey (DHS) and Malaria Indicator Survey (MIS) data gathered from several countries over three decades in relation to climatic data that we have acquired for the majority of the survey clusters across Africa.
- As part of the WHO Surveillance, Monitoring and Evaluation Technical Expert Group, Malaria Consortium has contributed to developing elimination indicators for a new field manual.
- With our strategic funding we continue to explore how cross-border surveillance can be adapted and better targeted to the difficult to reach populations and, accordingly, whether it should be continued and scaled up further in Southeast Asia. Results of the early work have identified important locations on the Cambodia-Laos border, where prevalence of asymptomatic infections in cross-border travellers indicates the high potential value of providing malaria protection packages to these travellers, thus linking surveillance to timely response.
- The results of the fourth large scale malaria survey in Cambodia in a ten year series which we designed have been disseminated, and analysis of trends is continuing.
- We continue intensive work in malaria surveillance, monitoring and evaluation in Myanmar, and have undertaken extensive planning for the first nationally representative malaria indicator survey, which will be critical for guiding a practical malaria elimination plan in the country.

5. Communicate new learning and successes for continuous programme improvement

Malaria Consortium has engaged in a wide range of communications activities in support of this objective, many of which have been supported by the DFID PPA funds. Below are some of the highlights.

1. As part of our efforts to share learning and best practice, three new publication series were developed: Learning Brief, Research Brief and Advocacy Brief series and new organisational tools have been developed to improve publication and dissemination processes. For this period, we produced and disseminated three new learning briefs focusing on public health communications, two learning papers on our work in Nigeria (Harmonisation of malaria control and Developing a long lasting insecticidal net market), and one innovations brief on mobile health (mHealth) approaches.
2. We continue to share learning through our multimedia outputs. During this year, we produced six films; two on our efforts to control the spread of drug resistant malaria in Cambodia, one film on community health workers and one on community health and mobile technology (in Portuguese and English), and two advocacy films – one for World Pneumonia Day and an animation to explain the threat of drug resistant malaria.

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3. As part of efforts to maximise our digital reach, Malaria Consortium's website was optimised for mobile phone use (1 in 5 visitors to our site currently access via a mobile, particularly from Africa and Asia regions). Significant components have also been translated into French.
4. For World Malaria Day 2014, Dr Sylvia Meek participated in an LSHTM technical event on ACT resistance, and our pop-up malaria exhibition was accepted in the DFID atrium. Also a meeting was held with the Parliamentary Undersecretary of State for DFID, Lynne Featherstone.
5. Malaria Consortium, a partner organisation in Generation Nutrition campaign, was involved in the campaign launch, calling for prioritisation of the fight against acute malnutrition.
6. Malaria Consortium on artemisinin resistance at the Joint International Tropical Medicine Meeting and on iCCM, pneumonia diagnostics and intermittent preventive treatment in pregnancy during the 63rd annual American Society of Tropical Medicine and Hygiene (ASTHM) meeting and Global Health Forum.
7. The UK Coalition against NTDs, of which Malaria Consortium is a member, hosted a side event during the World Health Assembly on integrated approaches to NTD control and elimination, with representation from DFID, USAID, WHO and the Nigerian Ministry of Health.
8. Malaria Consortium's Advocacy Manager was elected vice chair of the UK Coalition against NTDs, and presented on the activities of the Coalition at a meeting hosted by the non-government development organisation's NTD Network in Paris.
9. We held three live Q&A sessions on The Guardian's Development Professional's hub.
10. Malaria Consortium delivered sessions on advocacy as part of a capacity building workshop in Bangkok for Thailand, Malaysia, Indonesia, Sri Lanka and Philippines.
11. The External Relations team co-facilitated a knowledge management workshop with the Nigerian government and RBM partners in Abuja. Additionally, as part of plans to increase the use of learning and knowledge to improve malaria prevention and control interventions in Nigeria, Malaria Consortium and the National Malaria Elimination Programme (NMEP) held a workshop to develop a framework and activity plan, since been embedded into the NMEP's annual operational planning for 2015.
12. Malaria Consortium, in partnership with the New Statesman, hosted a roundtable in the UK Parliament on drug-resistant malaria resulting in the publishing of a special report titled Malaria: the last mile.

6. Invest in institutional strengthening to ensure financial sustainability and maintain its position as an international high quality technical organisation

During the year a number of investments were made for institutional strengthening:

- There were 456 trainings or professional capacity building opportunities taken up by Malaria Consortium staff.
- Eight staff presented at conferences including at the International Tropical Medicine Meeting in South-East Asia, the UK All Party Parliamentary Group, World Social Marketing Conference and the ASTMH meeting.
- We implemented a new UK payroll system and, for the first time, payroll systems in our countries overseas. We introduced a resource management system to manage the allocation of our staff to our projects, investment and support activities and recruitment management tools all linked to our HRIS system that will improve our HR processes and bring efficiencies in our financial management.
- The migration of our email was completed following an investment in Microsoft Office 365 to enable the development of tools that will enable the organisation to improve the collaboration between our offices.
- An arrangement was agreed for pro-bono legal services from Linklaters LLP. During the year, equivalent services of 120 hours for a market value of £65,000 were received.

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- We strengthen our core staff during the year adding posts including a Regional Analyst, Regional HR Managers in Africa and Asia, and in the UK a Head of Technical Advisory Services and an IT system administrator.

Financial Review

Incoming Resources

Total income received during the year amounted to £58.3 million an increase of £3.7 million (7%) on the previous year including Gifts in Kind and an increase of £5.6 million (18%) excluding Gifts in Kind. Malaria Consortium, as in previous years, continues to receive the majority of its funding from institutional donors, including the British Government and the US Government. The UK government agency Department for International Development (DFID) contributed 24% of our total income. The US government agency, USAID, directly and via sub-agreements including Johns Hopkins Bloomberg School of Public Health and FHI360 contributed 15% of the total income. The Global Fund (via sub-agreements) contributed 7% of our total income with other donors contributing the balance. Please refer to Note 2c on page 21 for the full list of our donors.

Gifts in Kind include £20.5 million for nets procured through Global Fund's Voluntary Pooled procurement mechanism for distribution in a Universal Long Lasting Insecticide Net Coverage Programme in Uganda. The programme was run on behalf of the Government of Uganda and in coordination with Johns Hopkins Bloomberg School of Public Health.

Resources Expended

Charitable expenditure on programmes increased by £1.7m to £55.8m; note 3 on page 22 shows this expenditure categorised according to five objectives. Prevention and case management is our biggest areas of work representing 76% of the total programme expenditure for the year. 49% of programme expenditure occurred in Uganda and a further 25% in Nigeria. Support costs as a proportion of direct costs increased compared to the prior year (5% compared to 4% last 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 £0.9m.

Result for the year

The total net movement in funds for the year was an increase of £1.5m compared to a decrease of £0.6m in the prior year. At the end of the year restricted funds for on-going projects were nil and unrestricted funds were £6.5m.

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. On their recommendation, the Board of Trustees agree that the required range of the reserve is £3.0m to £3.4m, equivalent to approximately six months of operational costs which would give the organisation flexibility to cover temporary timing differences for grant claims, adequate working capital for core costs and would allow the organisation to respond to emergencies quickly if required. At 31 March 2015, free reserves stood at £5.9m, which is unrestricted funds of £6.5m, of which £1.0m is designated, less

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£0.6m represented by fixed assets. During the year the Board of Trustees designated £0.7m of unrestricted reserves for a foreign exchange reserve to hedge against future exchange losses. The Board of Trustees will consider further designations of reserves in the forthcoming year.

Investment Policy and Performance

The nature of the activities of the charity is such that unforeseen calls can be made on its resources at short notice when new opportunities arise. Accordingly, the bulk of the charity's liquid reserves are held for the time being in interest bearing accounts that can be called on without notice. Monies will be held in the most likely currency of expenditure. The charity will not speculate on currency, but hedge against potential losses based on the cash flow requirements.

Plans for Future Periods

Malaria Consortium will continue to have a primary focus on malaria whilst expanding our portfolio in selected related health areas, in particular, pneumonia, neglected tropical diseases, child health, health systems efficiency and effectiveness and where appropriate as part of integrated community case management (ICCM), maternal and neonatal health and nutrition.

We will further develop our strategy and contribution to:

1. Research, focusing primarily, but not exclusively, on implementation research built on implementation programmes we support
2. Monitoring, evaluation and surveillance methods and delivery
3. Capacity building
4. Public health communications

For malaria specifically, we plan to advance further our technical and implementation effectiveness and leadership in:

- Prevention, diagnosis and treatment of malaria
- Strategies and management of elimination of malaria – all species
- Resistance management (prevention, containment, response), both mosquito resistance to insecticides and parasite resistance to drugs
- Capture and interpretation of comprehensive, detailed, field-based data over time relevant to malaria control and elimination
- Effective implementation and monitoring of Seasonal Malaria Chemoprevention
- ICCM of malaria, pneumonia, diarrhoea and malnutrition and the use of support technologies
- Capacity building for malaria control

Beyond malaria we shall further expand our expertise in:

- Neglected tropical diseases (including dengue) research, surveillance, prevention and treatment
- The role of, and engagement with, the private sector in disease control
- Integration of ICCM with facility-based services
- Facilitating wider health system strengthening through targeted support
- Improving quality of care in facilities and community

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 that reports to the Board. The Risk Assessment and Risk Management processes are reviewed quarterly by the committee and updated. During the year the Board of Trustees approved the Risk Appetite of the organisation. The major risks, to which the charity is exposed, as identified by the Trustees, are reviewed and processes have been established to manage those risks. The Finance, Audit and Risk Committee review quarterly the Risk Assessment Register (RAR) that shows the impact and probability of the major risks; this is updated and key risks are reported to the Board by the Committee.

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:* There continues to be increased competition for resources driven by: increased pressure on international aid budgets; individual calls for proposal for funding becoming less linked to specific diseases or conditions, more linked to wider health system support and increasingly competitively bid; the subsequent increase in interest from organisations with a less focused portfolio of activities; and the appropriate demand to ensure that solutions are sustainable for the communities that we serve and transferred to them. To mitigate these challenges to sustainability, Malaria Consortium is working with a wider combination of international partners, testing the effectiveness of working across multiple disease conditions in the communities at risk of Malaria, increasing the number and scale of implementation programmes undertaken to combine with our operational research activities, building on our business development capacity and transitioning to operate more often as the primary recipient of funding, as opposed to being generally 'sub-recipient' under the auspices of other organisations.
2. *Governance:* Any organisation governed by a Board of Trustees is put at greater risk if it does not have the right combination of skills among the Trustees that reflect the diversity of the organisation, its work and its clients, to effectively guide and monitor the strategic development of the organisation. A review of governance of the organisation included the process of recruitment of trustees. This process is complete and additional Trustees were recruited to the Board. The Board now includes 12 trustees from a more diverse background than previously bringing expertise in many different fields. At the Board Retreat, in November the Board sets and agreed the priorities for the forthcoming year, based on feedback from the trustees and the senior management team.
3. *Performance:* 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 enable the organisation to demonstrate good value for money to donors. The project performance assessment system was refined and is used to monitor the implementation, technical quality and financial spend on all projects. Operational calls between Senior Management in the Head Office and in the Regional Offices were implemented last year and continue to review performance and expenditure on a monthly basis.
4. *Operational:* We continue to operate in some areas with a high, and changing, security risk but these are also where those who suffer from the highest burden of malaria and communicable diseases are found. Security of personnel and property is paramount for management teams at all levels. We ensure we keep up-to-date information about the security situations where we work, and have suitable insurance to cover our work and staff. We regularly review the

Malaria Consortium

locations where we work and where necessary, if security risks are persistent, relocate, and/or suspend operations. We continue to monitor closely on-going developments in Nigeria, Myanmar in addition to South Sudan.

5. *Financial:* Continued growth, and any requirement for post, rather than pre, financing of projects can lead to challenges of maintaining the quality of delivery programmes and the adequacy of cash flow to finance operations. Maintaining an appropriate level of unrestricted funding for strategic investments is a continuing risk for the organisation. Current policies, the portfolio of donors and improved financial reporting systems allow the monitoring of our cash flow and we work closely with the bank to minimise any currency fluctuations. With careful control of overhead costs we are able to maintain our reserves in line with our current reserve policy and are in a position that we are able to make substantial investments for our future.



Julian Lob-Levyt
Chairman
July 30, 2015

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

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

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

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

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

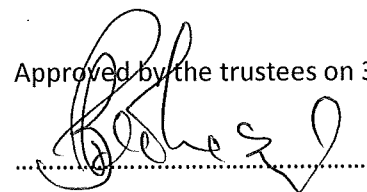
Disclosure of information to auditors

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

Auditors

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

Approved by the trustees on 30 July, 2015 and signed on their behalf by:



Acting Treasurer

Date:

Independent Auditor's report to the Members of Malaria Consortium

We have audited the financial statements of Malaria Consortium for the year ended 31 March 2015 set out on pages 17 to 25. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 14 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Ian Pennington (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

14th August 2015

15 Canada Square
London
E14 5GL

Malaria Consortium
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ended 31 March 2015

	Note	2015			2014
		Unrestricted Funds £000s	Restricted Funds £000s	Total Funds £000s	Total Funds £000s
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations for Core Operations	2a	2	-	2	15
Gifts in Kind	2b	65	20,926	20,991	22,860
Investment income					
Interest received		7	-	7	17
Other income		159	-	159	41
Incoming resources from charitable activities:					
Grants, contracts & consultancy income	2c	7,439	29,700	37,139	31,602
Total Incoming Resources		7,672	50,626	58,298	54,535
Resources Expended					
Cost of generating funds		652	-	652	671
Charitable activities	3	5,154	50,626	55,780	54,156
Governance costs	7	377	-	377	276
Total Resources Expended	8	6,183	50,626	56,809	55,103
Net incoming / (outgoing) resources before transfer		1,489	-	1,489	(568)
Gross Transfer between funds		35	(35)	-	-
Net income / (expenditure) for the period		1,524	(35)	1,489	(568)
Fund balances at start of year		4,958	35	4,993	5,561
Fund balances at end of year	9	6,482	-	6,482	4,993

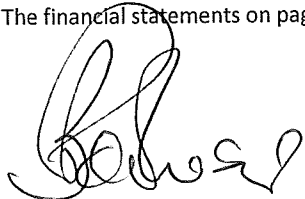
The Statement of Financial Activities includes all recognised gains and losses in the current and preceding year.
All operations are continuing.

The notes on pages 20 to 25 form an integral part of these financial statements.

Malaria Consortium
Balance Sheet as at 31 March 2015

	Note	2015		2014	
		£000s	£000s	£000s	£000s
Fixed Assets					
Intangible Assets	10		21		33
Tangible Assets	10		600		602
Current Assets					
Debtors	11	8,048		3,425	
Cash at bank and in hand		12,766		11,424	
		20,814		14,849	
Creditors					
Amounts falling due within one year	12	(14,526)		(10,355)	
			6,288		4,494
Total assets less current liabilities			6,909		5,129
Provision for Liabilities	13		(427)		(136)
Net Assets			6,482		4,993
Represented by:					
Unrestricted funds	9		6,482		4,958
Restricted funds	9		-		35
			6,482		4,993

The financial statements on pages 17 to 25 were approved by the Board and authorised for issue on 30 July 2015 and signed on its behalf:



Peter Potter- Lesage
Acting Treasurer

Company registration number: 4785712

The attached notes on pages 20 to 25 form an integral part of these financial statements.

Malaria Consortium
Cash Flow Statement for the year ended as at 31 March 2015

	Notes	2015 £000s	2014 £000s
Cash Inflow / (Outflow) from Operating Activities	A	1,421	3,710
Returns on Investments and Servicing of Finance			
Investment income received		7	17
Capital Expenditure and Financial Investment			
Payments to acquire fixed assets		<u>(86)</u>	<u>(72)</u>
Increase in cash	C	<u><u>1,342</u></u>	<u><u>3,655</u></u>

Notes to the Cash Flow Statement for the year ended 31 March 2015

A Adjustment of Net Incoming / (Outgoing) Resources to Net Cash Inflow from Operating Activities

	2015 £000s	2014 £000s
Net incoming / (outgoing) resources	1,489	(568)
Depreciation charge	64	114
(Increase) / decrease in debtors	(4,623)	1,942
Increase in creditors	4,171	2,554
Increase / (decrease) in provisions	291	(315)
Investment income	(7)	(17)
Loss on disposal	36	-
Net cash inflow from operating activities	<u><u>1,421</u></u>	<u><u>3,710</u></u>

B Analysis of Changes in Net Funds

	At 1 April 2014 £000s	Cash Flows £000s	At 31 March 2015 £000s
Cash at bank and in hand	11,424	1,342	12,766
Total net funds	<u><u>11,424</u></u>	<u><u>1,342</u></u>	<u><u>12,766</u></u>

C Reconciliation of Net Cash Flow to Movement in Net Funds

	2015 £000s	2014 £000s
Increase in cash in the year	1,342	3,655
Change in net funds	1,342	3,655
Net funds at start of year	<u>11,424</u>	<u>7,769</u>
Net funds at end of year	<u><u>12,766</u></u>	<u><u>11,424</u></u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

1 Accounting Policies

a Basis of Financial Statements

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

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

The financial review in the Trustees Report reviews the finances of the charity for the year ended 31 March 2015 in comparison to the prior year. The charity has a healthy cash balance and a large proportion of grant funding required for 2015/16 and 2016/17 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 have been set aside by the trustees for particular purposes

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

c Incoming Resources

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

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

Gifts in kind are valued and brought in as incoming resources and the appropriate resources expended, when the items are used/distributed. Where the gift is 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 gifts in kind are an estimate of the gross value to the organisation, usually the market value.

d Resources Expended

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

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

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

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

e Foreign Currencies

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

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

f Tangible Fixed Assets and Depreciation

Tangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised. Tangible fixed assets purchased from unrestricted funds and costing more than £1,500 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.

g Intangible Fixed Assets and Depreciation

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 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.

i 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.

j 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.

	2015	2014
	£000s	£000s
2a Incoming resources from voluntary income - donations in cash:		
Unrestricted Funds		
Other donations	2	13
Total	2	13
Restricted Funds		
	-	2
Total	2	15

2b Gifts in Kind

Gifts in kind, distributed during the year, relate to long lasted insecticide nets (LLINs) donated by DFID and PMI for Universal Net Coverage in Uganda with a value of £20,472k (2014: £22,426k) and commodities from UNICEF in South Sudan and Uganda with a market value of £363k (2014: £372k) including artemisinin-based combination therapies and PlumpyNut*. In addition in South Sudan we received and distributed other donated goods valued at £91k (2014: £62k) to support our work within the community from Population Services International, the World Food Programme and ACF. In the UK, Linklaters LLP provided pro-bono legal services valued at £65k (2014: nil).

	2015	2014
	£000s	£000s
2c Incoming resources from charitable activities:		
Department for International Development UK	10,219	8,603
Department for International Development UK Contribution - Programme Partnership Arrangement (PPA)	2,143	2,958
FHI360 / USAID	4,874	2,911
John Hopkins University / USAID	3,796	6,809
Population Services International / UNITAID	2,485	702
Bill & Melinda Gates Foundation	1,983	1,899
Population Services International / DFID	1,856	1,193
Global Fund / World Vision International Mozambique	1,698	725
Global Fund / Ministry of Health (Uganda)	1,551	1,078
Comic Relief	1,406	1,428
UNITAID	1,078	-
Global Fund / Population Services International	760	624
Medicine for Malaria Ventures / UNITAID	682	138
Centers for Disease Control and Prevention	652	460
WHO	597	269
United Nations Children's Fund (UNICEF)	402	632
Global Fund / Ministry of Health (Thailand)	254	297
Save the Children Canada / WHO	377	217
Global Fund / National Center for Parasitology, Entomology and Malaria Control, Cambodia	77	73
Vitol Foundation	-	126
Canadian International Development Agency	-	115
United States Agency for International Development (USAID) / Ethiopia	-	92
Grants and Contracts for projects of less than £100,000 each	249	253
Total incoming resources from charitable activities	37,139	31,602

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

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	2015 Total	2014 Total
	£000s	£000s	£000s	£000s	£000s
Elimination of communicable diseases	3,444	-	186	3,630	2,986
Prevention and case management	39,831	552	2,147	42,530	42,168
Health systems capacity building	3,350	260	181	3,791	2,719
Spearhead M&E, surveillance and operational research	3,218	118	173	3,509	3,211
Investment in Malaria Consortium's institutional strengths	2,143	-	116	2,259	3,063
Communicate learning and successes	58	-	3	61	9
Total spent - charitable activities	52,044	930	2,806	55,780	54,156

	Operational programmes	Grants to Partners	Support costs	2015 Total	2014 Total
	£000s	£000s	£000s	£000s	£000s
Ethiopia	106	-	6	112	139
Ghana	24	-	1	25	-
Mozambique	2,008	13	108	2,129	1,116
Nigeria	12,908	119	696	13,723	11,327
South Sudan	2,763	-	149	2,912	2,143
Uganda	25,935	246	1,398	27,579	31,576
Zambia	-	-	-	-	126
Africa multi country	5,175	552	279	6,006	3,640
Cambodia	128	-	7	135	126
Myanmar	54	-	3	57	-
Thailand	235	-	13	248	295
Asia multi country	275	-	15	290	392
United Kingdom	2,433	-	131	2,564	3,276
Total	52,044	930	2,806	55,780	54,156

4 Support costs

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

	2015 Total	2014 Total
	£000s	£000s
Communications	134	145
Finance	712	407
Human Resources	191	191
Information Technology	116	112
Management	652	478
Programme Support	1,001	565
Total	2,806	1,898

5 Personnel and staff costs

	2015			2014
	UK	Overseas	Total	Total
<i>Average number</i>				
Project and technical staff	18	166	184	151
Operations and logistics staff	-	84	84	97
Management, finance and administration staff	21	61	82	67
Total	39	311	350	315

	2015 Total	2014 Total
	£000s	£000s
Aggregate costs		
Fees, salaries and agency staff costs	7,311	6,725
Social security costs	225	62
Pension costs	276	310
Overseas staff allowances	602	227
Total	8,414	7,324

Higher Paid Employees

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

	2015 Number	2014 Number
£60,000 - £69,999	5	2
£70,000 - £79,999	5	4
£80,000 - £89,999	6	3
£90,000 - £99,999	3	2
£100,000 - £109,999	1	1
£110,000 - £119,999	1	1
£130,000 - £139,999	-	1
£150,000 - £159,999	1	-

During the year, pension costs on behalf of these employees amounted to £17,414 (2014: £12,000)

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

6 Taxation

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

7 Governance costs

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

	2015	2014
	£000s	£000s
Statutory Audit Fees (note 8)	56	51
Other Audit Fees	62	60
Internal audit	55	18
Legal and Professional Fees	65	46
Trustees' reimbursed expenses	7	5
Strategic planning and development	132	96
	<u>377</u>	<u>276</u>

8 Resources expended

The resources expended figures are stated after charging:

	2015	2014
	£000s	£000s
Operating lease rentals	538	375
Depreciation	51	91
Auditors' remuneration:		
Audit of these financial statements	56	51
Amounts receivable by the company's auditor and its associates in respect of audit-related assurance services	59	60
Taxation compliance services	3	-
Trustees' reimbursed expenses	7	5

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips for four trustees (2014: 3). Trustees are not remunerated.

9 Statement of Funds

	As at 1 April 2014	Incoming resources	Resources expended	Inter-fund Transfers	As at 31 March 2015
	£000s	£000s	£000s	£000s	£000s
Restricted Funds					
1 Elimination of communicable diseases	-	3,416	(3,416)	-	-
2 Prevention and case management	29	40,383	(40,383)	(29)	-
3 Health systems capacity building	-	3,432	(3,432)	-	-
4 Spearhead M&E, surveillance and operational research	6	3,337	(3,337)	(6)	-
5 Communicate learning and successes	-	58	(58)	-	-
	35	50,626	(50,626)	(35)	-
Unrestricted funds - Free reserves	4,486	7,672	(5,977)	(649)	5,532
Unrestricted funds - Designated funds	472	-	(206)	684	950
Total funds	<u>4,993</u>	<u>58,298</u>	<u>(56,809)</u>	<u>-</u>	<u>6,482</u>

The transfer of £684k (2014: £388k) to designated funds from free reserves is to provide for future exchange losses. The transfer of restricted funds to free reserves recognises the release of provisions for the negotiation of the indirect cost rate on USAID funded projects that are closed and finalised with the donor.

Purpose of Restricted Funds

- 1 Be engaged in the elimination of malaria, lymphatic filariasis and other communicable diseases in a range of transmission settings using innovative strategies and approaches
 - 2 Develop and implement improved approaches to delivery of prevention and case management for control of communicable diseases
 - 3 Provide focussed and pragmatic health systems capacity building linked to disease control, childhood illnesses and NTDs
 - 4 Spearhead innovative approaches for monitoring, evaluation and surveillance systems, and undertake high quality operational research
 - 5 Communicate new learning and successes for continuous programme improvement
- Each restricted fund represents several separate projects funded by different donors who are listed in note 2 on page 21 and further details of these project funds is given below.

Purpose of Designated Funds

The designated funds are for strategic investments to achieve funding for work in neglected tropical diseases and to provide against future exchange losses.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

9 Statement of Funds (continued)

Further analysis of restricted funds by project is shown below:

	As at 1 April 2014	Incoming resources	Resources expended	Inter-fund Transfers	As at 31 March 2015
	£000s	£000s	£000s	£000s	£000s
Restricted Funds					
Pioneer Initiative	-	60	(60)	-	-
Uganda PCA	-	411	(411)	-	-
Containment and malaria pre-elimination	-	69	(69)	-	-
Containment & Elimination of Plasmodium	-	235	(235)	-	-
Private Sector Market for RDTs	-	1,987	(1,987)	-	-
Rapid Access Evaluation	-	592	(592)	-	-
Grand Challenges	-	59	(59)	-	-
Verboice	-	3	(3)	-	-
SuNMaP	-	8,799	(8,799)	-	-
STOP Malaria	29	582	(582)	(29)	-
MAPS	-	3,481	(3,481)	-	-
Networks	-	521	(521)	-	-
HMM ACTS Under 5s	-	686	(686)	-	-
Scale up SMC	-	237	(237)	-	-
Malaria Eradication Scientific Alliance	-	32	(32)	-	-
Universal Coverage LLIN	-	23,713	(23,713)	-	-
Tororo	-	535	(535)	-	-
Pneumonia Diagnostics	-	792	(792)	-	-
ACCESS SMC	-	984	(984)	-	-
Regional Artemisinin Initiative	-	20	(20)	-	-
COMDIS HSD	-	191	(191)	-	-
Malaria Prevention and Control GF	-	1,582	(1,582)	-	-
Investment for the future - malaria control	-	419	(419)	-	-
National ICCM in Inhambane	-	25	(25)	-	-
Rapid Access Evaluation	-	356	(356)	-	-
RACE Nigeria	-	509	(509)	-	-
Integrated Community based Interventions	-	67	(67)	-	-
Iyolwa Health Centre Phase 1 & 2	-	283	(283)	-	-
M&E Mekong Region	-	275	(275)	-	-
Operational research for Implementation	2	-	-	(2)	-
InScale	-	549	(549)	-	-
Durability of mosquito nets	4	-	-	(4)	-
ICCM+NBEQ	-	2,077	(2,077)	-	-
DDT/GEF	-	39	(39)	-	-
Immerse	-	302	(302)	-	-
e-Coupon Enhanced Social Marketing	-	24	(24)	-	-
Myanmar Malaria Indicator Survey	-	54	(54)	-	-
IVM for Control of Dengue Transmission	-	5	(5)	-	-
ICCM+	-	13	(13)	-	-
Other Projects	-	58	(58)	-	-
Total restricted funds	35	50,626	(50,626)	(35)	-
Unrestricted funds - Free reserves	4,486	7,672	(5,977)	(649)	5,532
Unrestricted funds - Designated funds	472	-	(206)	684	950
Total funds	4,993	58,298	(56,809)	-	6,482

10 Fixed assets

	Intangible Assets		Tangible Assets			Total £000s
	Software Applications	Land and Buildings	Office Equipment	Furniture & Fixtures	Motor Vehicles	
	£000s	£000s	£000s	£000s	£000s	
Cost						
At 1 April 2014	157	528	188	96	625	1,437
Additions	1	14	20	5	46	85
Disposals	-	-	(8)	-	(29)	(37)
At 31 March 2015	158	542	200	101	642	1,485
Depreciation						
At 1 April 2014	(124)	(69)	(178)	(47)	(541)	(835)
Charge for the period	(13)	(23)	(2)	(21)	(5)	(51)
Disposals	-	-	2	-	(1)	1
At 31 March 2015	(137)	(92)	(178)	(68)	(547)	(885)
At 31 March 2015	21	450	22	33	95	600
At 31 March 2014	33	459	10	49	84	602

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2015

11 Debtors	2015	2014
	£000s	£000s
Amounts due from donors	3,663	2,887
Other debtors	4,204	370
Prepayments	181	168
	<u>£8,048</u>	<u>£3,425</u>

12 Creditors	2015	2014
	£000s	£000s
Creditors: amounts falling due within one year		
Trade creditors	837	793
Other creditors	48	1
Taxation and social security	69	134
Accruals	1,415	549
Deferred Income (note 14)	12,157	8,878
	<u>£14,526</u>	<u>£10,355</u>

Pension contributions were made during the year to defined contribution schemes in Ethiopia and the UK. As at 31 March 2015, there were £6k of outstanding contributions to such schemes, that are included in Other creditors above.

13 Provisions for Liabilities

	Overseas withholding tax £000s	Overseas employment tax £000s	Back payment of salaries £000s	Potential Grant Disallowance £000s	Total £000s
At the beginning of the year	68	27	16	25	136
Utilised during the year	-	-	(16)	-	(16)
Charge to the SoFA for the year	-	267	-	40	307
As at 31 March 2015	<u>68</u>	<u>294</u>	<u>-</u>	<u>65</u>	<u>427</u>

The provision for overseas employment tax relates to employee obligations in countries where Malaria Consortium is operating or has operated in the past. It is expected that Malaria Consortium will settle these tax obligations within the next five years. Malaria Consortium receives funding from donors, for various activities which are subject to audit, such audits may result in disallowance of certain expenditures and therefore a provision is made in this respect.

14 Deferred Income

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

	2015	2014
	£000s	£000s
Deferred income at 1 April	8,878	5,934
Amounts released from previous and current year	(17,345)	(11,632)
Incoming resources deferred in the year	20,624	14,576
	<u>12,157</u>	<u>8,878</u>

15 Operating lease commitments - land and buildings

	2015	2014
	£000s	£000s
The amount payable within the next 12 months on leases expiring:		
Within 1 year	131	97
Between 2 -5 years	351	196
	<u>482</u>	<u>293</u>

16 Analysis of net assets between funds

	Unrestricted funds £000s	Restricted funds £000s	Total 2015 £000s	Total 2014 £000s
Fixed Assets	621	-	621	634
Net Current assets	5,861	-	5,861	4,359
	<u>6,482</u>	<u>-</u>	<u>6,482</u>	<u>4,993</u>

17 Related Parties

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