



# **THE AGAINST MALARIA FOUNDATION**

(A company limited by guarantee)

Annual Report and Financial Statements  
for the year ended 30 June 2015

Charity no: 1105319  
Company no: 05175899

# The Against Malaria Foundation

Charity No: 1105919, Company No: 05175899

## Annual Report and Financial Statements for the year ended 30 June 2015

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# The Against Malaria Foundation

Charity No. 1105319, Company No. 05175899

## Report of the trustees for the year ended 30 June 2015

The trustees are pleased to present their annual report together with the financial statements of The Against Malaria Foundation ('the charity') for the financial year ended 30 June 2015.

### Reference and administrative details

Charity number:	1105319
Company number:	05175899
Principal Office:	10 Bricket Road, St Albans, Herts AL1 3JX.
Website:	<a href="http://www.againstmalaria.com">www.againstmalaria.com</a>
Auditors:	Crowe Clark Whitehill LLP, Carrick House, Lypiatt Road, Cheltenham, GL50 2QJ
Bankers:	Citigroup NA, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Solicitors:	Maurice Turner Gardner, 1 Threadneedle Street, London EC2R 8AY
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:	Andrew Lewis-Pratt (Resigned 15 September 2014) 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

## 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 09 July 2004. It is registered as a charity with the Charity Commission. There are currently nine 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 – or such shorter period as may be agreed.

### 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.

# The Against Malaria Foundation

Charity No: 1105319, Company No: 05175889

## 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, Japan, 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 comprise 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 and members of the UK board are included on the governing bodies of all other foundations. 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 from 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.

## Risk management

A formal risk management strategy has been developed. 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 with regard to the procurement and provision of LLINs.

## **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. Raising awareness of what can be done to fight malaria goes hand-in-hand with raising funds to buy nets. Malaria education for those receiving nets is one of a number of required elements of all distribution programmes. 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.

The trustees are happy to state publicly on the website, and elsewhere, all public donations, i.e. 100% of funds received through fundraising activities or via direct donations, are used to buy LLINs. The ability to allocate 100% of funds raised to buy LLINs is made possible by generous pro bono support received from many individuals and organisations and by private funding received to cover unavoidable 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. In particular,

the Trustees consider how planned activities will contribute to the charity's aims and objectives for the public benefit.

## Achievements and performance

The year to 30 June 2015 saw total revenue rise to US\$14,259,567 (2014: US\$4,080,457) an increase of 249% compared to the prior year. This revenue increase was in part attributable to AMF being top ranked by the charity evaluator GiveWell for the third time in four years, and retaining for the fourth year in a row the same top recommended status of The Life You Can Save and Giving What We Can. A single donation of US\$5 million is included in this total.

LLINs granted during the year cost US\$3,228,424 (2014: US\$3,526,726). Not all funds raised during the financial year were converted to nets by financial year end.

In this last year AMF has continued its focus on fewer, larger distributions. This has been for several reasons. First, more funding has been available to AMF. Second, larger distributions are more efficient as long as they are managed effectively. Third, by contributing more significant quantities of nets AMF can hope to influence, where necessary, data collection and sharing to both demonstrate nets were distributed as intended and follow net use and condition post-distribution. Fourth, 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 approach in their own distributions.

In the financial year a total of 1,317,900 LLINs were distributed, protecting more than 2.3 million people. A further three distributions totalling 1,300,000 LLINs were underway at year end in Malawi and DRC to achieve universal coverage of approximately 2.4 million people.

A further six distributions involving 8,000,000 LLINs were under discussion, all at an advanced stage.

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

Post-distribution check-ups (PDCUs) of net use and condition, which take place at six-monthly intervals, continued to be carried out as planned and show strong levels of continued net use and condition. All data are published and can be accessed via the website.

AMF has made significant progress this year in several areas.

First, we have increased the scale of the distributions we fund. Distributions are now regularly of hundreds of thousands of nets in size with the largest to date being 730,000 LLINs. We are assessing low multi-million net distributions and expect distributions of this size to feature in our work in the future.

Second, we have developed partnerships in some of the most challenging areas to work as judged by difficult geography 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 close to zero, these partnerships have the potential to bring significant improvements in health to the local communities.

Third, we have 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).

Fourth, we have continued to see strong net usage levels, with data gathered during six-monthly post-distribution check-ups showing sleeping space coverage on day 1 (immediately post distribution) around 95%, falling to 90-85% after 12 months and to 80% after 24 months. (Examples: <http://www.AgainstMalaria.com/Distributions/Malawi/Ntcheu>, <http://www.AgainstMalaria.com/Distributions/Malawi/BalakaDistrict2013>)

## The Against Malaria Foundation

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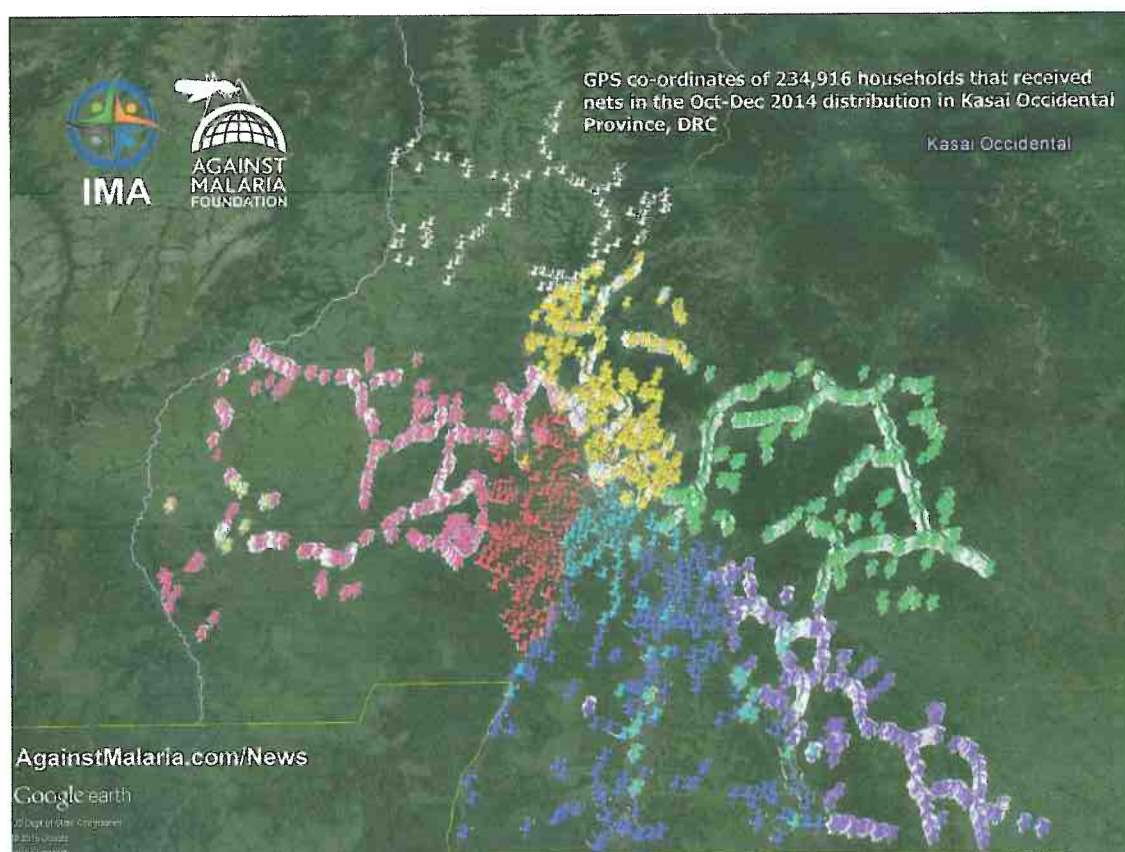
<http://www.AgainstMalaria.com/Distributions/Malawi/DedzaDistrict2014>

Data also indicates that coverage levels drop more rapidly during the third year post-distribution and work has started on ways to maintain high levels of coverage throughout year three.

Fifth, this year has seen progress with the use of electronic devices for data collection at the household level. Smartphones were used to collect registration information from all households (255,500) receiving nets in a universal coverage mass net distribution. This allowed a significant quantity of data to be captured directly in electronic form. The process proved very effective overall.

- 91% of the nets distributed had data recorded electronically
- 96% of the household data records were without error

We consider this a very strong outcome. This was the first use of smartphone data collection in a challenging distribution environment. GPS data was collected at the same time giving knowledge of where nets to 234,916 households were distributed to within 6m. It is a strong basis from which to build. It was not without problems but, importantly, demonstrated significant potential for future distributions. We intend to use the same data collection process in the next net distribution, adjusted to apply lessons learned.



Sixth, we have discussed with potential partners contributing to Insecticide Resistance (IR) research studies and will make decisions early in the next financial year. 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 may be 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.

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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 the nets donors fund are distributed as intended.

All of the major pro bono supporters have remained in place during the year, and indeed, have committed to continuing their support for the foreseeable future. This continuing support allows AMF to focus on raising funds for, and distributing, nets and raising awareness of what can be done to fight malaria. Private funding continues to be made available to AMF to cover unavoidable expenses. The trustees are exceptionally grateful to these generous individuals and organisations for this financial and other assistance. It is because of this pro bono support and private funding the trustees are able to guarantee 100% of all public donations (aside the small number mentioned in point 3 below) buy LLINs.

A summary of the way the charity approaches net distributions is shown below:

1. AMF receives funds from individuals and groups who organise fundraising activities or who simply donate.
2. 100% of these funds from the public are used to buy long-lasting insecticidal (mosquito) nets (LLINs).
3. Donations from a small group of donors are ring-fenced to cover non-net costs where necessary.
4. Organisations with the resources and successful track record of conducting net distributions apply to AMF for nets to be distributed in a particular area or AMF will seek out such organisations.
5. These 'Distribution Partners' apply for funding by completing and submitting a detailed proposal. ([www.againstmalaria.com/DistributionStrategy](http://www.againstmalaria.com/DistributionStrategy))
6. Advice and comment is sought as necessary from AMF's Malaria Advisory Group, made up of world leading malariologists ([www.againstmalaria.com/MAG](http://www.againstmalaria.com/MAG))
7. If AMF approve a Distribution Proposal, the Distribution Partner signs a legal agreement to help ensure what is agreed, happens.
8. All details of each approved distribution are made available to the public on dedicated 'distribution pages' (<http://www.againstmalaria.com/Nets>)
9. A co-funding partner, sometimes the Distribution Partner, will often fund non-net costs.
10. The Distribution Partner then carries out the distribution of nets, including a number of required critical components that are part of the overall service delivery as follows:
  - a) pre-distribution activity may be done in the area to receive nets establishes: list of beneficiaries; full cooperation 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 follow up 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
  - 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 check-ups (PDCUs) that take place via household visits, typically every 6 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. (Example: <http://www.AgainstMalaria.com/Distributions/Malawi/Ntcheu>)

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.

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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 third time in four years recommending to donors that of their four top-ranked charities, donations be made in the proportion 67% to AMF, 13%, 13% and 7%. AMF has been a top-ranked charity with Giving What We Can and The Life You Can Save for four years in a row.

Relevant links: <http://www.givewell.org/international/top-charities>;  
<http://www.givingwhatwecan.org/resources/recommended-charities.php>  
<http://www.thelifeyoucansave.com/organizations>

AMF has been selected by a number of groups, organisation and companies on all 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>

## Financial review

The results for the year are shown in the Statement of Financial Activities on page 13.

The trustees are pleased with the public reaction to AMF and its performance to date and are confident of future prospects. The 'Against Malaria' brand continues to have considerable potential for development. Total public sponsorship and donations raised since the inception of the charity in the six years to 30 June 2015 amounts to just under US\$12.7m with an expenditure on nets of over US\$4.2m.

### Investment policy

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

### Reserves policy

All public donations are used in the purchase of LLINs. The policy regarding public donation reserves is to utilise them quickly but even more importantly, effectively.

Private donations are made by a small group of donors and trustees explicitly to cover non-LLIN costs i.e. support costs and governance costs. The policy with regard to private donations is to ensure at least two years of funding of projected costs is in hand with commitments or indications for a further two years.

Reserves of US\$21,668,704 at 30 June 2015 (2014: US\$11,539,595) consist of accumulated donations for LLINs in excess of committed spend on LLINs of US\$20,409,677 (2014: US\$11,252,832), together with US\$42,148 (2014: US\$106,013) of private funding for administrative costs. This significant increase in reserves of donations is expected to be temporary since it is due to the timing of funds received and the confirmation of several large 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 had to change our approach or take on more staff to ensure the nets were distributed successfully.



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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 two full time staff, only one of whom is salaried, and both of whom have worked with the charity from its inception, and a significant number of volunteers across many functional areas with many 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 five years; partnerships with competent distribution partners who distribute the nets.

We are now paying particular attention to larger scale distributions. We aim to consider up to 10 large potential distributions at any one time. This would allow some potential distributions to fall from review or be otherwise excluded. At the same time it will leave enough potential distributions, to which funds can be fully allocated so as to minimise the time between receipt of a donation and its allocation to a specific distribution.

We are also placing greater emphasis on longer term planning, up to three years ahead, and are prepared to make commitments to distributions this far in the future. There are a number of benefits including 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 who are 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 where necessary, or there are strong reasons to do so, if there are partners committed to being accountable and 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 Trustees' Annual Report 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 judgments 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.

# The Against Malaria Foundation

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## 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 of 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.

## Auditors

AMF's auditors are Crowe Clark Whitehill LLP, who have expressed their willingness to be re-appointed.

Approved by the board of trustees and signed on their behalf by:



Robert Mather  
Trustee and CEO  
Date: 28 October 2015

# The Against Malaria Foundation

Charity No: 1105319

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

We have audited the financial statements of The Against Malaria Foundation for the year ended 30 June 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with section 154 of the Charities Act 2011. 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 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under the section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report (and any other surround information) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### 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 30 June 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

# The Against Malaria Foundation

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- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Guy Biggin

Partner, Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Cheltenham

Date: 6 November 2015

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

**Statement of Financial Activities (including an Income and Expenditure Account) for the financial year ended 30 June 2015**

	Notes	2015 Unrestricted Funds US\$	2014 Unrestricted Funds US\$
<b>Incoming resources</b>			
Incoming resources from generated funds			
Voluntary income			
Public sponsorship and donations		14,048,851	3,951,063
Donated services (pro bono support)		100,239	89,031
Private funding for central costs		82,082	-
Investment income – interest earned		28,395	21,028
Adjustments on foreign exchange	3	-	19,855
<b>Total incoming resources</b>		<b>14,259,567</b>	<b>4,080,977</b>
<b>Resources expended</b>			
Charitable activities			
Grants of LLINs		(3,228,424)	(3,526,726)
Support costs		(212,959)	(190,944)
Non-net costs		(655,235)	(37,906)
Adjustments on foreign exchange	3	(6,479)	(520)
		(4,103,097)	(3,756,096)
Governance costs		(27,361)	(22,631)
<b>Total resources expended</b>	2	<b>(4,130,458)</b>	<b>(3,778,727)</b>
Net incoming / (outgoing) resources, being net income / (expenditure) for the year		10,129,109	302,250
<b>Total funds brought forward</b>		<b>11,539,595</b>	<b>11,237,345</b>
<b>Total funds carried forward</b>	8	<b>21,668,704</b>	<b>11,539,595</b>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 15 to 19 form part of these financial statements.

# The Against Malaria Foundation

Charity No: 1105319, Company No: 05175890

## Balance Sheet as at 30 June 2015

	Notes	2015 US\$	2014 US\$
<b>Current Assets</b>			
Cash at bank			
Public donations (including sums raised through the website and by individual donations)		25,372,192	12,779,686
Private funding		46,936	110,430
Debtors and prepayments	6	<u>115,979</u>	<u>38,187</u>
		25,535,107	12,928,303
<b>Creditors</b>			
Amounts falling due within one year	7	<u>(3,866,403)</u>	<u>(1,388,708)</u>
		<u>21,668,704</u>	<u>11,539,595</u>
<b>Unrestricted Funds</b>			
General funds	8	<u>21,668,704</u>	<u>11,539,595</u>
		<u>21,668,704</u>	<u>11,539,595</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the trustees on 28 October 2015 and authorised for issue and signed on their behalf by:

.....  
.....

Robert Mather  
Trustee and CEO  
Date: 28 October 2015

The notes on pages 15 to 19 form part of these financial statements.

**Notes forming part of the financial statements for the year ended  
30 June 2015**

**1 Accounting policies**

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP 2005) issued in March 2005, the Charities Act 2011, applicable accounting standards and the Companies Act 2006.

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis for preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

The charity is a company limited by guarantee. Where it is considered appropriate, ie 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, Japan, 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 2005, these sister foundations are treated as branches of the charity and their results are included herein.

Under the terms of the Companies Act 2006, the charity is entitled to claim exemption from the need to prepare a cash flow statement and accordingly, these financial statements have been prepared without that statement.

The principal accounting policies adopted in the preparation of the financial statements are:

b) Incoming resources

Voluntary income, including public donations, donated services and external private funding, is recognised where there is certainty of receipt and the amount can be measured with sufficient reliability. Related gift aid on public donations is recognised on receipt of the claim.

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

c) Volunteers and donated services and facilities

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. Donated services and facilities are analysed in note 2.

d) Resources expended

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 2.

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- 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 support costs, being the donated services and private funding as shown in the tables on pages 17 and 19. Support costs are allocated on a basis consistent with the use of resources.

## e) Foreign currencies

The US dollar (USD) is the functional 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.

## f) 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 2.

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. The website's Terms & Conditions reinforce this principle or b) where AMF agree certain 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 (ie in the interim) being distributed in a specific location and there no longer being a need for nets in the original location.

## 2 Total Resources Expended

All expenditure, other than the grants of LLINs and distribution non-net costs covered by a small group of donors, is covered by private funding and corporate pro-bono support. Included in the US\$240,321 of administrative costs for 2015 (2014: US\$213,573) is the value ascribed to pro bono support: US\$100,240 (2014: US\$89,030). Therefore, net of this pro-bono support, the funds required to run the charity (administrative costs) in 2015 were US\$140,081 (2014: US\$124,543).

All of the US\$100,240 (2014: US\$89,030) was funded by private donations made to the charity by a small group of private donors, including trustees, for the express purpose of ensuring 100% of public funds are used either for the purchase of LLINs or, where agreed with a small number of donors, for non-net costs. All three sets of funds are held in separate bank accounts.



# The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

US\$	2015			2014		
	Charitable activities	Governance	Total	Charitable activities	Governance	Total
General office						
Donated services – audit fee	-	24,625	24,625	-	19,920	19,920
Donated services – other	-	-	-	-	-	-
Private funding	342	-	342	821	-	821
	342	24,625	24,967	821	19,920	20,741
Finance office						
Donated services	1,367	2,736	4,103	1,355	2,711	4,066
Private funding	-	-	-	-	-	-
	1,367	2,736	4,103	1,355	2,711	4,066
Information technology						
Donated services	57,360	-	57,360	50,891	-	50,891
Private funding (see Note 4)	139,739	-	139,739	123,723	-	123,723
	197,099	-	197,099	174,614	-	174,614
Marketing						
Donated services	-	-	-	-	-	-
Private funding	-	-	-	-	-	-
	-	-	-	-	-	-
Banking support						
Donated services	14,151	-	14,151	14,154	-	14,154
Private funding	-	-	-	-	-	-
Costs	-	-	-	-	-	-
	14,151	-	14,151	14,154	-	14,154
Legal/professional support						
Donated services	-	-	-	-	-	-
Private funding	-	-	-	-	-	-
	-	-	-	-	-	-
TOTALS						
Donated services	72,878	27,361	100,239	66,400	22,631	89,031
Private funding	140,081	-	140,081	124,544	-	124,544
<b>TOTAL SUPPORT COSTS</b>	<b>212,959</b>	<b>27,361</b>	<b>240,320</b>	<b>190,944</b>	<b>22,631</b>	<b>213,575</b>
<b>GRANTS OF LLINs</b>	<b>3,228,424</b>	<b>-</b>	<b>3,228,424</b>	<b>3,526,726</b>	<b>-</b>	<b>3,526,726</b>
<b>NON-NET COSTS</b>	<b>655,235</b>	<b>-</b>	<b>655,235</b>	<b>37,906</b>	<b>-</b>	<b>37,906</b>
<b>LOSSES ON FOREIGN EXCHANGE</b>	<b>6,479</b>	<b>-</b>	<b>6,479</b>	<b>520</b>	<b>-</b>	<b>520</b>
<b>TOTAL EXPENDITURE</b>	<b>4,103,097</b>	<b>27,361</b>	<b>4,130,458</b>	<b>3,756,096</b>	<b>22,631</b>	<b>3,778,727</b>

# The Against Malaria Foundation

Charity No: 1105319, Company No: 05175899

## 3 Foreign exchange gains and losses

	2015 US\$	2014 US\$
Net foreign exchange gain/(loss)	(6,479)	19,335

The gain/(loss) derives from the difference between opening, closing and average rates of exchange applied to foreign currency balances and transactions. See detail in note 8.

## 4 Staff costs

Staff costs cover the cost of the two individuals employed by the charity during the course of the year (2015: 2) and may be analysed as follows:

	2015 US\$	2014 US\$
Salaries and wages	119,424	105,725
Pension contributions	9,587	8,456
Social security costs	10,728	9,542
	<u>139,739</u>	<u>123,723</u>

There is one employee earning £70 - £80k (\$105 - \$120k at a GBP:USD rate of 1.5) (2014: one employee £60k - £70k). The employee received benefits for a money purchase pension scheme.

## 5 Related parties and trustee remuneration

In the current year, no trustees received any remuneration or expenses.

## 6 Debtors

	2015 US\$	2014 US\$
Accrued income	115,979	38,187
	<u>115,979</u>	<u>38,187</u>

This represents donations made to AMF before 30 June 2015 but still with the donation processing intermediary at year end awaiting the normal next week transfer to AMF and Gift Aid due.

## 7 Creditors

	2015 US\$	2014 US\$
<b>Creditors: amounts falling due within one year</b>		
LLIN grant commitments	3,506,974	1,386,000
Other taxes and social security costs	3,081	2,708
LLIN non-net costs grant commitments	356,348	-
	<u>3,866,403</u>	<u>1,388,708</u>

LLIN grant commitments represent the grants formally agreed and committed by AMF to recipient countries/organisations at the year end.

# The Against Malaria Foundation

Charity No. 1105319, Company No. 05175899

## 8 Unrestricted funds of the charity

The trustees commit to ensuring 100% of public funds received buys LLINs as shown below:

	2015					2014				
	Total	Public Donations (for LLIN grants)	Specific Donations (for non-net costs)	Private Funding (for central costs)	Donated Services (est. value of pro bono)	Total	Public Donations (for LLIN grants)	Specific Donations (for non-net costs)	Private Funding (for central costs)	Donated Services (est. value of pro bono)
	US\$	US\$	US\$	US\$	US\$	US\$	US\$		US\$	US\$
Funding, sponsorship and donations brought forward	11,539,595	11,252,832	180,750	106,013	-	11,237,345	10,809,343	218,192	209,810	-
<u>Incoming resources:</u>										
Funding, sponsorship and donations	14,231,172	12,358,851	1,690,000	82,082	100,239	4,040,094	3,951,063	-	-	89,031
Investment income	28,395	26,712	1,364	319	-	21,028	19,672	464	892	-
Other recognised gains	-	-	-	-	-	19,855	-	-	19,855	-
	25,799,162	23,638,395	1,872,114	188,414	100,239	15,318,322	14,780,078	218,656	230,557	89,031
<u>Expenditure:</u>										
Other recognised (losses)	(6,479)	(294)	-	(6,185)	-	(520)	(520)	-	-	-
Charitable activities	(4,096,618)	(3,228,424)	(655,235)	(140,081)	(72,878)	(3,755,576)	(3,526,726)	(37,906)	(124,544)	(66,400)
Governance	(27,361)	-	-	-	(27,361)	(22,631)	-	-	-	(22,631)
	(4,130,458)	(3,228,718)	(655,235)	(146,266)	(100,239)	(3,778,727)	(3,527,246)	(37,906)	(124,544)	(89,031)
<b>Total funds carried forward</b>	<b>21,668,704</b>	<b>20,409,677</b>	<b>1,216,879</b>	<b>42,148</b>	<b>-</b>	<b>11,539,595</b>	<b>11,252,832</b>	<b>180,750</b>	<b>106,013</b>	<b>-</b>

Note: 100% of any interest earned (investment income) on public donations, and 100% of any Gift Aid received, is used to buy LLINs.

## 9 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.