

Trustees' Report and Financial Statements

For the Year to 31 March 2020

Established in 2003, Malaria Consortium is one of the world's leading non-profit organisations specialising in the prevention, control and treatment of malaria and other communicable diseases among vulnerable populations. Our mission is to improve lives in Africa and Asia through sustainable, evidence-based programmes that combat targeted diseases and promote child and maternal health.

UK Registered Charity No: 1099776
Company Number : 4785712

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Malaria Consortium

Trustees' Report and Financial Statements

For the Year to 31 March 2020

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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	The Green House, 244-254 Cambridge Heath Road London E2 9DA, UK Malaria Consortium, during this period, also had offices in Uganda, Burkina Faso, Chad, Ethiopia, Mozambique, South Sudan, Nigeria, Thailand, Cambodia and Myanmar.
Patron	The Right Reverend Dinis S Sengulane, Retired Anglican Bishop, Mozambique

The Trustees

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

(CHAIR)	Professor Marcel Tanner
(TREASURER)	Canisius Anthony
	Anthony Davy (Resigned 7 th November 2019)
	Dr Allan Schapira
	Dr Neil Squires
	Dr Nermeen Varawalla (Resigned 14 th November 2019)
	Dr Precious Lunga
	Dr Simon Kay
	Mark Clark
	Peter Potter-Lesage (Resigned 5 th March 2020)
	Sarah Veilex
	The Rt. Hon. Baroness Sheehan
	Professor Jayne Webster
	Dr Jane Achan (Resigned 29 th January 2020)
	Dr Linus Igwemezie (appointed 5 th March 2020)
	Ian Boulton (appointed 5 th March 2020)

Chief Executive	Charles Nelson
Bankers	HSBC Bank PLC Westminster Branch 22 Victoria Street, London SW1H 0NJ, United Kingdom
Auditor	KPMG LLP Chartered Accountants 15 Canada Square, London, E14 5GL, United Kingdom

Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2020. The Trustees' Report also contains the information required in a Strategic Report as set out on pages 6 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 (2015) - Accounting and Reporting by Charities.

A copy of the Trustees' Report and financial statements can be obtained by writing to the organisation at the registered address as detailed on page 1 of this report.

Structure, Governance and Management

Trustees and organisational structure

Malaria Consortium is a charitable company, governed by a Board of Trustees [minimum 3 - maximum 18] under the Articles of Association. The Board meets quarterly, and for the Annual General Meeting (AGM) in July, where the audited accounts are normally approved. Also, at the AGM one third of the trustees retire, and are eligible for re-election as long as they have not served for a continuous period exceeding six years. After six years, trustees must retire.

There are three sub-committees of the Board:

- The Governance Committee to review and make recommendations regarding Board effectiveness, and ongoing Board development and lead the process of Board renewal. Currently, the Committee comprises four trustees, the Chief Executive (non-voting).
- The Finance, Audit and Risk Committee (FARC) to provide assurance to the Board that an effective internal control and risk management system is maintained and that financial performance is being effectively managed. Currently, the Committee comprises four trustees, one non-trustee member, and the Chief Executive and Finance Director (non-voting).
- The Compensation & HR Committee (C&HR) to review and make recommendations on the Chief Executive's remuneration, the framework for the Global Management Group's remuneration and the organisation's human

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

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

<i>Meeting</i>	<i>Number of meetings</i>	<i># trustees in attendance (average)</i>
Annual General Meeting	1	14
Board Meeting	4	12
Governance Committee	4	3
FARC	4	4
C&HR	2	4

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

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

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

Malaria Consortium utilises annual performance and development reviews to enable managers and staff to identify learning initiatives to bridge skills and/or knowledge gaps.

Malaria Consortium’s head office is in London, United Kingdom, with regional offices for East and Southern Africa in Kampala, Uganda covering Uganda, Mozambique, South Sudan and Ethiopia; for West Africa in Abuja, Nigeria covering Nigeria, Chad and Burkina Faso; and for Asia in Phnom Penh, Cambodia covering Cambodia, Thailand, Myanmar, and Bangladesh. Regional offices coordinate and supervise programmes and projects at

country level in the three regions. Global activities and any work in other parts of the world are directed through the head office in the UK. For more detail on our programmes and offices, please refer to our website www.malariaconsortium.org.

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

Close collaborations are maintained with academic institutions. In the UK including the Nuffield Centre for International Health and Development at The University of Leeds, the London School of Hygiene & Tropical Medicine, Imperial College and University College London. Internationally, we collaborate with Karolinska Institute, Institute Pasteur, University of Oslo, Mahidol University (Bangkok, Thailand), University of Nigeria, University of Pretoria, and Makerere University (Uganda)

Malaria Consortium's income is predominantly restricted. About half our income is raised through project-based contract and grant applications. Income on these projects is recorded at the same time as expense is incurred. Over recent years, we have seen increased funding from philanthropists and individuals around the world who support charities that have achieved GiveWell Top Charity status. For us this is mainly, though not exclusively, linked to closing gaps in coverage for seasonal malaria chemoprevention (SMC) across the Sahel, maintaining and further developing life-saving interventions for children under the age of five and in broadening our funding base. However, it also has significant impact on the way our numbers are reported. Because of the seasonal nature of our activity, with expenditure concentrated in July to November (the rainy season), regular observers will notice a further rise in our restricted reserves. These commitments from our donors, plus increased income from interest, are allowing us to plan for both continuities in existing areas for the following two years, and expansion to cover further eligible children.

Mission and Objectives

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

Objectives

We end this reporting year at the end of a five-year strategy 2015-2019. This strategy was based on four key business areas and five strategic objectives. The four key business areas are:

- a) Preventive Treatment: looking at intervention through prophylaxis, mass drug administration, and existing and emerging vaccines.
- b) Vector Control: looking both at interventions to reduce the number of vectors present in the community and at those that keep people away from vectors.

- c) Case management: covering both diagnosis and treatment, improving both access to and the quality of services available should an individual present with symptoms.
- d) Health Service Effectiveness and Efficiency: recognising that there are many diverse elements to health system strengthening, we focus on the key interventions that deliver the functionality and data necessary for effective decision-making and responses to health needs.

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

The objectives are:

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

An additional objective of this financial year was to have in place a new five-year strategy for 2020-2024. The preparation work was completed and a strategy was ready for launch. However, the realities of the COVID-19 pandemic happened prior to the launch of that strategy to the organisation, and the Trustees concluded that it was sensible to hold the formal launch of a new strategy until 2021, and focus for 2020/21 on supporting our host governments on maintaining/adapting existing programmes and research, while accommodating the public health necessities of the pandemic.

Strategic Report

Achievements and Performance

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

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

Malaria Consortium, both at international and national level, has maintained a presence in key partnerships and working groups linked to policy and advocacy. Globally these include at the WHO's Malaria Policy Advisory Committee (MPAC) and Vector Control Working Group and through the Roll Back Malaria Partnership to End Malaria. In Asia we have hosted the Vector Control and Surveillance working groups of the Asia Pacific Malaria Elimination Network (APMEN) In the UK, we work with the All Party Parliamentary Group for Malaria and Neglected Tropical Diseases and are an active member of the UK Coalition against NTDs. We partner with the Ministries of Health where Malaria Consortium works, and work with local advocacy partners in endemic areas, aiming to change policy and practice. We continue to participate in WHO Technical consultations, that have replaced the Technical Expert Groups.

Through our role in the PMI VectorLink project, we have been supporting a number of countries directly to shape their vector control policies and strategies. We have supported Malawi and Kenya to develop their national integrated vector control strategies and insecticide resistance management plans, to guide evidence-based selection of appropriate interventions that are tailored to local epidemiological settings. We are currently supporting Burkina Faso and Ethiopia to develop their insecticide resistance management plans.

In Nigeria, we are the chosen partner for the UK's Department for International Development (DfID) for the implementation of the Support to the National Malaria Programme (SuNMaP2), working alongside the government to develop sustainable public and private sector interventions in six states.

With the arrival of COVID-19, Malaria Consortium has been central to the development of guidelines for safely continuing key interventions against other infectious diseases, especially malaria, including guidance documents on how to implement SMC safely in the context of COVID-19 and on interpreting routine malaria data through the Monitoring and Evaluation Reference Group [MERG]. We are engaged in modification of iCCM guidelines at global and at country level - particularly Uganda and Mozambique.

To reach at least 10 million people (in the strategy period) with preventive treatment, supporting the appropriate uptake of emerging vaccines and drug-based prevention approaches

The primary intervention contributing to this objective continues to be seasonal malaria chemoprevention (SMC) for children of three to 59 months in the Sahel Region of Sub-Saharan Africa. This intervention is approved by WHO for this age group for regions where

malaria transmission is at a peak during a period of no more than four months, and where the available drugs (sulphadoxine pyrimethamine plus amodiaquine - SPAQ) are still effective. The total eligible group for this intervention is now about 32 million children. In this reporting period, partly funded by Global Fund and DFID, but mainly by funds raised from philanthropists, Malaria Consortium continued to deliver directly child-friendly, dispersible products across Nigeria, Chad and Burkina Faso, expanding our reach to 6 million children in the 2019 rainy season, up from 4.12m in the prior year.

To engage in at-scale delivery of effective vector control interventions and develop, investigate, promote and implement novel, vector-focused approaches that reduce disease transmission

Malaria Consortium continues to be involved in distribution of long-lasting insecticidal nets (LLINs), which remains one of the key, high-value interventions against malaria. In this reporting year, we distributed fewer nets directly as the countries/states we serve were not programmed for campaign-based distribution. In Uganda, we finalised the second universal net distribution for the country, with a balance of eight million nets, and continued to monitor their durability and compare this with the performance of a new kind of net, with an adjuvant chemical to enhance the effectiveness of the pyrethroid insecticide. Results are pending.

We are implementing an integrated vector management programme for dengue control in Cambodia and extended our work with mobile and migrant populations in forested areas, where most of the residual falciparum malaria is to be found, seeking to accelerate the progress towards elimination.

Malaria Consortium hosted and provided technical support through both the Vector Control Working Group and the Surveillance Working Group of the Asia Pacific Malaria Elimination Network (APMEN). This is based out of our regional office in Thailand, working together with all the countries of the Asia Pacific Leaders' Malaria Alliance (APLMA) to assure and push forward the most appropriate technical interventions in the region. We have also provided technical assistance on appropriate vector control and insecticide resistance management strategies in Malawi and Kenya by helping them to develop their national and typically five-year strategic plans as part of the USAID funded PMI VectorLink programme. In the same programme, we will be supporting Burkina Faso and Ethiopia over the coming months to develop their resistance management plans.

To improve access to, and the quality of, services for the diagnosis and treatment of diseases and/or those that enhance child and maternal health

This objective is targeted at improving access to and quality in diagnosis and treatment at all levels of the health system. Overall, more than 15 million patients accessed quality assured treatment for malaria, diarrhoea and pneumonia with Malaria Consortium support.

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

There has been further progress on the field evaluation of tools for the diagnosis of pneumonia. Malaria Consortium has continued analysis of several electronic devices in Ethiopia and Nepal. We also completed research in Nigeria on identifying severe pneumonia in the community linked to the clinical sign of 'chest in-drawing'.

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

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

Malaria Consortium has traditionally used malaria as our access point and leveraged this to support wider aspects of service delivery such as community delivery, clinical capacity building, supervision, laboratory services, antenatal care, child and maternal health and data capture and analysis. We continue to develop the offering in the move to community-based primary healthcare as part of the overall move to Universal Health Coverage (UHC).

As the burden of malaria decreases and the focus moves towards elimination, including sub-national elimination, new tools and techniques are being put in place. Surveillance and response is key along the continuum towards elimination, shifting from an aggregate approach to a case-based one. Technology is increasingly playing a part in data capture and sharing, and in the support and supervision of remote and community workers. Linkages are also being made to wider interventions in child and maternal health. In Mozambique, we have expanded a programme of technology-facilitated support to, and supervision of, community health workers for child and maternal health from the pilot area in Inhambane into Cabo Delgado and Zambezia having been adopted as the national solution, providing community-level, case data directly into the national health management information system. A greater focus is being made across countries to support data visualisation and data use for decision-making and these components are being embedded both at project and NMCP levels where possible.

In Uganda, we have the privilege of serving 95% of the districts. We are the lead agency on the USAID Malaria Action Program for Districts, and through the DFID-funded 'Strengthening Uganda's Response to Malaria (SURMa) we are working across the country to bring stratified malaria interventions to both community and facility-based services, across both public and private sectors.

Financial Review

Income

Total income received during the year amounted to £71 million, an increase of £16 million (29%) on the previous year. The increase in income was primarily due a £13.3 million increase (47%) in SMC funding. Funding received for SMC during the year at £42.6 million (2019: £28.9 million) was 60% (2019: 53 %) of total income received for the year. We continue to receive significant philanthropic funding for SMC. £67.6 million (2019: £41.46 million) currently held as restricted SMC reserves is sufficient to fund 88% of the SMC programme until 2022. Funding from DFID for the year at £4.8 million (2019: £2 million) increased significantly due to the implementation of SuNMaP2 in Nigeria. Funds received from the US government agency, USAID, directly and via sub-agreements including Pathfinder and Abt Associates at £6.2 million (2019: £8 million) contributed to 9% of total income. The decrease in income received from USAID was primarily due to a reduction of £2.2 million in funds released by the agency for the Malaria Action Program for Districts, Uganda. There was a welcome increase in funding from Global Fund (2020: £5.5 million, 2019: £3.6 million) due to the continuation of malaria activities in Nigeria. Please refer to note 2c for the full list of our funding partners.

Expenditure

Charitable expenditure on programmes increased by £7.8 million (£44.1 million in 2019 20; £36.4 million in 2018 19). Note 3 on page 21 shows this expenditure categorised according to our five strategic objectives. Preventive Treatment and Health Systems are our two biggest areas of work representing 42% and 23% respectively of the total programme expenditure for the year; 33% of expenditure occurred in Nigeria and a further 20% in Uganda. Multi-country expenditure in Africa relates to the procurement of commodities for the SMC initiatives. Support costs as a proportion of direct costs are 12% as in the previous year. In carrying out its programmes, Malaria Consortium works with a number of partners to which it sub-contracts its work. Total sub-contract expenditure during the year was £5.6 million, as compared to £3.7 m in the prior year, most of which was for Seasonal Malaria Chemoprevention (SMC).

Result for the year

The total net movement in funds for the year was an increase of £26.84 million (2019: £18.58 million). The increase in funds in the year principally reflects timing differences associated with the £25.9 million donation from the Good Ventures for SMC: the funds received in February 2020 can only be utilised from July 2020 given the seasonal nature of the activity for which they are to be used. At the end of the year, restricted funds for ongoing projects were £67.6 million, reflecting the SMC donations, whilst unrestricted funds were £5.07 million.

The main movement in the balance sheet was an increase in creditors of £4.1m due to funds received in advance from Bill and Melinda Gates Foundation and Catholic Relief Services, which will be utilised in the next financial year. Cash received for SMC activities of £39.8m during the financial year is not a deferred creditor.

Reserves Policy

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. The majority of the organisation's operational commitments relate to activities funded by restricted funds. The contractual agreements cover the completion of such tasks and related financial commitments. The Finance, Audit and Risk committee reviewed future needs, opportunities, commitments or risks, the likelihood of future income falling short of the amount of the anticipated costs and considered the level reserves that are necessary to make up the shortfall.

Malaria Consortium's reserve policy is *"to hold £3.6 m of reserves, in order to cover existing commitments relating to staff and operational leases of £2.04 m and four months of support costs to maintain the organisation's shape in the event of timing differences in funding"*

General Reserves (Unrestricted)

General reserves are reserves that are not restricted to or designated for a particular purpose. Based on the current reserves policy, the minimum level of reserves are set at £3.6 m as this is considered sufficient to meet existing contractual commitments of £2.04 m and the support costs for four months. In addition, the Board of Trustees decided it was prudent and necessary to set aside a designated reserve of £1.3 m from unrestricted reserves.

Total unrestricted reserves as at 31 March 2020 were £5.07 m (2019: £4.29m) of which £3.75 million (2019: £3.16m) were free reserves and £1.3 million (2019: £1.126m) were designated reserves.

£1.3m has been designated by the Board as below:

Designated Funds	31st March 2020	31st March 2019
	£000s	£000s
Foreign Exchange Movements	1,050	525
Programme Needs	0	250
Co-financing requirement	78	0
Research	80	103
Sylvia Meek Scholarship	63	74
Learning & Development	44	174
Total	1,315	1,126

Investment Policy and Performance

Funds received during the year for seasonal activities are invested in long-term interest bearing notice accounts. Funds received for on-going charitable activities and reserves are held in interest-bearing accounts that can be called on without notice. Monies are held in the most likely currency of expenditure in order to manage foreign exchange risk. The charity does not speculate on currency.

Disclosure of information to auditors

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

Auditors

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

Plans for Future Periods

Malaria Consortium will continue to have a primary focus on malaria whilst expanding our portfolio in our identified business areas. Due to the unprecedented circumstances of the COVID-19 pandemic, the focus of the next 12 months will be the delivery of current programmes adapted for as safe as possible implementation. This is to help host governments avoid trade-offs being made between the infectious diseases that impact the beneficiaries we serve. At the same time, we will aim to build further on the positive engagement of the wider philanthropic community, and expand the portfolio of funders we work with to combat our traditional target diseases and understand better, and overcome, the spread and effects of the current pandemic. Key donors remain very supportive and, though there will undoubtedly be some unavoidable slowing of our programming over the coming months, we believe that the largest proportion of our planned implementation and implementation research activities will continue.

In particular, we will:

1. Further expand our reach on seasonal malaria chemoprevention (SMC) across the Sahel, and research/test launch implementation in newly eligible geographies for SMC outside the Sahel.
2. Continue to promote the distribution and use of Long-lasting Insecticide Treated Nets (LLINs) in appropriate settings, both through campaigns and continuous distribution models, stratified for epidemiological and entomological changes, and where outbreaks occur due to pandemic-induced delays in the delivery of preventive measures.
3. Help countries we serve to describe and action their plans for maintaining services through and beyond the pandemic and towards Universal Health Coverage, increasing access to high quality differential diagnostics and treatments through community-based primary health care and COVID 19 referral centres.
4. Explore avenues for health system improvement through surveillance models, data capture and use for decision-making, technology and digital learning.

Malaria Consortium has postponed the launch of a revised strategy until after the primary wave of the COVID-19 pandemic, when teams are able to refocus on medium to longer term considerations.

Principal Risks and Uncertainties

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

Risk Assessment

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

1. **Strategic: More competition due to other organisations expanding into areas of Malaria Consortium's interest resulting in reduced funding opportunities.** There is much increased competition for resources driven by political pressure on international aid budgets, proposals for funding becoming less linked to specific diseases and an increased interest from multi-sectoral organisations. To mitigate this, Malaria Consortium works with a wide combination of international partners, is building experience of working across additional disease conditions and interventions in the communities at risk of malaria, and is constantly tracking the balance of the portfolio of research and implementation programmes.
2. **Governance: Failure to ensure proper corporate governance from a lack of appropriately skilled trustees leading to poor reputation.** The trustees acknowledge the importance of reflecting the diversity of its stakeholders and areas of work amongst themselves. We have established clear plans, based on a diversity and skills matrix, for further promoting diversity. Furthermore, in light of recent revelations elsewhere in the charity sector, the trustees have reviewed Malaria Consortium's Code of Conduct and all key policies and guidelines linked to safeguarding beneficiaries and employees and are reassured that appropriate safeguards are in place.
3. **Performance: A failure to deliver a project through internal and external factors, resulting in a loss of reputation.** To gain funding in an increasingly competitive sector, the organisation needs to demonstrate consistently to funders our ability to deliver. The programmatic achievements of the organisation remain impressive, with repeated and increased funding from donors. In addition, the organisation has increased its accountability, transparency and assurance to demonstrate good value for money to donors and strengthen our safeguarding approach. Operational calls between senior management in the head office and in the regional offices continue to review performance and expenditure on a monthly basis and a quarterly performance review is shared with the Board.
4. **Operational: A failure to safeguard staff adequately particularly in high risk areas resulting in a serious incident.** The greatest need for our services is often in areas with high, and changing, security threats, particularly in South Sudan, Northern Nigeria, Northern Mozambique and parts of Myanmar. Security of beneficiaries, personnel and property is paramount. We keep up-to-date information about the security situations where we work, and have suitable insurance to cover our work and staff. If security threats are persistent, we relocate, and/or suspend operations. No relocations/suspensions were required in the reporting period.

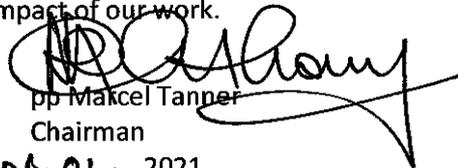
5. **Financial: A deficit in cash flow to meet expenditure requirements, therefore a delay in implementation.** Continued growth, exchange rate fluctuations and any requirement for post-, instead of pre-financing of projects can challenge the quality of delivery, the level of reserves and the availability of cash. The Chair of the FARC monitors cash flow and reserves monthly and reports to Trustees quarterly on cash flow and reserves. With careful control of support costs, we are able to maintain our reserves in line with policy and continue to make ongoing investments in our future.

A reflection on the impact of COVID-19

It is also appropriate to reflect more on the potential impacts of COVID19 on our operations as part of the overall risk assessment. In the places we work, trade-offs are necessary, not just between economic impact and public health good, but, in many cases, between one infectious disease and another. During the pandemic, Malaria Consortium has been working with governments and multilateral agencies to describe how existing programmes can continue, but with due consideration to the additional challenges of preventing the spread of COVID-19 and its risk to staff and beneficiaries.

Ongoing forecasts suggest that, while there will be some slowdown of activities, impact of any slowdown will be mostly offset by the need for re-training to deliver under new COVID-19-safe protocols, and with the purchase of personal protection equipment (PPE) for staff and health workers. In addition, Governments have generally accepted the need for anti-malarial (and other infectious disease) programming to continue as 'essential services'; donors are encouraging continuation of programming wherever possible, with necessary adjustments; 50% of the activity for Malaria Consortium in the coming financial year is aligned with pre-funded Seasonal Malaria Chemoprevention (SMC); no staff have been furloughed or laid off since the onset of the pandemic; there have been no issues with the receipt and movement of funds; and we have demonstrated our capacity to operate remotely medium term.

We envisage, therefore, while we are keeping this under constant review, we will be able to continue our mission and operate at or near current levels and maintain the life-saving impact of our work.


pp Makcel Tanner
Chairman

06.01.2021

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

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

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

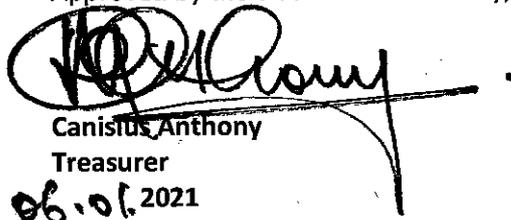
Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the trustees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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

Approved by the trustees on 29th July, 2020 and signed on their behalf by:


Canisius Anthony
Treasurer
06.06.2021

Independent auditor's report to the members of Malaria Consortium

Opinion

We have audited the financial statements of Malaria Consortium ("the charitable company") for the year ended 31 March 2020 which comprise the group and charity Statement of Financial Activities, the group and charity balance sheet, the Group Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 March 2020 and of groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease its operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

Other information

The trustees are responsible for the strategic report and Trustees' report. Our opinion on the financial statements does not cover those reports and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group's and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Joanne Lees (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London E14 5GL

15 January 2021

Malaria Consortium
Statement of Financial Activities (incorporating an Income and Expenditure Account)
for the year ending 31 March 2020

	Note	CHARITY				GROUP				CHARITY	GROUP
		2020				2020				2019**	2019**
		Restricted Funds		Unrestricted	Total	Restricted Funds		Unrestricted	Total	Total	Total
		SMC*	Other	Funds	Funds	SMC*	Other	Funds	Funds	Funds	Funds
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Income from:											
Donations	2a	194	-	444	638	194	-	444	638	329	329
Legacies	2a	-	-	-	-	-	-	-	-	-	-
Donated Goods	2b	-	84	169	253	-	84	169	253	125	125
Charitable activities											
Grants, contracts & consultancy income	2c	41,817	22,710	4,725	69,252	41,817	22,710	4,725	69,252	52,572	53,895
Investments - Interest received		597	-	169	766	597	-	169	766	556	556
Other		-	-	54	54	-	-	54	54	120	120
Total Income		42,608	22,794	5,561	70,963	42,608	22,794	5,561	70,963	53,703	55,026
Expenditure on:											
Raising funds		-	-	303	303	-	-	303	303	319	319
Charitable activities	3	16,477	22,872	4,470	43,819	16,477	22,872	4,470	43,819	34,798	36,121
Total Expenditure	7	16,477	22,872	4,773	44,122	16,477	22,872	4,773	44,122	35,117	36,440
Net (expenditure) / income		26,131	(78)	788	26,841	26,131	(78)	788	26,841	18,586	18,586
Net movement in funds		26,131	(78)	788	26,841	26,131	(78)	788	26,841	18,586	18,586
Reconciliation of funds											
Total fund brought forward		41,465	78	4,286	45,829	41,465	78	4,286	45,829	27,243	27,243
Total fund balances at end of year	8	67,596	-	5,074	72,670	67,596	-	5,074	72,670	45,829	45,829

All income and expenditure derive from continuing activities.

The notes on pages 21 to 28 form an integral part of these financial statements.

*** Seasonal Malaria Chemoprevention (SMC)**

Malaria Consortium received a large donation of £28.5m in February 2020 from the Good Ventures for Seasonal Malaria Chemoprevention. This fund together with other donations, asterisked in Note 2c, cannot be utilised until July 2020 as for a seasonal activity.

Other restricted funds

These are funds earned during the financial year for other restricted activities as per the strategic objectives of the organisation.

**** 2019 Comparative of Total Funds**

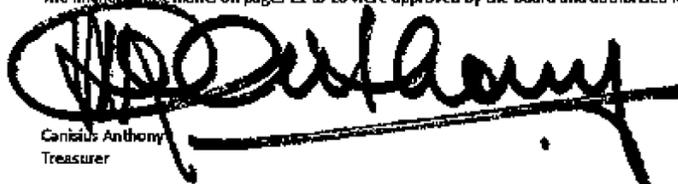
The split of funds for 2019 is shown in full in note 18 on page 28 of the financial statements

Malaria Consortium
Balance Sheet as at 31 March 2020

	Note	CHARITY				GROUP			
		2020		2019		2020		2019	
		£000s	£000s						
Fixed Assets									
Intangible Assets	9		3	5		3		5	
Tangible Assets	9		514	566		514		566	
Total Fixed Assets			517	571		517		571	
Current Assets									
Stock	10		-	-		-		-	
Debtors	11	5,377		6,634	5,377		6,634		
Cash at bank and in hand		76,584		43,673	76,584		43,673		
Total Current Assets		81,961		50,307	81,961		50,307		
Current Liabilities									
Creditors falling due within one year	12	(8,633)		(4,507)	(8,633)		(4,507)		
Net Current Assets			73,328	45,800		73,328		45,800	
Total assets less current liabilities			73,845	46,371		73,845		46,371	
Provisions									
Provisions for liabilities	13		(1,175)	(542)		(1,175)		(542)	
Net Assets			72,670	45,829		72,670		45,829	
Represented by:									
<i>Unrestricted income funds</i>	8								
General			3,759	3,160		3,759		3,160	
Designated			1,315	1,126		1,315		1,126	
Total Unrestricted Funds			5,074	4,286		5,074		4,286	
<i>Restricted income funds</i>	8								
SMC			67,596	41,465		67,596		41,465	
Other			-	78		-		78	
Total Restricted Funds			67,596	41,543		67,596		41,543	
Total Funds			72,670	45,829		72,670		45,829	

The financial statements on pages 21 to 28 were approved by the Board and authorised for issue on 2020 and signed on its behalf:

20th July



Gaius Anthony
Treasurer

Company registration number: 4785712

The attached notes on pages 21 to 29 form an integral part of these financial statements.

Malaria Consortium
Cash Flow Statement for the year ending 31 March 2020

	Notes	2020 £000s	2019 £000s
Cash flows from Operating Activities			
Cash inflow / (outflow) from operating activities	A	32,145	16,125
Cash flows from Investing Activities			
Interest income		766	556
Purchase of fixed assets		-	(69)
Net cash (used in) / provided by investing activities		<u>766</u>	<u>487</u>
Increase / (Decrease) in cash in the year		<u>32,911</u>	<u>16,612</u>
Cash at the beginning of the year	B	43,673	27,062
Cash at the end of the year	B	<u>76,584</u>	<u>43,673</u>

Notes to the Cash Flow Statement for the year ending 31 March 2020

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

	2020 £000s	2019 £000s
Net income for the year	26,841	18,586
Depreciation charge	55	59
Adjustment for depreciation		
Decrease / (Increase) in stock	-	198
Decrease / (Increase) in debtors	1,257	(1,741)
Increase / (Decrease) in creditors	4,126	(382)
Increase / (Decrease) in provisions	632	(39)
Investment income	(766)	(556)
Cash inflow / (outflow) from operating activities	<u>32,145</u>	<u>16,125</u>

B Analysis of cash

	At 1 April 2020 £000s	At 1 April 2019 £000s
Cash at bank and in hand	76,584	43,673
Total cash	<u>76,584</u>	<u>43,673</u>

Malaria Consortium

Notes to the financial statements for the year ended 31 March 2020

1 Accounting Policies

a Basis of Financial Statements

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

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

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

The financial review in the Trustees' Report reviews the finances of the charity for the year ended 31 March 2020 in comparison to the prior year. The Trustees' report explains how the charity is structured and managed and how major risks are dealt with.

The financial statements have been prepared on a going concern basis which the Board of Trustees considers to be appropriate for the following reasons.

The Board of Trustees has reviewed cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Board of Trustees is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the charity will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The charity has a healthy cash balance and a large proportion of grant funding required for 2020/21 and 2021/22 has been received in advance from donors. The charity has received funds in advance from philanthropic funders including a large donation of £28.5m in February 2020 from the Good Ventures for Seasonal Malaria Chemoprevention. £67.59 million is held in restricted funds for this programme which is sufficient to fund the programme for the next two financial years. During the FY 2020/21 we have also received further funding of \$8 million and commitments for further \$4million for this programme.

Funds from other donors like the Bill and Melinda Gates Foundation and Global Fund are received in advance for programme activities and retained as deferred income. £76.58 million held as cash and bank balances reflects the restricted funds as well as Malaria Consortium unrestricted funds. In the light of the ongoing COVID 19 situation, the Board of Trustees has undertaken a strategic review of the finances, secured and committed funding for the next three financial years and consider the current level of cash balances, restricted funds, unrestricted reserves sufficient to meet programme and organisational needs.

Consequently, the Board of Trustees is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

b Funds Accounting

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

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

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

c Income

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

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

d Expenditure

Expenditure is recognised in the period in which it is incurred and includes attributable VAT which cannot be recovered. Expenditure is allocated to a particular activity where the cost relates directly to that activity.

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

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

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

1 Accounting Policies continued

e Donated goods and services

Donated goods and services are valued and brought in as income when the items/services are received and expenditure when the items/services are distributed. Any undistributed items/services are treated as stock. Where the gift is a fixed asset, the asset is capitalised and depreciated. Where this intangible income relates to project activities it is included as an activity in furtherance of the charity's objects. The values attributable to donated goods are an estimate of the gross value to the organisation, usually the market value.

f Foreign Currencies

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

g Intangible Fixed Assets

Intangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised. Intangible fixed assets purchased from unrestricted funds and costing more than £1,500 are capitalised and included at cost. Depreciation is provided on all intangible fixed assets at rates calculated to write off cost on a straight line basis over four years.

h Tangible Fixed Assets and Depreciation

Tangible fixed assets purchased from restricted funds for a particular project are charged to that project and are not capitalised. Tangible fixed assets purchased from unrestricted funds and costing more than £1,500 are capitalised and included at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off cost on a straight line basis over four years, except for buildings which are depreciated on a straight line basis over 25 years. The value of the land is not depreciated.

Malaria Consortium commissioned a report in 2016 for the revaluation of the buildings, but the change in value was considered not significant enough to warrant a revaluation.

i Debtors

Amounts due from donors and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

j Cash at bank and in hand

Cash at bank and in hand includes petty cash and bank accounts including short term deposit accounts.

k Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or reliably estimated. They are normally recognised at their settlement amount.

l Financial Instruments

Malaria Consortium only has financial assets and liabilities of a kind that qualify as basic. These basic financial instruments are shown in the balance sheet and initially recognised at transaction value and subsequently measured at their settlement value.

m Pension Costs

The company makes agreed contributions to individual "Defined Contribution" pension schemes for certain employees. The assets of the scheme are held separately from those of Malaria Consortium in independently administered funds. The cost represents amounts payable in the year.

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

1 Accounting Policies continued

n Operating Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

o Group accounts

The financial statements present information about the Company as an individual undertaking and its Group. The operation of the subsidiary company Malaria Enterprise Limited in the year has been considered and 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 Malaria Enterprise Limited. However the operations of Malaria Public Health Limited have been considered material to the company for the purpose of giving a true and fair view and have been consolidated.

	CHARITY		GROUP		CHARITY		GROUP	
	2020	2020	2020	2020	2019	2019	2019	2019
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2a Income from donations								
Restricted Funds								
Restricted donations		194		194				
Subtotal		194		194				
Unrestricted Funds								
Other donations		444		444	329		329	
Subtotal		444		444				
Total		638		638	329		329	

2b Donated Goods

Donated goods received this year relate to goods from UNOPS in Cambodia with a market value of £84k (2019: £8k). Heath centre supplies in South Sudan with a market value of £89k (2019: £nil). In the UK, pro-bono legal services were valued at £23k (2019: £72k) and Microsoft licenses amounted to £57k (2019: £44k).

	CHARITY		GROUP		CHARITY		GROUP	
	2020		2020		2019		2019	
	Restricted funds	Unrestricted funds						
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Good Ventures*	28,535	-	28,535	-	(499)	-	-	-
GiveWell*	11,952	-	11,952	-	7,731	-	7,731	-
USAID	5,885	-	5,885	-	7,059	1,056	7,059	1,056
Department for International Development **	4,843	-	4,843	-	1,290	323	1,460	522
Catholic Relief Services / The Global Fund	3,802	-	3,802	-	1,631	160	2,086	160
Effective Altruism*	2,996	-	2,996	-	646	-	646	-
Health Pooled Fund	1,822	-	1,822	-	835	204	835	204
Bill & Melinda Gates Foundation	1,789	-	1,789	-	572	88	572	88
United Nations Children's Fund (UNICEF) / Department for International Development	1,810	-	1,810	-	2,187	272	2,187	272
Population Services International / The Global Fund	1,301	-	1,301	-	802	120	802	120
United Nations Children's Fund (UNICEF)	934	-	934	-	1,057	112	1,057	112
Comic Relief	538	-	538	-	361	40	361	40
The Against Malaria Foundation	536	-	536	-	654	32	654	32
United Nations for Project Services (UNOPS) / The Global Fund	396	-	396	-	303	15	303	15
WHO	390	-	390	-	83	8	83	8
University of Southern California / BMGF	229	-	229	-	144	22	144	22
James Percy Foundation	212	-	212	-	6	1	6	1
Pathfinder / USAID	163	-	163	-	269	55	269	55
Global Fund / Institut Pasteur	153	-	153	-	-	-	-	-
Medicine San Frontier	128	-	128	-	-	-	-	-
Fundacion Empresa y Sociedad*	121	-	121	-	71	-	71	-
Cynara Foundation*	110	-	110	-	101	-	101	-
Abt Associates Inc. / USAID	93	-	93	-	-	-	-	-
Intrahealth / USAID	91	-	91	-	251	80	251	80
Open Philanthropy Project Fund (an advised fund of Silicon Valley Community Foundation)*	-	-	-	-	19,894	1,015	19,894	1,015
Population Services International / Department for International Development	-	-	-	-	2,700	(441)	2,700	(441)
Unitaid	-	-	-	-	693	1	693	1
Leeds University / Department for International Development	-	-	-	-	191	91	191	91
Ministry of Health (Uganda) / The Global Fund	-	-	-	-	33	67	33	67
International Federation of the Red Cross*	-	-	-	-	50	-	50	-
IRC / Eleanor Crook Foundation	-	-	-	-	38	7	38	7
Just Giving*	-	-	-	-	13	-	13	-
ICRA USAID adjt	(63)	-	(63)	-	-	(150)	-	(150)
Transfer to unrestricted SMC	(2,116)	2,116	(2,116)	2,116	-	-	-	-
Transfer to unrestricted Other	(2,609)	2,609	(2,609)	2,609	-	-	-	-
SMC Donors of less than £100,000 each*	219	-	219	-	-	-	-	-
Grants and Contracts for projects of less than £100,000 each	267	-	267	-	208	20	208	20
Total income from charitable activities	64,527	4,725	64,527	4,725	49,375	3,197	50,499	3,396

* Seasonal Malaria Chemoprevention (SMC): the funds provided by these donors are designated for use in SMC Activities and are planned to be expended from July 2020, reflecting the seasonal nature of this activity.

** Malaria Consortium was awarded the DFID Support to National Malaria Programme Phase 2 (SUNMAP2) in Nigeria which started in January 2019. Payments of fees on this contract are triggered under a risk-based, payment-by-results model.

3 Details of charitable activities

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

	CHARITY				GROUP				CHARITY				GROUP			
	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2019 Total	Operational programmes	Grants to Partners	Support costs	2019 Total
	£000s	£000s	£000s	£000s												
Guide Policies	245	-	28	273	245	-	28	273	169	-	20	190	169	-	20	190
Preventive Treatment	12,796	3,681	1,872	18,349	12,796	3,681	1,872	18,349	9,945	215	1,184	11,344	11,070	215	1,339	12,624
Vector Control	5,036	1,004	686	6,726	5,036	1,004	686	6,726	5,771	3,027	1,025	9,824	5,771	3,027	1,044	9,843
Case Management	7,375	118	851	8,344	7,375	118	851	8,344	10,355	467	1,261	12,083	10,355	467	1,284	12,105
Health Systems	8,259	835	1,033	10,127	8,259	835	1,033	10,127	1,216	-	142	1,358	1,216	-	144	1,360
Total spent - charitable activities	33,711	5,638	4,470	43,819	33,711	5,638	4,470	43,819	27,457	3,709	3,632	34,798	28,581	3,709	3,831	36,121

	CHARITY				GROUP				CHARITY				GROUP			
	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2020 Total	Operational programmes	Grants to Partners	Support costs	2019 Total	Operational programmes	Grants to Partners	Support costs	2019 Total
	£000s	£000s	£000s	£000s												
Burkina Faso	791	1,838	299	2,928	791	1,838	299	2,928	1,733	-	202	1,935	1,733	-	206	1,939
Chad	861	1,313	247	2,421	861	1,313	247	2,421	1,401	-	163	1,564	1,401	-	166	1,567
Ethiopia	418	-	47	465	418	-	47	465	470	-	55	525	470	-	56	525
Guinea Bisseau	-	-	-	-	-	-	-	-	-	50	6	56	-	50	6	56
Mozambique	1,253	-	142	1,395	1,253	-	142	1,395	1,050	-	122	1,172	1,050	-	125	1,174
Nigeria	12,530	531	1,484	14,545	12,530	531	1,484	14,545	5,037	-	587	5,624	6,162	-	731	6,893
South Sudan	2,908	304	365	3,577	2,908	304	365	3,577	4,389	-	511	4,900	4,389	-	521	4,909
Sierra Leone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uganda	6,543	1,507	914	8,964	6,543	1,507	914	8,964	7,441	3,338	1,256	12,035	7,441	3,338	1,279	12,058
Africa multi country	6,749	-	767	7,516	6,749	-	767	7,516	4,447	165	537	5,149	4,447	165	547	5,160
Cambodia	974	145	127	1,246	974	145	127	1,246	551	156	82	789	551	156	84	791
Myanmar	344	-	39	383	344	-	39	383	342	-	40	382	342	-	41	383
Asia multi country	227	-	26	253	227	-	26	253	169	-	20	189	169	-	20	189
United Kingdom	113	-	13	126	113	-	13	126	427	-	50	477	427	-	51	478
Total	33,711	5,638	4,470	43,819	33,711	5,638	4,470	43,819	27,457	3,709	3,632	34,798	28,581	3,709	3,831	36,121

4 Support costs

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

	CHARITY		GROUP		CHARITY		GROUP	
	2020 Total	£000s	2020 Total	£000s	2019 Total	£000s	2019 Total	£000s
Communications	343	343	343	343	369	369	369	369
Finance	891	891	891	891	447	447	447	447
Human Resources	454	454	454	454	225	225	225	225
Information Technology	202	202	202	202	201	201	201	201
Management	393	393	393	393	532	532	532	532
Programme Support	2,018	2,018	2,018	2,018	1,732	1,732	1,732	1,931
Governance	169	169	169	169	126	126	126	126
	4,470	4,470	4,470	4,470	3,632	3,632	3,632	3,831

5 Personnel and staff costs

	CHARITY			GROUP			CHARITY			GROUP		
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	
	UK	Overseas	Total									
<i>Average number</i>												
Project and technical staff	16	192	208	16	339	355	17	201	218	19	246	265
Operations and logistics staff	2	92	94	2	122	124	2	77	79	2	86	88
Management, finance and administration staff	32	24	56	32	41	73	27	24	51	30	41	71
	50	308	358	50	502	552	46	302	348	51	373	424

	CHARITY		GROUP		CHARITY		GROUP	
	2020 Total	£000s	2020 Total	£000s	2019 Total	£000s	2019 Total	£000s
Aggregate costs								
Fees, salaries and agency staff costs	8,077	8,077	11,263	11,263	7,974	7,974	9,182	9,182
Social security costs	540	540	593	593	221	221	243	243
Pension contributions	143	143	392	392	5	5	98	98
Overseas staff allowances	424	424	424	424	391	391	391	391
	9,184	9,184	12,672	12,672	8,591	8,591	9,914	9,914

Higher Paid Employees

The number of employees whose emoluments excluding employers national insurance and pension contributions that amounted to more than £60,000 during the year was as follows:

	CHARITY		GROUP		CHARITY		GROUP	
	2020 Number	2020 Number	2020 Number	2020 Number	2019 Number	2019 Number	2019 Number	2019 Number
£60,000 - £69,999	7	7	7	7	7	7	7	7
£70,000 - £79,999	7	7	7	7	2	2	2	2
£80,000 - £89,999	2	2	2	2	1	1	1	1
£90,000 - £99,999	2	2	2	2	6	6	6	6
£100,000 - £109,999	2	2	2	2				
£110,000 - £119,999	1	1	1	1	2	2	2	2
£120,000 - £129,999	1	1	1	1	1	1	1	1

During the year, pension costs on behalf of these employees amounted to £46,860 (2019: £30,215).

The total remuneration of ten key management personnel, including employer national insurance and pension contributions, was £831,597 (2019: 10, £807,767).

The salary of the Chief Executive was £115,093 (2019: £115,105). The Chief Executive did not receive any pension contributions in 2020 (2019: Nil).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

6 Taxation

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

7 Expenditure

The expenditure figures are stated after charging:

	CHARITY	GROUP	CHARITY	GROUP
	2020	2020	2019	2019
	£000s	£000s	£000s	£000s
Operating lease rentals	657	657	626	626
Depreciation	55	55	59	59
Auditors' remuneration:				
Audit of these financial statements	72	78	82	82
Amounts receivable by the company's auditor in respect of audit-related assurance services	44	44	44	44
Taxation compliance services	3	3	8	8
Trustees' reimbursed expenses	1	1	1	1

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees and overseas field trips although there were none in 2020 (2019: 0). Trustees are not remunerated. No trustees were reimbursed during 2019/20 (2019: 5).

8 Statement of Funds

	CHARITY					GROUP				
	As at	Total	Total	Inter-fund	As at	As at	Total	Total	Inter-fund	As at
	1 April 2019	Income	Expenditure	Transfers	31 March 2020	1 April 2019	Income	Expenditure	Transfers	31 March 2020
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Restricted Funds										
Seasonal Malaria Chemoprevention (SMC)	41,465	41,935	(16,476)	672	67,596	41,465	41,935	(16,476)	672	67,596
Other	78	22,796	(22,874)	-	-	78	22,796	(22,874)	-	-
Total Restricted Funds	41,543	64,731	(39,350)	672	67,596	41,543	64,731	(39,350)	672	67,596
Total Unrestricted Funds										
Free reserves	3,160	6,234	(4,774)	(861)	3,759	3,160	6,234	(4,774)	(861)	3,759
Designated funds	1,126	-	-	189	1,315	1,126	-	-	189	1,315
Total Unrestricted Funds	4,286	6,234	(4,774)	(672)	5,074	4,286	6,234	(4,774)	(672)	5,074
Total Funds	45,829	70,965	(44,124)	-	72,670	45,829	70,965	(44,124)	-	72,670

Purpose of Designated Funds

The balance of designated reserves as at 1st April 2020 of £1,315k is to provide against future exchange losses (£1,050k), Sylvia Meek Scholarship Fund (£63k), Research Fund (£80k), Staff Development (£44k) and Co-financing in Mozambique (£78k).

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

8 Statement of Funds (continued)

Further analysis of restricted funds by project is shown below:

	As at 1 April 2019	Total Income	Total Expenditure	Inter-fund Transfers	As at 31 March 2020
	£000s	£000s	£000s	£000s	£000s
Restricted Funds					
Support to the APMEN Vector Control WG	-	227	(227)	-	-
World Malaria Day	-	19	(19)	-	-
					-
SMC third party funding	41,465	41,935	(16,282)	478	67,596
MCUSA SMC funding	-	-	(194)	194	-
Implementation of SMC & Support to NMEP	-	-	-	-	-
CAFOD WASH	-	-	-	-	-
					-
Malaria Action Program for Districts	-	4,950	(4,950)	-	-
RHITES-E	-	93	(93)	-	-
Anti-malaria activities	-	529	(529)	-	-
SESR-based strategies on dengue control	-	82	(82)	-	-
VC IDIQ	-	73	(73)	-	-
UG-WHO	-	298	(298)	-	-
MY SCHOOL	-	10	(10)	-	-
Antimicrobial Resistance KI Workshop	-	5	(5)	-	-
ICRA USAID adjt	-	-	-	-	-
					-
Strengthening Healthcare in Iyolwa	-	-	-	-	-
ARIDA Protocol and Field Trials Services	-	32	(32)	-	-
Community Dialogues NTDs	-	6	(6)	-	-
Expansion of Community-led Services	-	333	(333)	-	-
Rise for Nutrition	-	15	(15)	-	-
Sustained Scale-Up of Malaria Elimination	-	1	(1)	-	-
MNCH Program	-	(3)	3	-	-
RAI2e	-	391	(391)	-	-
Reducing the Malaria Burden	-	3,406	(3,406)	-	-
Implementation of RAI2E	-	364	(364)	-	-
Strengthening Uganda response	-	2,035	(2,035)	-	-
Manual Video Annotation Assessment	78	(12)	(66)	-	-
Malaria Indicator Survey	-	3	(3)	-	-
Upscale Phasing Out	-	-	-	-	-
Niger State TA for CBHW Program	-	225	(225)	-	-
Strengthening Community Based Malaria	-	186	(186)	-	-
Global Fund ATM Forest RAI2E Cambodia	-	151	(151)	-	-
iCCM+: Access to quality health service	-	146	(146)	-	-
MSF & MC US Inc North	-	127	(127)	-	-
NTD-Support Centre	-	10	(10)	-	-
					-
Transform: Primary Health Care	-	136	(136)	-	-
Malaria Surveillance Strengthening Plan	-	-	-	-	-
Scaling Up for Universal Coverage	-	820	(820)	-	-
iCCM Bridging	-	1	(1)	-	-
SuNMaP 2	-	1,243	(1,243)	-	-
SuNMaP 2 - PBR	-	3,238	(3,238)	-	-
SuNMaP Commodities	-	7	(7)	-	-
Lot16-Essential Health Care Serv-Aweil	-	1,359	(1,359)	-	-
Lot15-Essential Health Care Srv-Iolstate	-	152	(152)	-	-
Lot18-Essential Health Care Srv-Warrap	-	357	(357)	-	-
UNICEF-Digital HSS-MZ	-	366	(366)	-	-
BMGF-Functional Malaria Surv-MZ	-	881	(881)	-	-
SS-UNICEF-LOT-4	-	244	(244)	-	-
SS-UNICEF-LOT-7	-	280	(280)	-	-
Bangladesh Study	-	10	(10)	-	-
					-
Total restricted funds	41,543	64,731	(39,350)	672	67,596
Unrestricted funds - Free reserves	3,160	6,234	(4,774)	(861)	3,759
Unrestricted funds - Designated funds	1,126	-	-	189	1,315
Total Funds	45,829	70,965	(44,124)	-	72,670

9 Fixed assets

	Intangible Assets					Tangible Assets					
	Software Applications	Land & Buildings	Office Equipment	Furniture & Fixtures	Motor Vehicles						
	£000s	£000s	£000s	£000s	£000s	Total					
Cost											
At 1 April 2019	171	542	102	10	633	1,287					
Additions	-	-	-	-	-	-					
Disposals	-	-	-	-	-	-					
At 31 March 2020	171	542	102	10	633	1,287					
Depreciation											
At 1 April 2019	(166)	(74)	(103)	(10)	(534)	(720)					
Charge for the period	(2)	(8)	-	-	(45)	(53)					
Disposals	-	-	-	-	-	-					
At 31 March 2020	(168)	(82)	(103)	(10)	(579)	(773)					
At 31 March 2020	3	460	-	-	54	514					
At 31 March 2019	5	468	(1)	-	99	566					

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

10 Stock	CHARITY	GROUP	CHARITY	GROUP
	2020	2020	2019	2019
	£000s	£000s	£000s	£000s
Commodities	-	-	-	-
Medical Supplies	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

11 Debtors	CHARITY	GROUP	CHARITY	GROUP
	2020	2020	2019	2019
	£000s	£000s	£000s	£000s
Amounts due from donors	4,239	4,239	6,305	6,305
Other debtors	678	678	105	105
Prepayments	460	460	224	224
	<u>5,377</u>	<u>5,377</u>	<u>6,634</u>	<u>6,634</u>

12 Creditors	CHARITY	GROUP	CHARITY	GROUP
	2020	2020	2019	2019
	£000s	£000s	£000s	£000s
Creditors: amounts falling due within one year				
Trade creditors	1,008	1,008	124	124
Other creditors	886	886	369	369
Taxation and social security	532	532	459	459
Accruals	1,719	1,719	847	847
Deferred Income (note 14)	4,488	4,488	2,708	2,708
	<u>8,633</u>	<u>8,633</u>	<u>4,507</u>	<u>4,507</u>

Pension contributions were made during the year to defined contribution schemes in Ethiopia, Nigeria, South Sudan, Uganda, and the UK. As at 31 March 2020, there were £25k (2019: £37k) of outstanding contributions to such schemes, that are included in Other creditors above.

13 Provisions for Liabilities	2020				2019
	Programme	Overseas tax	Staff costs	Grants	Total
	£000s	£000s	£000s	£000s	£000s
At the beginning of the year	150	237	156	-	543
Utilised during the year	(228)	-	(18)	-	(246)
Charged to the SoFA for the year	379	19	6	474	878
As at 31 March 2020	<u>301</u>	<u>256</u>	<u>144</u>	<u>474</u>	<u>1,175</u>
					<u>542</u>

The provision for overseas tax relates to obligations in countries where Malaria Consortium is operating or has operated in the past. The staff provision includes amounts for severance payments on contract completion. The programme provision are potential liabilities on contracts that may become payable. The grant provision is for the payment by results risks from Sunmap2. It is expected that Malaria Consortium will settle these obligations within the next five years.

14 Deferred Income

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

	2020	2019
	£000s	£000s
Deferred income at 1 April	2,708	1,507
Incoming resources deferred in the year	23,351	25,562
Amounts released from previous and current year	<u>(21,571)</u>	<u>(24,361)</u>
	<u>4,488</u>	<u>2,708</u>

15 Operating lease commitments - land and buildings

	2020	2019
	£000s	£000s
The amount payable on leases expiring:		
Within 1 year	488	528
Between 2 -5 years	152	728
	<u>640</u>	<u>1,256</u>

16 Analysis of net assets between funds

	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	funds	funds	funds	funds	funds	funds
	2020	2020	2020	2019	2019	2019
	£000s	£000s	£000s	£000s	£000s	£000s
Fixed Assets	-	517	517	-	571	571
Net Current assets less provisions	67,597	4,556	72,153	41,543	3,715	45,259
	<u>67,597</u>	<u>5,073</u>	<u>72,670</u>	<u>41,543</u>	<u>4,286</u>	<u>45,829</u>

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

17 Related Parties

Malaria Consortium has a 100% interest in Malaria Public Health Limited, Nigeria, a company registered in Nigeria. Malaria Public Health Limited, Nigeria has net liabilities of £100k at 31 March 2020 (2019: £Nil) and expenditure of £3.706 million in the financial year (2019: £1.323m). The Board of Trustees as key management personnel are considered related parties. During the year transactions with the Board of Trustees were limited to the reimbursement of expenses as disclosed in note 7. Additional disclosure in connection with organisations that the trustees are affiliated to or involved with is provided below:

Summary of related parties 2019/20					
Entity	Description	Related Parties(Trustees)	Income	Expenditure	Balance
			GBP	GBP	GBP
					Credit
Swiss Tropical & Public Health Institute (Swiss TPH)	Flights for chair	1. Marcel Tanner is a former Director of Swiss TPH		424	
American Society of Tropical Medicine and Hygiene (ASTMH)	Venue hire for booth at annual conference	1. Marcel Tanner is an International Honorary Fellow of ASTMH		1,776	
London School Hygiene and Tropical Medicine(LSHTM)	Accommodation for staff	1. Precious Lunga is a company directors of LSHTM		595	
	Funds provided by Malaria Consortium for SMC and Access SMC programme	2. Jayne Webster is a company director of LSHTM		523,295	

Summary of related parties 2018/19					
Entity	Description	Related Parties(Trustees)	Income	Expenditure	Balance
			GBP	GBP	GBP
					Credit
Swiss TPH	Registration fee of CHF 250 for attendance at the 14th Annual Vector Control Working Group	1. Marcel Tanner is a former Director of Swiss TPH 2. Joanna Schellenberg is an External Review Board Member of Swiss TPH		197	
All Party Parliamentary Group (APPG)	APPG on Malaria and NTDs paid for a staff member's travel costs to Uganda	1. Baroness Sheehan is the Treasurer of the APPG	499		
London School Hygiene and Tropical Medicine (LSHTM)	Funds provided by Malaria Consortium for SMC and Access SMC programme	1. Precious Lunga is a trustee of LSHTM		-14,271	443,127
		2. Brian Greenwood is employed by LSHTM		104,239	
		3. Joanna Schellenberg is employed by LSHTM			

Malaria Consortium
Notes to the financial statements for the year ended 31 March 2020

18 Statement of Financial Activities for the year ending 31 March 2019

	CHARITY				GROUP			
	2019				2019			
	Restricted Funds		Unrestricted	Total	Restricted Funds		Unrestricted	Total
	SMC	Other	Funds	Funds	SMC	Other	Funds	Funds
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Income from:								
Donations	-	-	329	329	-	-	329	329
Legacies	-	-	-	-	-	-	-	-
Donated Goods	-	8	117	125	-	8	117	125
Charitable activities								
Grants, contracts & consultancy income	28,006	21,368	3,197	52,572	28,505	21,994	3,396	53,895
Investments - Interest received	401	-	155	556	401	-	155	556
Other	-	-	120	120	-	-	120	120
Total Income	28,407	21,377	3,919	53,703	28,906	22,002	4,118	55,026
Expenditure on:								
Raising funds	-	-	319	319	-	-	319	319
Charitable activities	9,648	21,518	3,632	34,798	10,147	22,143	3,831	36,121
Total Expenditure	9,648	21,518	3,952	35,117	10,147	22,143	4,150	36,440
Net (expenditure) / income	18,759	(141)	(32)	18,586	18,759	(140)	(32)	18,586
Net movement in funds	18,759	(141)	(32)	18,586	18,759	(140)	(32)	18,586
Reconciliation of funds								
Total fund brought forward	22,706	219	4,317	27,243	22,706	219	4,317	27,243
Total fund balances at end of year	41,465	78	4,286	45,829	41,465	78	4,286	45,829