

Company Number: 4785712
Charity Number: 1099776

Malaria Consortium

Report and Financial Statements for the year ended 31 March 2006

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Malaria Consortium

Legal and Administrative Details

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

Company Number 4785712

Charity Number 1099776

Registered Office Development House, 56-64 Leonard Street, London, EC2A 4LT
The Consortium, during this period, also had offices in Uganda, Ghana, Ethiopia, Mozambique, Zambia and Sudan.

The Trustees

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

<i>Chair</i>	Professor Lord Michael Chan	(deceased January 2006)
<i>Acting Chair</i>	Roger Cousins, OBE, FCMI	
<i>Treasurer</i>	Tim Armstrong, FCA	
<i>Company Secretary</i>	Patricia Ann Scutt	
	Dr Hugh Annett	
	Professor Richard John Horton	
	Professor Fred Binka	
	Dr Penelope Key, OBE	
	Mr Clive James Lee Nettleton	
	Dr Peter David Poore, OBE	
	Derek Kenneth Reynolds	
	Professor John Patrick Vaughan, CBE	
	Professor David Molyneux	(resigned 12 June 2006)
	Dr Ruairi Brugha	
	Professor Gilbert Bukenya	
	Richard Alan Barnett	
	Dr Edward Brian Doberstyn	

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

Auditors Kingston Smith LLP
Chartered Accountants
Devonshire House
60 Goswell Road, London, EC1M 7AD

Report of the Trustees

The Trustees present their report and the audited financial statements for the year ended 31 March 2006.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice (2005) - Accounting and Reporting by Charities.

Structure, governance and management

Trustees and organisational structure

The trustees who held office during the financial year and at the date of this report are set out on page 1.

The Malaria Consortium was established under a memorandum of association which established the objects and powers of the charitable company, and is governed under its articles of association. The charity is governed by a Board of Trustees (Directors), of whom there shall never be less than 3, and the maximum number shall be 18. The trustees meet quarterly for the Board of Trustees meeting, and for the Annual General Meeting (AGM), at which the audited accounts for the year are formally approved. At the AGM one third of the directors/trustees retire, and are eligible for re-election as long as they have not served for a continuous period exceeding six years. The Board of Trustees has a Finance and Audit sub-committee to scrutinise and monitor the finances of the organisation, which meets at least quarterly, and makes recommendations to the Board of Trustees.

New trustees are recruited for their skills in areas relevant to the business or activities of the Malaria Consortium. The trustees may at any time co-opt a suitable person as a director, either to fill a casual vacancy or by way of addition to their number. Trustees are sought in a variety of ways involving exploration of the field of potential candidates, including by recommendation from those working for or with the Malaria Consortium, or from existing trustees. Potential trustees are scrutinised by the Board of Trustees.

All new trustees receive an induction to the organisation by their nominator and are invited to attend a Board Meeting prior to election. The Board of Trustees delegates the induction of overseas trustees to a member of the senior management team where this is more practical. All potential candidate Trustees are given an information pack on Trustee Responsibilities provided by the Charity Commission.

The Board of Trustees make the major strategic decisions for the organisation. The Board of Trustees delegates day-to-day operational decision-making to the Executive Director, who works with the senior management team (Finance Director, Technical Director, Africa Regional Director and most senior head of a country office) to run the organisation.

The head office of the Malaria Consortium is based in the UK. There is a regional office for Africa, based in Kampala, Uganda which coordinates and supervises programmes and projects at country level. During this reporting period there were country offices in Uganda, Sudan, Ghana, Ethiopia, Mozambique and Zambia.

The Malaria Consortium works in partnership with many organisations to implement its programmes and engages in global, regional and country level initiatives. On a global and regional level we work with initiatives such as Roll Back Malaria which includes as partners, country programmes, major donors, private sector and civil society organisations; World Health Organization, UNICEF, major bilateral donors, international NGOs and academic institutions. At country level our partners include National Malaria Control Programmes and Ministries of Health; local and regional UN offices; regional organisations such as the West African Health Organisation and Southern Africa Development Community; bilateral donors; international foundations; academic institutions; civil society organisations; development projects and the private sector.

Risk Management

Responsibility for overseeing the management of risk has been delegated by the trustees to the Finance and Audit Committee, who report to the trustees regularly. As the Malaria Consortium grows the Risk Assessment and Risk Management processes are regularly reviewed and further developed. The Finance and Audit Committee is preparing a Risk Assessment Register (RAR). Once the RAR is in place it will be updated and reviewed regularly by the Finance and Audit Committee and senior management.

Objectives and activities

The objects for which the Malaria Consortium is formed are the relief of sickness among poor people suffering from diseases, including particularly malaria and the protection of health of poor people at risk of contracting such diseases.

To meet this object, the Malaria Consortium has had the following objectives that have guided its work for this reporting period:

- A. Increase the delivery of services to hard-to-reach populations and locally defined vulnerable groups especially in post-conflict situations.
- B. Increase coverage with preventive interventions of the poorest and vulnerable populations and improve the delivery systems for disease prevention through public and private sector.
- C. Improve access to effective treatment of malaria for populations most affected by the disease to reduce mortality.
- D. Undertake and promote operational research, monitoring and evaluation oriented to improving the delivery of effective interventions to vulnerable populations.
- E. To improve capacity in partner countries and organisations to control malaria and other diseases among vulnerable groups

The Malaria Consortium achieves its objectives through projects which are successfully funded, as the Malaria Consortium currently does not receive any core funding from donors or by other means.

To achieve these objectives during this reporting period, the Malaria Consortium carried out activities through funded projects on:

- A. Emergency and post-conflict assistance
- B. Prevention
- C. Treatment
- D. Research and Monitoring and Evaluation
- E. Capacity Development
- F. Integrated Prevention and Treatment

Achievement and performance

- A. Increase the delivery of services to hard-to-reach populations and locally defined vulnerable groups especially in post-conflict situations:** The Malaria Consortium has been working in the emergency and post-conflict settings of Northern Uganda, Sudan and Somalia, to provide access to treatment and prevention, and to help strengthen the health system by training health workers in how to manage malaria cases. In North Sudan we have trained teams of doctors in 15 states on case management of malaria. We have also provided training materials to support the training of 1,000 doctors and 1,500 medical assistants in this area.

Whilst the majority of the Malaria Consortium's work is focused on malaria, we have also been involved in working in four districts of conflict affected northern Uganda to provide treatment to tuberculosis patients, setting up 53 new treatment centres and training health workers in case detection, treatment and referral of TB patients.

- B. Increase coverage with preventive interventions of the poorest and vulnerable populations and improve the delivery systems for disease prevention through public and private sector:** Activities relating to prevention include establishing centres for re-treatment of nets with insecticide in 10 districts of Ghana, creating public-private partnerships for a sustainable approach to ensuring insecticide treated nets reach the poorest people, especially pregnant women, in three provinces of Mozambique, and developing and implementing public-private partnerships in Uganda and Mozambique to increase access to prevention and treatment commodities by the poor. As part of our work on preventive measures in Mozambique, about 50,000 insecticide treated nets have been distributed through antenatal clinics to pregnant women. 260,000 insecticide treated nets have been distributed in Uganda; 183,000 of these in Northern Uganda.
- C. Improve access to effective treatment of malaria for populations most affected by the disease to reduce mortality:** Our work on treatment includes supporting the monitoring of drug resistance in nine countries in West Africa, helping the Ugandan Ministry of Health to implement its national drug policy change to more effective treatments, testing strategies for home-based management of fever and

developing and implementing commercial strategies for artemisinin-based combination therapy in Uganda to increase access to these commodities by the poor.

- D. Undertake and promote operational research, monitoring and evaluation oriented to improving the delivery of effective interventions to vulnerable populations:** Our research and monitoring and evaluation activities have included carrying out a national baseline survey in Cambodia, and an external review of Myanmar's malaria control systems. Another area of focus for the Malaria Consortium's increasing operational research activities has been the testing of new technologies, particularly in the field of vector control. We have also supported the establishment of a sentinel surveillance system to monitor the efficacy of anti-malarial drugs and provide evidence to support the policy change processes in West Africa.
- E. To improve capacity in partner countries and organisations to control malaria and other diseases among vulnerable groups:** The Malaria Consortium has been supporting capacity development through health system strengthening in East and Southern Africa, including Zambia, Uganda, Ethiopia, Tanzania and Mozambique, providing management support to the Roll Back Malaria partnership in Uganda, and running a resource centre for the East Africa Regional Network to support national malaria control efforts in the region.

The achievement of these objectives is dependent on many factors, both within and outside of the control of the organisation. The main factors identified by the organisation are:

1. Risk of a substantial drop in the level of funding of malaria projects by donors: a major drop in the level of funding of malaria work would substantially affect our ability to meet our objectives. To mitigate this risk, we are increasing the amount of advocacy work we engage in, to ensure donors are aware of the burden of malaria, and the necessity of fighting it. We are also broadening our work to look at other communicable diseases, such as TB, and provide an integrated service.
2. Level of core funding: The Malaria Consortium does not receive any core funding. This limits our ability to set and follow our own objectives, as we are restricted to what funding opportunities are available. We are seeking to manage this through keeping core costs to a minimum and ensuring that projects are costed so that direct project costs as well as all related organisational running costs are included in accordance with donor guidelines.
3. Some charitable activities may be unsustainable due to lack of funds: as a result of the lack of core funding, we are reliant on being awarded grants and contracts to carry out projects. There is a risk that these may not be enough to sustain our activities in certain places. This situation was identified for our office in Ghana. After attempts to generate more income to support our activities in Ghana were unsuccessful, the decision was made to close down the office there, in order to reduce the drain on our resources.
4. Conflicts of interest: Being governed by the Board of Trustees, the Malaria Consortium is aware that conflicts of interest may arise for trustees. To manage this situation, the Malaria Consortium has put in place a policy (following Charity Commission guidelines), whereby any potential conflicts of interest are notified to the Board as soon as the trustee becomes aware of them, and action is taken as appropriate to deal with the situation.
5. Security risks: As our objectives involve working with vulnerable populations, including in post-conflict situations, security risks are a factor in meeting our objectives. The safety of our staff is of paramount importance to the Malaria Consortium, and we have Security Guidelines in place to govern how we deal with these situations. We also ensure we keep up-to-date information about the security situations where we work, and have suitable insurance to cover our work and staff.

Review of Financial Performance

Incoming Resources

In the accounting period MC's total income was £3.2m. This compares with an income of £1.2m in the previous financial year, an increase of 167%. This excellent performance is largely based on our success in winning four new multi-year contracts from the UK government agency, *Department for International Development (DfID)*. *Development Corporation Ireland (now Irish Aid)*, *Gates Malaria Partnership* at the *London School of Hygiene & Tropical Medicine* and the *World Health Organisation* and US government agency – *USAID*, via sub-agreements with *John Snow, Inc.* and *John Hopkins Bloomberg School of Public Health* continue to support our work.

Diversifying income sources has been a priority and we have been able to raise substantial funds from private organisations, a multi-year project supported by the Africa Malaria Partnership, *GlaxoSmithKline* and smaller operations research and new malaria product development funded by *Bayer International* and *Sygenta*. We also secured small funding for activities through Principal Recipients of *The Global Fund to fight AIDS, TB and Malaria* projects. A summary of all the restricted funds can be found in note 2 on page 11.

Resources Expended

Total expenditure was £2.3m, which represents an increase of 83% on previous year. This increase in activity is reflected in the 60% increase in average number of staff members, 90% of whom are employed in malaria endemic countries in our offices in Africa.

Result for the year

The net surplus for the year was £927,749 compared to a deficit of £45,846 in 2005. At the end of the year restricted funds stood at £997,173 and these funds are earmarked for ongoing projects, the largest of which are Emergency – Post Conflict and Advocacy & Communication (please refer to note 9 on page 13). Unrestricted funds stood at £348,089.

Reserve Policy

The charity carries out a variety of both long and short term projects. The Board of Trustees has examined the requirement for free reserves which are those unrestricted funds not invested in fixed assets, designated for specific purposes or otherwise committed. The Board considers that, given the nature of our work, it would be prudent to hold free reserves sufficient to cover four months worth of ongoing operating expenditure which translates to about £270,000 in free reserves, which would give the organisation flexibility to cover temporary timing differences for grant claims, adequate working capital for core costs, and would allow MC to respond quickly to emergencies if needed. We are pleased to report this target indeed has been reached at the end of this reporting period. At 31 March 2006, free reserves stood at £269,110 – which is unrestricted funds of £348,089 less £78,979 represented by fixed assets.

Investment Policy and Performance

The nature of the activities of the charity are such that unforeseen calls can be made on its resources at short notice when new opportunities arise. Accordingly, the bulk of the charity's liquid reserves are held for the time being in interest bearing accounts that can be called on without notice. The trustees consider this policy appropriate whilst there is a need for funds to be made available at short notice to facilitate response to needs and opportunities.

Plans for Future Periods

In order to pursue the objects of the charity, the Malaria Consortium has identified key aims that it will continue to pursue over the next few years

- Validate and implement strategies that ensure that the poor, marginalised and neglected populations benefit from existing technologies and interventions that could lift the burden of malaria on poor households, families and communities
- Contribute to ensuring that the Millennium Development Goals related to malaria are met amongst the poorest 40%. Challenge current approaches to delivery to make them cost-effective and ensure they reach the poor; particularly approaches to public-private partnerships and integrated delivery of interventions
- Be at the forefront of validating new technologies in the operational environment and forming new partnerships to develop operational research capacity in endemic countries
- Continue to ensure that at least 90% of our human resources are located where the burden of malaria is highest
- Advocate for directing resources towards those diseases, including malaria, that cause the greatest devastation of poor households and livelihoods

To meet these aims and objectives, the Malaria Consortium plans to carry out the following activities:

- Continue to work in the post-conflict areas in Northern Uganda and Sudan, expanding our work in these areas
- Continue to strengthen health systems for communicable diseases control in East and Southern Africa
- Increase our work on case management, especially management of severe malaria and access to treatment.
- Broaden our work on malaria prevention and diagnosis
- Carry out embedded operational research for improving communicable disease control at the implementation level
- Improve our communications capacity

- Continue to strengthen public-private partnerships to increase access to interventions for urban poor and rural populations
- Enhance advocacy to ensure adequate resources are committed and longer-term for the effective control of malaria

Statement of Responsibilities of the Trustees

The trustees are responsible for preparing the Annual report and the financial statement in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including the net income or expenditure, for the period. In preparing those 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 accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enables them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. The trustees have taken all the steps that they ought to have as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

On 1st May, Kingston Smith transferred their business to Kingston Smith LLP, a Limited Liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Approved by the trustees on 14 September 2006 and signed on their behalf by:


.....
Roger Cousins – Acting Chair

Date: 14/09/06

Independent Auditor's Report to the Members of Malaria Consortium

We have audited the financial statements of Malaria Consortium for the year ended 31 March 2006 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable 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 Auditors

The trustees' (who are also the directors of Malaria Consortium for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report, which incorporates the Directors' Report required by the Companies Act 1985, and report to you our opinion on whether it is consistent with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at Malaria Consortium and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the Trustees' Annual Report is consistent with the financial statements.

Kingston Smith LLP

Kingston Smith LLP
Chartered Accountants and Registered Auditors
60 Goswell Road, London EC1M 7AD

Date: 4/10/2006

Malaria Consortium

Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31st March 2006

		2006			2005
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds (restated)
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary Income					
Donations in cash		104	-	104	-
Donations in kind		-	-	-	22,868
Interest received		11,901	294	12,195	1,158
Incoming resources from charitable activities:					
Grants, contracts & consultancy income	2	24,048	3,136,980	3,161,028	1,163,138
Total Incoming Resources		36,053	3,137,274	3,173,327	1,187,164
Resources Expended					
Charitable activities	3	15,479	2,223,049	2,238,528	1,222,632
Governance costs	7	7,050	-	7,050	10,378
Total Resources Expended	8	22,529	2,223,049	2,245,578	1,233,010
Net income/(outgoing) resources before transfers		13,524	914,225	927,749	(45,846)
Transfers	9	230,214	(230,214)	-	-
Net movement in funds		243,738	684,011	927,749	(45,846)
Fund balances at 1 April 2005		104,351	313,162	417,513	463,359
Fund balances at 31 March 2006	9	348,089	997,173	1,345,262	417,513

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

Malaria Consortium

Balance Sheet - as at 31 March 2006

		<u>2006</u>		<u>2005</u>	
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	10		78,979		83,105
Current Assets					
Debtors	11	301,916		199,902	
Bank and cash balances		<u>1,012,548</u>		<u>186,416</u>	
		<u>1,314,464</u>		<u>386,318</u>	
Creditors					
Amounts falling due within one year	12	48,181		51,910	
		<u>48,181</u>		<u>51,910</u>	
Net current assets			1,266,283		334,408
Net assets			<u><u>1,345,262</u></u>		<u><u>417,513</u></u>

Represented by:

FUNDS

Unrestricted funds	9	348,089	104,351
Restricted funds	9	997,173	313,162
		<u><u>1,345,262</u></u>	<u><u>417,513</u></u>

Approved by the Board on the 14 September 2006 and signed on its behalf:



Tim Armstrong
Treasurer

The attached notes form an integral part of these financial statements.

Malaria Consortium
Notes to the Financial Statements - For the year ended 31 March 2006

1 Accounting Policies

a Basis of Accounting

The accounts have been prepared under the historic cost convention and in accordance with applicable Accounting Standards and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The format of the Income and Expenditure Account has been adapted from that prescribed by the Companies Act 1985 to better reflect the special nature of the charity's operations. The accounts comply with the Companies Act 1985. In light of this, where necessary, 2005 figures have been restated to provide comparative figures for 2006.

b Funds Accounting

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

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

c Incoming Resources

Incoming resources given for a specific purpose are credited to a restricted fund. Project grants, contracts and consultancy income are recognised when received or receivable, unless they relate specifically to a future period, in which case they are deferred. Donations income is recognised when received.

Gifts in kind are valued and brought in as incoming resources and the appropriate resources expended. Where the gift is an asset, the asset is capitalised and depreciated. The values attributable to gifts in kind are an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable and are recognised as incoming resources when receivable. Where this intangible income relates to project activities it is included as an activity in furtherance of the charity's objects.

d Resources Expended

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

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

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.

Governance costs include those incurred in the governance of its assets and primary associated with constitutional and statutory requirements.

e Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. The overseas branch income and expenditure is translated at the average rate of exchange for the period. 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. Exchange gains and losses on consolidation are included in the general fund.

f Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £250 are capitalised and included at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over four years.

g Pension Costs

The company makes agreed contributions to individual "defined contribution" pension schemes for certain employees. The cost represents amounts payable in the year.

Malaria Consortium
Notes to the Financial Statements - For the year ended 31 March 2006

	2006 £	2005 £
2 Incoming resources from charitable activities:		
Unrestricted Funds	<u>24,048</u>	<u>4,470</u>
Restricted Funds		
Department for International Development UK		
Support to the Roll Back Malaria Partnership	-	58,355
Support for Malaria Prevention and Control in Uganda	183,129	-
Developing a Sustainable ITN Market for Malaria Prevention: Mozambique	497,068	-
Scaling up the Malaria Response in Sudan project	614,079	-
Review Integrated Management of Childhood Illnesses/WHO Africa Regional Office	39,575	-
Department for International Development East Africa		
Design and Implementation of Net Retreatment and Emergency		
Response to Internally Displaced Peoples (IDPs) in Uganda	-	88,496
DOMC Business Plan and East Africa Network for Drug Efficacy, Kenya	-	33,831
Development Corporation Ireland		
Malaria Control and Health Systems Phase 1 & 2	305,524	264,305
Strengthening of Tuberculosis Control among IDPs Northern Uganda	133,069	174,583
United Nations Children Fund		
ITN Communications Strategies Survey Somalia	-	70,954
UNICEF Northern Uganda Gaps	142,623	-
John Snow, Inc. (USAID)		
Uganda Program for Human and Holistic Development	191,602	151,999
John Hopkins Bloomberg School of Public Health (USAID)		
AFFORD - Health Marketing Initiative in Uganda	181,977	-
GlaxoSmithKline Services Africa Malaria Partnership		
Mobilising for Malaria	300,000	-
Academy for Educational Development (USAID)		
Public Private Partnership Forum Uganda	70,342	-
Bayer International		
Field Trials Net Retreatment	35,591	-
SYNGENTA		
Field Trials Insecticide	31,466	-
London School of Hygiene and Tropical Medicine and Gates Malaria Partnership		
Support to West Africa network for Drug Efficacy	46,033	41,170
Enhanced Support to West Africa Network for Drug Efficacy	37,081	27,756
World Health Organisation		
Cambodia Malaria Baseline Survey	13,244	44,450
Roll Back Malaria Management Strengthening	55,856	54,063
Global Fund for AIDS, TB and Malaria (PR)		
Net Retreatment in Ghana	38,404	-
Communications Support in Uganda	81,663	-
Grants and Contracts for projects of less than £25,000 each	138,654	148,706
	<u>3,136,980</u>	<u>1,158,668</u>
Total incoming resources from charitable activities	<u>3,161,028</u>	<u>1,163,138</u>

Malaria Consortium
Notes to the Financial Statements - For the year ended 31 March 2006

3 Details of charitable activities

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

	Operational programmes	Support costs	2006 Total	2005 Total
	£	£	£	£
Unrestricted Funds	-	15,479	15,479	100,422
Restricted Funds				
Treatment	234,814	46,421	281,235	55,334
Prevention	446,017	86,819	532,836	20,863
Integrated- Prevention & Treatment	428,250	121,510	549,760	288,885
Research - Monitoring & Evaluation	55,992	10,347	66,339	72,917
Capacity Development	104,858	16,630	121,488	175,006
Emergency - Post Conflict	236,149	119,514	355,663	418,900
Advocacy & Communications	121,589	67,472	189,061	7,948
Other Communicable Diseases	89,454	37,213	126,667	82,357
Total spent - restricted funds	1,717,123	505,926	2,223,049	1,122,210
Total spent - charitable activities	1,717,123	521,405	2,238,528	1,222,632

4 Support costs

The support costs of the charity consisted of two cost elements: management and oversight staff costs and core operating costs. These costs have been apportioned across the work of the charity on the basis disclosed in note 1 :

	Management & oversight staff costs	Core operating costs	2006 Total	2005 Total
	£	£	£	£
Unrestricted Funds	-	15,479	15,479	74,533
Restricted Funds				
Treatment	46,421	-	46,421	10,670
Prevention	56,681	30,138	86,819	8,105
Integrated- Prevention & Treatment	66,369	55,141	121,510	110,117
Research - Monitoring & Evaluation	5,148	5,199	10,347	27,247
Capacity Development	11,110	5,520	16,630	103,366
Emergency - Post Conflict	81,303	38,211	119,514	144,592
Advocacy & Communications	47,798	19,674	67,472	1,632
Other Communicable Diseases	22,739	14,474	37,213	46,941
	337,569	168,357	505,926	452,670
Total costs allocated	337,569	183,836	521,405	527,203

5 Personnel and staff costs

	2006			2005
	UK	Overseas	Total	Total
<i>Average number</i>				
Project and technical staff	2	22	24	17
Management, finance and administration staff	3	19	22	9
Project consultants	-	4	4	9
	5	45	50	35

	2006	2005
	£	£
<i>Aggregate costs</i>		
Fees, salaries and agency staff costs	957,634	588,778
Social security & pension costs	47,761	39,382
Overseas staff allowances	106,320	63,045
	1,111,715	691,205

Number of employees receiving remuneration of more than £60,000

Nil Nil

6 Taxation - The charitable company is exempt from corporation tax as all its income is for charitable purposes.

Malaria Consortium
Notes to the Financial Statements - For the year ended 31 March 2006

7 Governance costs

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

	2006	2005
	£	£
Auditor's remuneration		
Audit Fee	7,050	6,020
Preparation of Statutory accounts	-	3,975
Trustees' reimbursed expenses	-	383
	<u>7,050</u>	<u>10,378</u>

8 Resources expended

The resources expended figures are stated after charging:

	2006	2005
	£	£
Operating lease rentals	46,423	34,354
Depreciation	41,713	45,056
Auditor's remuneration		
Audit Fee	7,050	6,020
Other costs	-	3,975
Prior year under accrual - accounts preparation	10,016	4,675
Trustees' reimbursed expenses	-	383

Trustees' reimbursed expenses represents the travel and subsistence costs relating to attendance at meetings of the trustees. Trustees are not remunerated.

9 Statement of Funds

	as at 1 April 2005	Incoming resources	Resources expended	Inter-fund Transfers	as at 31 March 2006
	£	£	£	£	£
Restricted Funds					
A Treatment	39,630	266,244	(281,235)	(21,114)	3,525
B Prevention	-	535,472	(532,836)	(2,636)	-
C Integrated- Prevention & Treatment	120,577	679,103	(549,760)	(90,276)	159,644
D Research - Monitoring & Evaluation	12,208	130,806	(66,339)	(26,617)	50,058
E Capacity Development	48,521	134,796	(121,488)	(1,048)	60,781
F Emergency - Post Conflict	-	778,789	(355,663)	(38,253)	384,873
G Advocacy & Communications	-	477,058	(189,062)	(33,873)	254,123
H Other Communicable Diseases	92,226	135,006	(126,666)	(16,397)	84,169
	<u>313,162</u>	<u>3,137,274</u>	<u>(2,223,049)</u>	<u>(230,214)</u>	<u>997,173</u>
Unrestricted funds	104,351	36,053	(22,529)	230,214	348,089
Total funds	<u>417,513</u>	<u>3,173,327</u>	<u>(2,245,578)</u>	<u>-</u>	<u>1,345,262</u>

Inter-fund transfers are made up of surplus balances on completed consultancy contracts (£107,234), recovery of core expenditure allocated to specific projects (£114,879) and a contribution from a project to purchase a motor vehicle (£8,101).

Purpose of Restricted Funds

- A Improve access to effective treatment of malaria for populations most affected by the disease to reduce mortality
- B Increase coverage of poorest and vulnerable populations and improve the delivery systems for preventive interventions through public and private sector.
- C Projects under this category combine the purposes listed in A and B above.
- D Orient operational research to improve the delivery of effective interventions to vulnerable populations.
- E To improve capacity in partner countries and organisations to control malaria and other diseases among vulnerable groups
- F Increase the delivery of services to hard-to-reach populations and locally defined vulnerable groups especially in post-conflict situations.
- G Enhance advocacy to ensure adequate resources are committed and longer-term for the effective control of malaria.
- H The only project under this category is involved in strengthening of tuberculosis control in some parts of Northern Uganda.

Each restricted fund (except other communicable diseases) represents several separate projects funded by different donors who are listed in note 2 on page 11.

Malaria Consortium
Notes to the Financial Statements - For the year ended 31 March 2006

10 Tangible fixed assets

	Office Equipment £	Furniture & Fixtures £	Motor Vehicles £	Total £
Cost				
At 1st April 2005	38,292	14,648	77,961	130,901
Additions	21,254	-	17,655	38,909
Disposals	-	-	(2,816)	(2,816)
At 31st March 2006	59,546	14,648	92,800	166,994
Depreciation				
At 1st April 2005	15,560	6,017	26,219	47,796
Charge for the year	13,899	3,700	24,114	41,713
Disposals	-	-	(1,494)	(1,494)
At 31st March 2006	29,459	9,717	48,839	88,015
Net book value				
At 31st March 2006	30,087	4,931	43,961	78,979
At 31st March 2005	22,732	8,631	51,742	83,105

	2006 £	2005 £
11 Debtors		
Amounts due from donors	272,485	179,936
Other debtors	14,439	2,565
Prepayments	14,992	17,401
	301,916	199,902

	2006 £	2005 £
12 Creditors		
Creditors: amounts falling due within one year		
Trade creditors	23,904	22,600
Other creditors	9,621	2,213
Accruals	14,656	27,097
	48,181	51,910

	2006 £	2005 £
13 Operating lease commitments - land and buildings		
Annual commitments under operating lease:		
Less than 1 year	63,045	42,200

	Unrestricted funds £	Restricted funds £	Total funds 2006 £	Total funds 2005 £
14 Analysis of net assets between funds				
Fixed Assets	78,979	-	78,979	83,105
Net current assets	269,110	997,173	1,266,283	334,408
	348,089	997,173	1,345,262	417,513