

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
(a company limited by guarantee)

Registered in England No. 05393391
England and Wales Charity No. 1115606
Scottish Charity No. SC039197

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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For the year ended 31 March 2020

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Prof P Wood	Chair
Dr W Amanfu	Chair of Technical Scientific Advisory Committee
Prof M Rweyemamu	Vice-Chair
Mr M J Ince FCA MBA	-
Prof M Gill	Chair of Finance & Risk Committee
Prof K Pathak	Chair of Impact, Monitoring & Evaluation Advisory Committee
Dr I Dieuzy-Labayé	-
Dr J Maina	Chair of Commercial Development Advisory Committee
Mr S Jha	Chair of HR Committee, Appointed 17 September 2019
Dr P van Aarle	Appointed 17 September 2019
Prof O Smith	Resigned 17 September 2019
	Resigned 17 September 2019

Chief Executive Officer Dr C Schumacher

Company Secretary Ms H Stevenson CA

Independent Auditors

MHA Henderson Loggie
Chartered Accountants
Ground Floor, 11-15 Thistle Street
Edinburgh, EH2 1DF

Legal Advisors

Dentons LLP
Quartermile One
15 Lauriston Place
Edinburgh, EH3 9EP

Bankers

Lloyds Bank plc
City Office, PO Box 72
Bailey Drive, Gillingham Business Park
Kent, ME8 0LS

Registered Office

One Fleet Place
London, EC4M 7WS

Principal Office

Doherty Building
Pentlands Science Park
Bush Loan, Edinburgh, EH26 0PZ

Company No. 05393391

England and Wales Charity No. 1115606

Scotland Charity No. SC039197



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TRUSTEES' REPORT
For the year ended 31 March 2020

INTRODUCTION

The Trustees have pleasure in presenting their report for the year ended 31 March 2020. This report is prepared in accordance with the recommendations of *Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)* and in accordance with applicable law.

Global Alliance for Livestock Veterinary Medicines (the company) has complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Global Alliance for Livestock Veterinary Medicines (GALVmed) is a company limited by guarantee and is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator (OSCR). It is incorporated in the UK with its principal office in Edinburgh, UK. Other offices are maintained in New Delhi, India (South Asia office); and Nairobi, Kenya (Africa office). Other reference and administrative details are set out in the previous section.

OBJECTS, OBJECTIVES AND ACTIVITIES

Objects

Around 900 million people rely on livestock for their livelihoods. The company's objects, as set out in its Memorandum of Association, are for the benefit of the public:

- 1) to relieve financial hardship and promote good health (including improving food security) amongst smallholder livestock keepers in developing countries through the promotion of affordable vaccines, pharmaceutical and diagnostic products and services aimed at improving the health of their livestock; and
- 2) to promote the effective use of resources to achieve the above charitable purposes through the identification, management, funding and co-ordination of: a) development of livestock vaccines, pharmaceuticals and diagnostics products and services; and b) delivery of these products and services at affordable prices, by working in partnership with others (whether charities, government or private bodies or institutions).

GALVmed's vision is the transformational improvement in the wellbeing and economic progression of smallholder livestock farmers. Our mission is to contribute to the transformation of smallholder livestock farmers' lives by:

- understanding the constraints to animal health and how to overcome them;
- enabling the animal health industry; and
- ensuring awareness, availability and adoption of effective animal health interventions.

Objectives & Activities

GALVmed achieves its charitable purpose by operating a series of Research and Development, Commercialisation and Policy Development programmes, funded principally by the Bill and Melinda Gates Foundation (BMGF) and the British Government through its Department for International Development (DFID). These programmes are designed to identify products that smallholder livestock farmers can use to improve the health of their animals and to make such products more easily accessible to those farmers. The two largest of these programmes are Veterinary Innovations Transforming Animal Health and Livelihoods (VITAL), with a budget of \$50m, and African Animal Trypanosomiasis (AAT) 3, with a budget of \$19m. 6 other programmes are also being operated, with values ranging from £68k to \$4.3m (see note 12 for further programme information).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governance of the company is the responsibility of the Trustees and the company adopts the appropriate principles and recommended practices of the Charity Governance Code.

The Members elect the Trustees in accordance with the terms of the Memorandum and Articles of Association.



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Following the conclusion of an institutional (governance) review by Deloitte in March 2018, a variety of governance measures have been strengthened this year, including: consolidation of the Members into one category (previously two); improvement of the Trustee induction programme; and defining more clearly the Role of the Board and that of the Members. The company's Articles of Association were revised to be more relevant and user-friendly and the changes were approved by the Board at the 2019 AGM and by the OSCR.

Trustee Recruitment, Induction, Training and Evaluation

The maximum number of Trustees permitted by the company's Articles is 10. Trustees are *recruited* for their individual skills and experience to fill current or impending vacancies. In order to replace Trustees retiring in 2020, a recruitment exercise was launched in January 2020 and a Selection Panel, comprising the HR Committee Chair, the Chair, Vice Chair and previous HR Committee Chair selected, interviewed and successfully recommended the appointment of 2 candidates to the Board, with a 3rd potentially to follow in June 2020. The appointments are subject to AGM approval in September 2020.

The Trustee *induction* process has been strengthened and formalised to ensure clarity of the role of the Trustee and their responsibilities under company and charity legislation. Trustees, new and current, also receive *training* on their legal responsibilities annually prior to the AGM.

Trustee *evaluation* takes place annually and is based on self-assessment, peer-assessment and annual performance interviews with the Chair and Vice-Chair; the process includes procedures for dealing with poor performance.

Trustees' and Members' Meetings and Business

Trustees meet formally four times a year, two of which are physical and two are conference calls. Physical meetings with Members' are held when the physical Board meetings take place. The business of all meetings is minuted.

At 31 March 2020 there were 13 Members and 9 Trustees. In addition, observers from 5 organisations, including BMGF and DFID, the company's major donors, are invited to attend the company's physical meetings.

The Board is supported by the Finance & Risk and HR committees, to whom aspects of day to day accountability and governance are delegated. The HR Committee is responsible for safeguarding. There are also three advisory committees - the Technical Scientific, Commercial Development and Impact, Monitoring and Evaluation committees. These committees provide guidance to the Board through the involvement of external experts.

Strategy and Decision Making

Development of the company's strategy for the achievement of its charitable objectives is overseen by the Board of Trustees and evolved by the Executive Directors. Development of the company's Strategy to 2030 was launched in 2018. Strategy development has actively continued in the year overseen by a Strategy Steering Committee (3 Trustees and 2 Executive Directors). The strategy is expected to be presented to the Board and the Members for their approval at their meetings in September 2020.

The company is currently implementing its 2015-2021 Strategy and the corporate objectives set out in the related Business Plan. Progress in achieving these objectives is assessed by the Board through reports by the Chief Executive and the Executive Directors at Board meetings. Strategic and operational issues are brought to the Board for assessment and direction as required.

Key Management Remuneration

Key management includes the Chief Executive (CEO) and Executive Directors of the company who operate as the GALVmed Leadership Team (GLT).

The HR Committee has responsibility delegated to it for setting the framework for key management remuneration. The main responsibilities of the Committee in relation to key management remuneration are:



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- to determine and agree with the Board the broad policy for key management's remuneration;
- to approve the design, determine targets and approve payments of any performance related schemes; and
- to determine the total remuneration package of each member of the GLT.

The performance related pay scheme, which is based on departmental, and individual objectives developed from the corporate objectives, is applicable to all employees. A salary benchmarking exercise is currently being carried out and is expected to be completed by October 2020.

Diversity

The diversity of the Trustees, GLT and staff at 31 March 2020 is:

	Gender		Ethnicity		
	Male	Female	African	Asian	Caucasian
Trustees	7	2	3	2	4
GLT	3	3	1	-	5
Staff	18	8	10	3	13

Safeguarding

GALVmed is committed to addressing safeguarding throughout its work. It does so through a specific set of policies and procedures that include: Safeguarding Policy (which explicitly addresses prevention, reporting and response); Trustee and GLT training; all-staff awareness; and contractual commitment to safeguarding by its partners and consultants.

Partnerships and Related Parties

Partnerships with entities to whom research and development, commercialisation and other work can be subcontracted is a key part of the way the company operates and is instrumental in allowing it to pursue its charitable objectives. The company initiates, facilitates, brokers and contributes to such partnerships from two perspectives: 1) specific partnerships to deliver and support programme achievement and impact; and 2) higher level strategic partnerships to initiate and advance the livestock agenda. All such relationships are formalised through Memoranda of Understanding, Confidentiality Agreements and Contractual Agreements. All contractual arrangements and related party transactions (detailed in Note 17 to the Financial Statements) are conducted at arm's length.

STRATEGIC REPORT

Performance and Achievements

Key Performance Indicators

The Trustees and GLT assess the financial and operational performance of each programme using the following key performance indicators (KPI):

- detailed milestones within specific activities as defined in the funder agreement for each programme;
- quarterly KPI dashboards, providing quantitative and qualitative measure of delivery across all functions;
- monthly and quarterly actual expenditure against Board approved budget and forecasts; and
- achievement of the annual corporate objectives.

The Advisory and Board Committees oversee the financial and operational performance of organisational and programme activities quarterly.

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Key Achievements

The company has made good progress during the year in achieving its charitable purpose. Its corporate objectives for the year to 31 March 2020 together with key achievements are:

Objective	Achievements
Strategic	
Deliver a new GALVmed organisational strategy and budget, providing a strong vision and clear path to delivering GALVmed's mission until 2030.	
	A Strategy Steering Committee comprising representatives from the Board and GLT was established and provided oversight and guidance on the evolution of the strategy during the year.
Tactical	
Deliver VITAL, AgResults Brucellosis, AAT 2 and BI-Last-Mile programmes on plan and budget and mitigate risk to GALVmed's stakeholder and partner reputations.	
	All VITAL projects have been launched and are progressing well and the AAT programmes are on track (all subject to COVID-19 effects). The company successfully secured funding for two other programmes and effectively resourced them and integrated them into GALVmed's operations. The DFID Independent Impact Assessment project was also launched.
Process	
Continuously improve and simplify GALVmed policies, key processes and ways of working.	
	There has been significant progress across a variety of systems, policies and processes including: expansion of Microsoft Project; implementing KPI performance dashboards; GLT team building; launching a comprehensive job evaluation exercise; and strengthening governance.
Outreach	
Broaden engagement with internal and external stakeholders with benefits for smallholder farmers, staff and GALVmed performance in mind.	
	External stakeholder and beneficiary communication has been enhanced through stronger stakeholder interaction, website evolution and increased use of social media. Active stakeholder engagement has been a fundamental element of evolving the strategy.
Development	
Proactively research new business development opportunities targeting smallholder livestock farmers and develop proposals to achieve enhanced delivery and sustainable impact in the smallholder farmer sector.	
	Following a competitive tender process GALVmed secured funding for the AgResults Foot and Mouth Disease (FMD) programme. A funding application for the Transforming Animal Health Solutions and Services for Low-Middle Income Countries (TAHSSL) programme was also successful. There are currently 2 further initiatives being evaluated by potential funders. In addition, 7 concept notes are at various stages of drafting.

The Impact of our Work

Our mission is to contribute to the transformation of smallholder farmers' lives by ensuring awareness, availability and adoption of effective animal health interventions which have a beneficial impact on livelihoods.

We have been able to demonstrate the impact of our work with research undertaken on the poultry industry in India and Africa. The research was carried out to evaluate the effect of an increased uptake in the vaccine to counter Newcastle Disease in poultry. It showed:

- 1) the average flock size increased;
- 2) This enabled poultry keepers to increase income from poultry sales;
- 3) The impact on livelihoods has increased protein consumption; and
- 4) Every bird sold has increased the percentage of poultry income spent on household education.

Our work on improving health products in respect of other animal diseases and the availability of them should produce similar results.



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Financial Review

Income in the year was £12.4m (2019: £5.8m) and total resources expended were £11.4m (2019: £11.5m).

Income

Restricted income of £11.1m (2019: £4.7m) included £8.1m in respect of VITAL and £1.1m in respect of AAT 3; funding for other programmes totalled £1.9m. Unrestricted income of £1.3m (2019: £1.1m) was received in 2019-20 from contributions from programmes to overheads, and from interest.

Expenditure

Expenditure remained broadly consistent at £11.4m (2019: £11.5m). VITAL costs of £7.0m continue to make up the largest proportion of expenditure (61%, 2019: 55%) and expenditure on the two AAT programmes (2&3) remained constant at £2.3m. Unrestricted spend has remained consistent at £0.9m.

Unrealised Exchange Gains/Losses

An unrealised exchange gain of £0.3m has arisen in 2019-20 (2019: gain of £0.8m) on the conversion of foreign currency balances at year end exchange rates; the gain is a result of the weakening of sterling against the US dollar in which the majority of the company's funding is received. The company minimises the effects of currency fluctuations by taking a number of steps, including contracting in the funded currency where possible and optimising the timing of foreign currency conversions.

Balance Sheet

The level of cash held has increased from £9.6m to £10.3m in the year as a result of advance VITAL funding.

Liquidity Management Policy

The company's liquidity management and investment objectives, responsibilities, risk, and strategy are clearly set out in a Liquidity Management Policy which is subject to review annually. The related liquidity and investment activity is reviewed quarterly by the Finance & Risk Committee.

CO₂ Emissions

The Board is committed to reducing the company's CO₂ emissions, particularly those resulting from air travel. A strengthened Travel Policy, along with monthly reporting, have been implemented this year. The Company generated and offset 250 tonnes of CO₂ emissions in the year (2018-19: 235 tonnes).

Reserves

Reserves at 31 March 2020 total £9.9m (2019: £8.7m), of which available funds not tied up in fixed assets amount to £9.8m (2019: £8.6m). Reserves related to restricted funds of £7.6m (2019: £6.8m) mainly relates to advance funding for VITAL and AAT 3. Unrestricted reserves are £2.3m (2019: £1.9m) as noted below.

Unrestricted Reserves Policy

Unrestricted reserves at 31 March 2020 amount to £2.3m (2019: £1.9m). From this amount, the Trustees have established a designated fund of £451k, which comprises unrestricted reserves that have been set aside for a particular purpose, in this case for any future shortfall in the recovery of overhead costs from programmes.

The objective of the company's unrestricted reserves strategy is to build sufficient funds to protect the company from any adverse changes in its financial circumstances and to pursue operational opportunities that, in the initial phase, are not funded by 3rd parties. By considering a variety of risks, the Trustees have concluded that £1.1m of unrestricted reserves should be ring-fenced to cover possible adverse events or circumstances. The unrestricted reserves policy is reviewed every 6 months to ensure that it reflects current circumstances



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Future Plans

Objectives

GALVmed is currently operating in accordance with the vision of the 2015-21 Strategy and Business Plan. This builds upon the evolution of the company since inception as a product development partnership working on a strong portfolio of new products, technologies and processes while continuing to facilitate scale-orientated market development initiatives.

GALVmed has identified the following key objectives for 2020-21:

Objective	
Strategic	Finalise GALVmed 2030 strategy and budget. Prepare for the BMGF VITAL mid-term evaluation.
Tactical	Deliver VITAL, AgResults, AAT, BI, TAHSSL and other programme outputs on plan and budget. Develop a strategy implementation plan considering VITAL mid-term evaluation outcomes.
Process	Match GALVmed's future strategic ambitions with a comprehensive resource plan and organisational review. Enhance the Member recruitment process and GALVmed's Membership.
Outreach	Strengthen the animal health industry & project partner engagement to foster collaboration, delivery and impact. Develop a strategic new partner engagement process in line with GALVmed 2030 strategic intents.
Development	Develop new concept note processes and portfolio and translate into funding proposals. Build a comprehensive forward-looking funding strategy.

Financial

The 2020-21 expenditure budget is £11.8m, a 3% increase on 2019-20 actual expenditure. This increase is mainly because of the increased VITAL sub-award activity.

Principal Risks and Uncertainties

Risk Management

The company's governance structure includes a Risk Management Strategy and a Risk Register and is designed to identify and ensure the proper management of risks inherent in conducting its activity.

The Risk Management Strategy details the company's risk management objectives, processes, reporting and responsibilities. The Risk Register highlights the major risks to which the company is exposed and for each risk the mitigation, actions, lead risk owner and target date for mitigation is identified. It is maintained to support strategic, financial and operational planning and therefore to assist in achieving the company's objectives and targets.

The 5 highest key risks that GALVmed believes it faces are: a major public health crisis impacting on staff and partner health and productivity (currently COVID-19); failure to deliver by partners; dependency on limited funding sources; barriers to product registration; and future donor funding being adversely impacted by failure to deliver on commitments or to align with donors' strategies.

Important financial risks are the possible loss of bank deposits through fraud or theft, currency risk, liquidity risk and dependency on limited funding sources. The risk of loss of bank deposits is managed through the bank mandates in place and continued vigilance. Currency and liquidity risk are managed by following the Liquidity Management Policy. The 2030 strategy will address the limited funding sources issue.



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COVID-19

The risks surrounding COVID-19 have been identified in a separate Risk Register. It considers risk across 3 categories (people, projects and finance) and notes for each risk the mitigation, actions, lead risk owner and target date for mitigation.

The impact of COVID-19 on the company has been considered. All offices will remain closed during the pandemic, with staff successfully working from home during this time. Funding for the VITAL programmes is confirmed to September 2022 with all funds received in advance. Programme funding will not be impacted by COVID-19. The company is currently assessing the impact of COVID-19 on programme delivery where it is expected that all programme will continue to be delivered in full by the programme end.

GOING CONCERN

The Board of Trustees has considered the financial position of GALVmed for the next twelve months and concluded that the use of the going concern basis of accounting is appropriate. Funding of current programmes is assured: as a result of funding proposals submitted to BMGF and DFID in 2017, BMGF has awarded \$40m and DFID \$10m for the 5 years to September 2022. Other programmes are fully funded. The impact of the COVID-19 pandemic on programme delivery has been considered where it is expected that all programmes will continue to be delivered in full by the programme end. An assessment of unrestricted funds has also been carried out. If necessary, these funds would be sufficient to maintain GALVmed as a going concern for at least twelve months from the date of signing the financial statements.

AUDITORS

MHA Henderson Loggie, Chartered Accountants, were reappointed as auditors to the company at the Annual General Meeting in 2017. Their re-appointment was approved up to a maximum 10 years from the date of their first appointment in 2011 in respect of the 2011-12 financial year, subject to annual consideration by both parties.

The Trustees' Report including the Strategic Report was approved by the Board of Trustees and signed on their behalf by:

Prof P Wood
22 June 2020



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RESPONSIBILITIES OF THE TRUSTEES
For the year ended 31 March 2020

The Trustees (who are also the Directors for the purposes of company law) are responsible for the preparation of the Trustees' Report, including the Strategic Report, and financial statements in accordance with applicable law and regulations.

Law applicable to incorporated charities in Scotland requires the Trustees to prepare an annual report and financial statements for each financial year in accordance with applicable law and regulations. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 charity at the end of the year and of its financial activities including its income and expenditure during the year then ended. 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper and adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006, with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are also responsible for the maintenance and integrity of the charity.

The Trustees have fulfilled their legal responsibilities with respect to the Trustees' Report, Strategic Report, and Financial Statements.

To the knowledge and belief of each of the persons who is a Trustee at the time this report is approved:

- a) So far as the Trustee is aware, there is no relevant information of which the organisation's auditors are unaware; and
- b) He/or she has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Prof P Wood
22 June 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
For the year ended 31 March 2020

Opinion

We have audited the financial statements of Global Alliance for Livestock Veterinary Medicines (the 'charitable company') for the year ended 31 March 2020 which comprise the Income and Expenditure Account and Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



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Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
For the year ended 31 March 2020

This report is made solely to the Members of GALVmed, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Members and the charitable company's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its Members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

James Davidson (Senior Statutory Auditor)
For and on behalf of MHA Henderson Loggie
Chartered Accountants
Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Ground Floor, 11-15 Thistle Street
Edinburgh
EH2 1DF

22 June 2020

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
(a company limited by guarantee)

**INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF FINANCIAL ACTIVITIES**
For the year ended 31 March 2020

	Notes	Unrestricted	Restricted	Total 2020	Total 2019
		£	£	£	£
Income from:					
Charitable Activities	2	1,243,988	10,918,322	12,162,310	5,660,775
Investments		17,677	182,165	199,842	184,772
Total Income		<u>1,261,665</u>	<u>11,100,487</u>	<u>12,362,152</u>	<u>5,845,547</u>
Expenditure on:					
Charitable Activities	3	873,348	10,547,611	11,420,959	11,478,129
Total Expenditure		<u>873,348</u>	<u>10,547,611</u>	<u>11,420,959</u>	<u>11,478,129</u>
Net Income/(Expenditure)	5	388,317	552,876	941,193	(5,632,582)
Other Recognised Gains:					
Unrealised Gains on Foreign Exchange	6	54,313	206,589	260,902	793,907
Net Movement in Funds		442,630	759,465	1,202,095	(4,838,675)
Reconciliation of Funds					
Total Funds Brought Forward at 1 April 2019	12	1,859,866	6,833,630	8,693,496	13,532,171
Total Funds Carried Forward at 31 March 2020	12	<u>2,302,496</u>	<u>7,593,095</u>	<u>9,895,591</u>	<u>8,693,496</u>

All the results of the company relate to continuing activities.

The company has no recognised gains or losses other than those set out above.

The notes on pages 17 to 28 form part of these financial statements



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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BALANCE SHEET
As at 31 March 2020

	Notes	2020		2019	
		£	£	£	£
Fixed Assets					
Tangible Assets	8		86,776		61,991
Current Assets					
Debtors	9	442,543		251,320	
Bank and Cash Balances	10	10,298,963		9,606,144	
		<u>10,741,506</u>		<u>9,857,464</u>	
Liabilities:					
Creditors: Amounts Falling Due Within One Year	11	(932,691)		(1,225,959)	
		<u></u>		<u></u>	
Net Current Assets			<u>9,808,815</u>		<u>8,631,505</u>
Total Net Assets			<u><u>9,895,591</u></u>		<u><u>8,693,496</u></u>
Unrestricted Funds					
General Reserve	12		1,851,227		1,859,866
Designated Funds	12		451,269		-
Total Unrestricted Funds			<u>2,302,496</u>		<u>1,859,866</u>
Restricted Income Funds	12		<u>7,593,095</u>		<u>6,833,630</u>
Total Funds			<u><u>9,895,591</u></u>		<u><u>8,693,496</u></u>

The financial statements were authorised for issue and approved by the Trustees on 22 June 2020.

Prof. P Wood
Company No: 05393391

The notes on pages 17 to 28 form part of these financial statements



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

		2020	2019
	Notes	£	£
Cash Flows from Operating Activities:			
Net Cash Provided By/(Used In) Operating Activities	16	277,933	(5,063,574)
<i>Cash Flows from Investing Activities:</i>			
Interest from Investments		208,976	173,495
Purchase of Property, Plant and Equipment		(54,992)	(23,808)
Net Cash Received from Investing Activities		<u>153,984</u>	<u>149,687</u>
Change in Cash and Cash Equivalents in the Reporting Period		431,917	(4,913,887)
Cash and Cash Equivalents at the Beginning of the Reporting Period		9,606,144	13,726,124
Change in Cash and Cash Equivalents due to Exchange Rate Movements		260,902	793,907
Cash and Cash Equivalents at the End of the Reporting Period		<u><u>10,298,963</u></u>	<u><u>9,606,144</u></u>
 Analysis of Cash and Cash Equivalents			
Bank and Cash Balances		<u><u>10,298,963</u></u>	<u><u>9,606,144</u></u>

The notes on pages 17 to 28 form part of these financial statements



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

1. Accounting Policies

Basis of Accounting

GALVmed is a public benefit entity. The financial statements have therefore been prepared in accordance with the Companies Act 2006, applicable accounting standards, Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 as amended in 2010, and the Charities Act 2011. They have also been prepared under historical cost accounting rules. The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The Board of Trustees has considered the financial position of GALVmed for the next twelve months and concluded that the use of the going concern basis of accounting is appropriate. Funding of current programmes is assured: as a result of funding proposals submitted to BMGF and DFID in 2017, BMGF has awarded \$40m and DFID \$10m for the 5 years to September 2022. Other programmes are fully funded. The impact of the COVID-19 pandemic on programme delivery has been considered where it is expected that all programmes will continue to be delivered in full by the programme end.

An assessment of unrestricted funds has also been carried out. If necessary, these funds would be sufficient to maintain GALVmed as a going concern for at least twelve months from the date of signing the financial statements.

Fund Accounting

Funds received on which no restrictions are placed as to their use are accounted for as unrestricted funds. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in note 12.

Funds received for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose, are accounted for as restricted funds.

Income

Funds received are recognised as income from charitable activities once there is entitlement, reasonable probability of receipt and the amount can be measured with sufficient reliability. Income is deferred where donor-imposed conditions that specify the time period in which the funds can be spent have not yet been met.

Investment income is recognised as earned.

Value Added Tax (VAT)

Expenditure is accounted for inclusive of VAT where appropriate as the company is not registered for VAT.

Pension Scheme

The company provides a defined contribution pension scheme for its staff and the pension charge in the Statement of Financial Activities (SOFA) represents the amounts payable by the company to the Company Personal Pension Scheme in respect of the year.

Operating Leases

Rentals payable under operating leases are charged to the SOFA on the straight line basis over the lease term.



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

1. Accounting Policies (continued)

Expenditure

Expenditure is recognised on the accruals basis when a legal and constructive obligation exists. Expenditure through contractual agreements is recognised as goods and services are supplied. Grant payments are recognised as expenditure when payments are due in accordance with the terms of the contract.

Costs incurred by the company in the delivery of its activities and services are accounted for as charitable expenditure and categorised in the SOFA by the main activities of the company. Each category includes direct costs and support costs and, where support costs cannot be directly attributed to a category, they are apportioned on the basis of headcount.

Costs that, whilst necessary to deliver an activity do not themselves contribute directly to GALVmed's activity, are accounted for as support costs. Support costs include central office functions such as management, finance, information systems and administration activities.

Redundancy costs are charged in the year in which the commitment has been made to the employee.

Foreign Currency

Foreign currency transactions are recorded in Sterling at the previous month's month-end rate of exchange. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rate at the balance sheet date.

All exchange differences are recognised through the SOFA.

Tangible Fixed Assets

Tangible fixed assets costing more than £1,000 are capitalised and stated at cost and depreciated over their useful economic lives as follows:

Office furniture and equipment	4 years
Computer equipment & software	3 years
Leasehold improvements	over the life of the lease

Assets are only depreciated when they are brought into use and depreciated up to, but not including, the month of disposal.

Debtors and Prepayments

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at Bank and in Hand

Cash at bank and in hand includes cash and short term highly liquid investments with a maturity of six months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

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



GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

1. Accounting Policies (continued)

Critical Accounting Judgements and Estimation Uncertainty

In preparing the financial statements, the Trustees are required to make judgements, estimates and assumptions, which may affect reported income, expenditure, assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from such estimates. Judgements made in preparing these financial statements comprise:

- The applicability of the estimated useful lives of fixed assets used to calculate the period over which depreciation is applied.
- The review of fixed assets for impairment or obsolescence.
- The assessment of leases to determine whether the risks and rewards of ownership remain with the lessor or are transferred to GALVmed

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Incoming Resources from Charitable Activities

	UK Grant Funding £	Overseas Grant Funding £	2020 £	2019 £
Restricted income				
VITAL	1,495,784	6,448,548	7,944,332	636,386
AAT 3	(19,425)	1,102,688	1,083,263	1,823,831
AgResults Brucellosis	-	308,650	308,650	299,074
Boehringer Ingelheim	-	678,392	678,392	(50,227)
Royal Veterinary College	6,982	-	6,982	18,523
AgResults FMD	-	525,219	525,219	-
TAHSSL	-	106,412	106,412	-
AAT 2	273,828	(18,862)	254,966	1,763,803
Project Mesha	-	9,106	9,106	11,297
ECF Consortium	-	-	-	25,326
Other	1,000	-	1,000	-
Total restricted income	1,758,169	9,160,153	10,918,322	4,528,013
Unrestricted income	278,628	965,360	1,243,988	1,132,762
Total income	2,036,797	10,125,513	12,162,310	5,660,775

There is negative income in the AAT 2 programme because of indirect core contributions towards unrestricted funds. There is negative income in the AAT 3 programme because DFID ceased funding AAT 3 in the year and income claimed in 2018-19 was reallocated to VITAL.

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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

3. Analysis of Expenditure

	Support £	Governance £	Staff £	Direct Costs £	Total 2020 £	Total 2019 £
VITAL	290,784	-	1,123,946	5,538,815	6,953,545	6,306,076
AAT 3	1,220	-	-	1,571,440	1,572,660	118,930
AgResults Brucellosis	1,464	-	39,575	40,317	81,356	122,168
Boehringer Ingelheim	-	-	-	653,336	653,336	941,401
Royal Veterinary College	-	-	5,215	1,767	6,982	18,523
PLSHL 2	494	-	(1,728)	238,366	237,132	698,401
AgResults FMD	2,374	-	74,186	201,616	278,176	-
TAHSSL	212	-	19,420	4,166	23,798	-
AAT 2	348	-	-	730,350	730,698	2,181,981
Project Mesha	-	-	7,705	1,223	8,928	13,264
CBPP BEN-1	-	-	-	-	-	99,969
ECF Consortium	-	-	-	-	-	25,326
Health for Animals	-	-	-	-	-	22,954
Other	1,000	-	-	-	1,000	-
Unrestricted	90,932	86,284	534,438	161,694	873,348	929,136
Total 2020	388,828	86,284	1,802,757	9,143,090	11,420,959	11,478,129
Total 2019	329,923	126,019	1,719,712	9,302,475	11,478,129	

Negative staff costs of £1,728 have been incurred because of a refund of life assurance costs from prior years.

Analysis of Support Costs

	Professional Fees £	Office Costs £	Information Technology £	Audit Fees £	Total 2020 £	Total 2019 £
VITAL	53,457	143,661	93,539	127	290,784	228,492
AAT 3	-	158	1,062	-	1,220	-
AgResults Brucellosis	-	36	1,428	-	1,464	1,143
Boehringer Ingelheim	-	-	-	-	-	53
PLSHL 2	-	-	494	-	494	1,588
AgResults FMD	-	348	2,026	-	2,374	-
TAHSSL	-	-	212	-	212	-
AAT 2	-	-	348	-	348	14,201
Other	-	-	1,000	-	1,000	-
Unrestricted	27,364	30,171	19,861	13,536	90,932	84,446
Total 2020	80,821	174,374	119,970	13,663	388,828	329,923
Total 2019	41,015	185,007	91,007	12,894	329,923	



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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

4. Staff Costs

	2020 £	2019 £
Total staff costs were as follows:		
Salaries	1,540,724	1,477,652
Social security costs	126,618	138,296
Pension contributions	103,877	87,572
Other employee benefits	31,538	16,192
	<u>1,802,757</u>	<u>1,719,712</u>

The average number of employees during the year was:

	Number	Number
Management	6	6
Project staff	13	11
Support staff	12	12
	<u>31</u>	<u>29</u>

During the year the company incurred expenses on behalf of, and reimbursed expenses to, 11 Trustees in connection with their governance responsibilities, totalling £43,547 (2019: £58,334, 10 Trustees). The year on year reduction is because of the cancelled face-to-face meeting in March 2020 because of COVID-19. No expenses were incurred for persons or entities connected with the Trustees (2019: £nil). No remuneration was received by any Trustees during the year (2019: 2 Trustees received £6.0k each).

GALVmed provides to its UK-based staff a defined contribution pension scheme, the GALVmed Personal Pension Scheme, which is operated by Aviva, a life assurance company (previously Aegon to May 2019). Total employer contributions in the year were £70,492 (2019: £65,290). The total number of members in the scheme at 31 March 2020 was 20 (2019: 23). To compensate for the fact that there is currently no pension scheme for international staff, an employer contribution of 6% of salary is paid to such staff on the understanding that this contribution should be paid into a pension scheme of their choice. Total such contributions in respect of the year were £33,385 (2019: £22,282).

The following number of employees received total employee salary and benefits (excluding employer pension) in excess of £60,000 in the period:

	2020	2019
£60,000 - £69,999	2	2
£70,000 - £79,999	1	2
£80,000 - £89,999	1	-
£90,000 - £99,999	1	2
£100,000 - £109,999	1	1
£110,000 - £119,999	-	-
£130,000 - £139,999	-	-
£140,000 - £149,999	1	-
£190,000 - £199,999	-	1
	<u>-</u>	<u>1</u>



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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

4. Staff Costs (continued)

GALVmed considers the key management of the company to be the GALVmed Leadership Team (GLT), comprising the Chief Executive Officer, Senior Executive Directors and Executive Directors. The total cost of the employment of key management in the year was £634,943 (2019: £786,688). Of this, £nil (2019: £96,260) was paid to an Executive Director on leaving the company. Employer pension contributions for key management totalled £34,940 (2019: £35,165).

Redundancy costs of £10,703 were incurred during the year (2019: £nil).

5. Net Incoming Resources

	2020 £	2019 £
This is stated after charging:		
- Auditor's remuneration – audit fees	13,663	13,159
- Depreciation	30,207	27,305
- Operating leases		
Land and buildings	109,049	103,632
Equipment	1,353	1,907

Auditors remuneration includes £1,927 (2019: £1,765) for audit fees payable in India and £11,736 (2019: £11,394) for audit fees in the UK.

6. Unrealised Exchange Gains and Losses

Unrealised gains on foreign exchange relate to the revaluation of GALVmed's net current assets at 31 March 2020 (see note 12 for unrealised exchange gains/losses by programme). The gains predominantly relate to advance funding in US dollars from BMGF.

In addition, a realised gain of £11,621 (2019: £22,874 loss) is included in the expended charitable resources, which is a result of the difference between the currency rate invoiced and the currency rate paid to suppliers. GALVmed undertakes a variety of exchange mechanisms throughout the year to minimise realised exchange differences and help ensure there are adequate resources to deliver the programme outputs.

7. Taxation

The company has charitable status and is not liable for tax.

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

8. Tangible Assets

	Leasehold improvements £	Office equipment £	Computer equipment & software £	Total £
Cost				
At 1 April 2019	33,780	7,267	237,799	278,846
Additions	11,239	-	43,753	54,992
Disposals	-	-	(14,077)	(14,077)
	<u>45,019</u>	<u>7,267</u>	<u>267,475</u>	<u>319,761</u>
Depreciation				
At 1 April 2019	24,865	7,267	184,723	216,855
Charge for year	5,631	-	24,576	30,207
Eliminated on disposal	-	-	(14,077)	(14,077)
	<u>30,496</u>	<u>7,267</u>	<u>195,222</u>	<u>232,985</u>
Net book value				
At 31 March 2020	<u>14,523</u>	<u>-</u>	<u>72,253</u>	<u>86,776</u>
At 31 March 2019	<u>8,915</u>	<u>-</u>	<u>53,076</u>	<u>61,991</u>

Leasehold improvement additions relate to GALVmed's new offices in Nairobi. The lease completion date was delayed beyond 31 March 2020 because of COVID-19.

9. Debtors

	2020 £	2019 £
Prepayments and accrued income	402,530	204,226
Other debtors	40,013	47,094
	<u>442,543</u>	<u>251,320</u>

Prepayments and accrued income includes £140,380 (2019: £nil) in relation to the AgResults FMD Disease programme; £109,982 (2019: £nil) of accrued income in relation to the TAHSSL programme; £84,961 (2019: £72,078) in relation to the AgResults Brucellosis programme; £766 (2019: £nil) in relation to the Project Mesha Programme; £734 (2019: £18,523) in relation to the Royal Veterinary College programme; £nil (2019: £48,619) in relation to the AAT 2 programme; and other debtors include accrued investment income of £4,975 (2019: £14,110).

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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

10. Bank and Cash Balances

2020	GBP £	USD £	Other currencies £	Total £
Lloyds Bank	696,352	2,415,660	54,457	3,166,469
Bank of Scotland	-	3,779,841	-	3,779,841
NatWest	-	3,335,174	-	3,335,174
Standard Chartered	-	-	11,768	11,768
Cash	239	3,854	1,618	5,711
	<u>696,591</u>	<u>9,534,529</u>	<u>67,843</u>	<u>10,298,963</u>
2019	GBP £	USD £	Other currencies £	Total £
Lloyds Bank	2,524,699	3,243,325	96,222	5,864,246
Bank of Scotland	200,715	2,358,740	-	2,559,455
NatWest	-	1,161,730	-	1,161,730
Standard Chartered	-	-	15,324	15,324
Cash	218	3,253	1,918	5,389
	<u>2,725,632</u>	<u>6,767,048</u>	<u>113,464</u>	<u>9,606,144</u>

11. Creditors: Amounts Falling Due Within One Year

	2020 £	2019 £
Accruals	747,035	170,906
Trade creditors	143,031	312,060
Deferred income	38,184	723,452
Other creditors	4,441	19,541
	<u>932,691</u>	<u>1,225,959</u>

Creditors includes £38,184 (2019: £723,452) of deferred income in relation to the VITAL programme. The movement in accruals and trade creditors is because of large contracted payments due to partners for the VITAL programme.

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

12. Funds Movement

	31 March 2019 £	Incoming resources £	Resources expended £	Exchange gains/ (losses) £	Transfers £	31 March 2020 £
2020						
Restricted funds:						
VITAL	3,283,176	8,068,548	(6,953,545)	44,990	-	4,443,169
AAT 3	1,705,614	1,119,039	(1,572,659)	88,662	-	1,340,656
AgResults Brucellosis	650,465	316,067	(81,356)	37,076	-	922,252
Boehringer Ingelheim	180,309	683,908	(653,336)	10,914	-	221,795
Royal Veterinary College	-	6,982	(6,982)	-	-	-
PLSHL 2	505,042	7,997	(237,133)	17,200	-	293,106
AAT – Ethiopia	40,000	52	-	-	-	40,052
AgResults FMD	-	525,219	(278,176)	2,407	-	249,450
TAHSSL	-	106,413	(23,798)	-	-	82,615
AAT 2	469,024	256,156	(730,698)	5,518	-	-
Project Mesha	-	9,106	(8,928)	(178)	-	-
Other	-	1,000	(1,000)	-	-	-
Total restricted funds	6,833,630	11,100,487	(10,547,611)	206,589	-	7,593,095
Unrestricted funds:						
General reserve	1,859,866	1,261,665	(873,348)	54,313	(451,269)	1,851,227
Designated funds:						
Indirect future costs	-	-	-	-	451,269	451,269
Total unrestricted funds	1,859,866	1,261,665	(873,348)	54,313	-	2,302,496
Total funds	8,693,496	12,362,152	(11,420,959)	260,902	-	9,895,591
2019						
Restricted funds:						
VITAL	8,151,432	764,337	(6,306,076)	673,483	-	3,283,176
AAT 3	-	1,826,843	(118,930)	(2,299)	-	1,705,614
AgResults Brucellosis	438,098	304,133	(122,168)	30,402	-	650,465
Boehringer Ingelheim	1,129,629	(44,960)	(941,401)	37,041	-	180,309
Royal Veterinary College	-	18,523	(18,523)	-	-	-
PLSHL 2	1,089,808	20,657	(698,401)	92,978	-	505,042
AAT – Ethiopia	40,000	-	-	-	-	40,000
AAT 2	874,720	1,778,289	(2,181,981)	(2,004)	-	469,024
Project Mesha	1,967	11,297	(13,264)	-	-	-
CBPP BEN-1	144,851	-	(99,969)	(44,882)	-	-
ECF Vaccine Diluent	-	25,326	(25,326)	-	-	-
Health for Animals	22,954	-	(22,954)	-	-	-
Total restricted funds	11,893,459	4,704,445	(10,548,993)	784,719	-	6,833,630
Unrestricted funds	1,638,712	1,141,102	(929,136)	9,188	-	1,859,866
Total funds	13,532,171	5,845,547	(11,478,129)	793,907	-	8,693,496



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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

12. Funds Movement (continued)

Programme Objectives and Funding

The VITAL programme has two strands: product development and commercial development. The broad objectives are: 1) to develop six new high impact livestock vaccines ready for commercial production and suitable for widespread use by smallholders in Africa and South Asia; and 2) to partner the animal health industry to establish five large scale portfolio distribution networks in Africa and South Asia with each initiative being capable of generating positive cash flows by year 4 and achieving subsequent growth and expansion through these cash flows. The programme is jointly funded by BMGF (80%) and DFID (20%). This programme ends on 30 September 2022.

The purpose of the AAT 3 programme is to build upon the success of the work carried out under previous AAT programmes resulting in the improved tools for the control of Animal African Trypanosomiasis. The specific objective of AAT 3 is the commercial development of a registered therapeutic trypanocidal product, ready for sale through GALVmed's commercial partner in the Tryps programme, Boehringer Ingelheim. This programme is 100% funded by BMGF (\$19m).

The AgResults Brucellosis programme is a competition, managed by GALVmed, to develop and register a safe and efficacious vaccine against *Brucella melitensis*, the main cause of human infections with Brucella and a significant economic burden in developing countries. It is fully funded by the AgResults consortium.

The Boehringer Ingelheim (BI) programme is fully funded by BMGF with a sub-award to BI through GALVmed. Its objective is to deliver a viable business model for providing quality veterinary healthcare to smallholder farmers in Africa. The key activities for this programme are 1) a registration initiative of BI products in three key markets; and 2) a distribution and awareness initiative which accelerates the accessibility of a portfolio of products to areas which are normally very difficult to access through usual distribution networks.

The purpose of the PLSHL 2 programme was to build on the work carried out under PLSHL 1, but with more focus given to increasing market development and access initiatives to benefit a greater number of poor livestock keepers. Work was also extended into the following diseases: PPR, CBPP and CCP, which were previously feasibility studies under PLSHL 1. The programme was jointly funded by BMGF (80%) and DFID (20%). This programme was completed on 31 March 2018. Expenditure during the year relates to the delivery of additional project work to utilise surplus funds at the request of BMGF. Funds as 31 March 2020 are fully committed.

The AgResults Foot and Mouth programme is a competition, managed by GALVmed, to encourage the development and uptake of an improved vaccine tailored for the needs and requirements of East Africa. It is fully funded by the AgResults Consortium.

The TAHSSL programme is a project to conduct research on animal-health product technologies to generate robust proof-of-concept results that are of high quality and to facilitate with the private sector product development, registration and use. The focus will be on developing veterinary medicines and diagnostic solutions to address animal health disease constraints in low-middle income countries and providing services to help fill the product development pipeline. TAHSSL is fully funded by the International Livestock Research Institute (ILRI).

The purpose of the AAT 2 programme is to build on the work started under previous AAT programmes resulting in the production of new and improved AAT control tools (i.e. pen-side field diagnostic tests, new drugs and new candidate vaccines) in animals that are affordable and meet demand from farmers and stimulate markets for such products. The original programme was jointly funded by BMGF (53%) and DFID (47%).

Other restricted funds represent income received from funders with a specific use or programme identified.

The general reserve represents the free funds of the charity. Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose. Organisational (indirect) costs need to be covered by contributions from all programmes. Cumulative net indirect core cost contributions have been designated by the Board at 31 March 2020 to fund future indirect costs to September 2022.

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2020

13. Total Assets – Analysed Between Funds

2020	Fixed assets £	Net current assets £	Total £
Restricted funds			
VITAL	11,238	4,431,931	4,443,169
AAT 3	1,173	1,339,483	1,340,656
AgResults Brucellosis	1,173	921,079	922,252
Boehringer Ingelheim	-	221,795	221,795
PLSHL 2	32,864	260,242	293,106
AAT - Ethiopia	-	40,052	40,052
AgResults FMD	3,930	245,520	249,450
TAHSSL	962	81,653	82,615
	<u>51,340</u>	<u>7,541,755</u>	<u>7,593,095</u>
Unrestricted funds			
General reserve	35,436	1,815,791	1,851,227
Designated funds	-	451,269	451,269
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>86,776</u></u>	<u><u>9,808,815</u></u>	<u><u>9,895,591</u></u>

2019	Fixed assets £	Net current assets £	Total £
Restricted funds			
VITAL	-	3,283,176	3,283,176
AAT 3	-	1,705,614	1,705,614
AgResults Brucellosis	72	650,393	650,465
Boehringer Ingelheim	-	180,309	180,309
PLSHL 2	41,345	463,697	505,042
AAT 2	-	469,024	469,024
AAT - Ethiopia	-	40,000	40,000
	<u>41,417</u>	<u>6,792,213</u>	<u>6,833,630</u>
Unrestricted funds	<u>20,574</u>	<u>1,839,292</u>	<u>1,859,866</u>
Total	<u><u>61,991</u></u>	<u><u>8,631,505</u></u>	<u><u>8,693,496</u></u>

14. Operating Lease Commitments

At 31 March 2020 GALVmed was committed to a total of future minimum lease payments under non-cancellable operating leases for land, buildings and equipment for each of the following periods:

	2020 £	2019 £
Not later than one year	95,604	107,878
Later than one year and not later than five years	<u>70,200</u>	<u>25,542</u>



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15. Share Capital

The company is limited by guarantee and does not have share capital.

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

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	941,193	(5,632,582)
Adjustments for:		
Depreciation charges	30,207	27,305
Interest from investments	(199,842)	(184,772)
(Increase)/decrease in debtors	(200,357)	8,496
(Decrease)/increase in creditors	(293,268)	717,979
Net cash provided by operating activities	<u>277,933</u>	<u>(5,063,574)</u>

Debtors contains accrued investment income of £4,975 (2019: £14,109). The movement on accrued investment income is included in investments within the cash flow statement.

17. Related Parties

There were no related party transactions in the year. The Trustees consider all the transactions during the year to have been undertaken on an arm's length basis.

18. Ultimate Controlling Party

GALVmed is constituted under its Memorandum and Articles of Association and is managed by its appointed Board of Trustees.