THE WORLD SWIM FOR MALARIA FOUNDATION
(A company limited by guarantee)

Annual Report and Financial Statements

for the first financial year ended 30 June 2005

Charity no: 1105319
Company no: 05175899
The World Swim for Malaria Foundation

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The World Swim for Malaria Foundation

Legal and administrative information

Constitution

The World Swim For Malaria Foundation is a company established on 9 July 2004. It is company limited by members' guarantees and a registered charity governed by its memorandum and articles of association dated 9 July 2004. Charity number: 1105319. Company number: 05175899.

Directors and trustees

The directors of the charitable company ('the charity') are its charity trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. Upon election, each trustee holds office for a period of three years – or such shorter period as may be agreed.

The present trustees and past trustees serving during the financial year are as follows:

Andrew Lewis-Pratt – Chairman (appointed 9 July 2004)
Arthur Boler – (6 April 2005)
Jonathan Calascione – (20 September 2004)
Stephanie Cook – (13 September 2005)
Guy Davis – (6 April 2005)
Richard Paul Lane – (20 September 2004)
Robert Keith Hamilton Mather – (9 July 2004)
Roger Neill – (6 April 2005, resigned 8 July 2005)
Jeremy James Schwartz – (6 April 2005)
Peter Robert Sherratt – (20 September 2004)

Secretary

Robert Keith Hamilton Mather

Registered Office

9 Cheapside
London EC2V 6AD

Bankers

Citigroup NA
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Solicitors

Allen & Overy LLP
One New Change
London EC4M 9QQ
The World Swim for Malaria Foundation

Report of the trustees for the first financial year ended 30 June 2005

The trustees are pleased to present their first annual report together with the financial statements of the charity for the financial year ended 30 June 2005. This report combines the Directors' Report under the Companies Act with the trustees' Annual Report required under the Charities Act.

Legal and administrative information set out on page 3 forms part of this report.

Objects of the charity

The objects of the charity are to aid the relief of suffering from malaria by the provision of funds for both the prevention and treatment of malaria and the advancement of education in the subjects of the problems and suffering caused by malaria and what can be done to alleviate them.

Organisation

A board of trustees, who meet at regular intervals, administers the charity.

Investment Powers

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit. In practice, the charity has stated publicly that 100% of funds raised through sponsored swims will be used to buy long-lasting insecticidal nets and this is our intention.

Review of activities and future developments

In this first period of operation, the charity has been successful in establishing the necessary infrastructure to raise funds efficiently and is now able to control and administer the sponsorship income from our worldwide sponsored swims that took place on and around 3 December 2005, and any future swims and other fundraising activities.

Income reported in these financial statements relates to specific seed-capital donations to cover initial start-up costs.

Reserves policy

The level of reserves in this first period of trading stands at £11,673 and is maintained to cover administrative expenditure.
The World Swim for Malaria Foundation

Report of the trustees for the first financial year ended 30 June 2005 (cont)

Trustees responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to:

- select the most suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable 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 ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Andrew Lewis-Pratt (Chairman)

22 May 2006
The World Swim for Malaria Foundation

Statement of Financial Activities (including an Income and Expenditure Account) for the first financial year ended 30 June 2005

<table>
<thead>
<tr>
<th>Note</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2006</td>
<td></td>
</tr>
</tbody>
</table>

**Incoming Resources**

3
- External funding for central overhead
  - 73,856 73,856
- Donated Services
  - 12,500 12,500
- Interest Receivable
  - 95 95

**Charitable expenditure**

4
- Establishing and administering the charity

**Net income for the year carried forward**

- 11,673 11,673
The World Swim for Malaria Foundation

Balance Sheet as at 30 June 2005

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors</td>
<td>5</td>
<td>22,043</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>11,673</td>
</tr>
<tr>
<td></td>
<td></td>
<td>33,716</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creditors:</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td>22,043</td>
<td>11,673</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Restricted Funds</th>
<th></th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Reserve</td>
<td></td>
<td>11,673</td>
</tr>
</tbody>
</table>

For the first financial year ended 30 June 2005 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

1. ensuring the company keeps accounting records which comply with section 221; and
2. preparing accounts which give a true fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

Approved by the trustees on 22 May 2006 and signed on its behalf by

Andrew Lewis-Pratt (Chairman)
The World Swim for Malaria Foundation

Notes forming part of the financial statements for the first financial year ended on 30 June 2005

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of recommended Practice, Accounting & reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

2. Fund accounting

Corporate Funds held by the charity are unrestricted general funds. Trust Funds are those held subject to donor-imposed, legally binding restrictions on their use.

3. Incoming resources

The external funding of £73,856, donated services of £12,500 and interest receivable of £95 deriving from the external funding, is specifically received to cover the central overhead concerned with the establishment and administration of the charity

Donations and grants

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to the donor’s gift as its own income, any funds received in advance are not included in incoming resources until those pre-conditions for entitlement to the income have been met (performance-related grants as defined in SORP 2005).

When donors specify that donations and grants, including capital grants, are for particular restricted purposes or conditions of use, which do not amount to pre-conditions regarding entitlement, this income or capital is included in incoming resources as trust (restricted income or endowment capital) funds when receivable.

Intangible income

Intangible income, which comprises donated facilities or services, is included in income at a valuation which is an estimate of the value to the charity where it is known that a financial cost has been borne by the donor.

Interest receivable

Interest is included when receivable by the charity.
The World Swim for Malaria Foundation

4. Charitable expenditure

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Costs incurred in establishing and administering the charity were as follows:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>39,257</td>
</tr>
<tr>
<td>Travel</td>
<td>8,355</td>
</tr>
<tr>
<td>Other setting up costs</td>
<td>26,472</td>
</tr>
<tr>
<td>Legal and Professional</td>
<td>534</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74,778</strong></td>
</tr>
</tbody>
</table>

Staff costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>22,727</td>
</tr>
<tr>
<td>Donated services</td>
<td>12,500</td>
</tr>
<tr>
<td>Social Security costs</td>
<td>4,030</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39,257</strong></td>
</tr>
</tbody>
</table>

The average number of weekly employees during the first financial year was one.

5. Debtors

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued income</td>
<td>16,043</td>
</tr>
<tr>
<td>Other debtors</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,043</strong></td>
</tr>
</tbody>
</table>

6. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other taxes and Social Security costs</td>
<td>9,593</td>
</tr>
<tr>
<td>Other creditors</td>
<td>12,450</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,043</strong></td>
</tr>
</tbody>
</table>

7. Legal status of the charity

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