

1105319
30 June 06

THE WORLD SWIM FOR MALARIA FOUNDATION

(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 30 June 2006

Charity no: 1105319
Company no: 05175899

The World Swim for Malaria Foundation

Charity No: 1105319

Annual Report and Financial Statements for the year ended 30 June 2006

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The World Swim for Malaria Foundation

Charity No: 1105319

Report of the trustees for the year ended 30 June 2006

The trustees are pleased to present their annual report together with the financial statements of The World Swim for Malaria Foundation for the financial year ended 30 June 2006.

Reference and administrative details

Charity number:	1105319
Company number:	05175899
Principal Office:	28 Stevenage Road, London SW6 6ET
Auditors:	KPMG LLP, 1 Forest Gate, Brighton Road, Crawley, West Sussex RH11 9PT
Bankers:	Citigroup NA, Citigroup Centre, Canada Square, Canary Wharf, Lon E14 5LB
Solicitors:	Allen & Overy LLP, One Bishops Square, London E1 6AO
Accountants:	PricewaterhouseCoopers LLP, 10 Bricket Road, St Albans, Herts AL1 3JX

Directors and trustees

The directors of the charitable company ('the charity') are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

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

Elected trustees:	Andrew Lewis-Pratt – Chairman Arthur Boler Jonathan Calascione Stephanie Cook – (appointed 13 September 2005) Guy Davis Richard Paul Lane Robert Keith Hamilton Mather Roger Neill – (resigned 8 July 2005) Jeremy James Schwartz Peter Robert Sherratt
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Secretary and Chief Executive Officer:	Robert Keith Hamilton Mather
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Structure, Governance and Management

Governing Document

The World Swim For Malaria Foundation is a company limited by members' guarantee and a registered charity governed by its memorandum and articles of association dated 9 July 2004. It is registered as a charity with the Charity Commission. There are currently nine members of the company each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of trustees

Trustees must be appointed by a resolution of a meeting of the Trustees evidenced by memorandum or by written resolution signed by all trustees. Upon election, each trustee holds office for a period of three years – or such shorter period as may be agreed.

The World Swim for Malaria Foundation

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Structure, Governance and Management (cont)

Trustee induction and training

All new trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the strategy and financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation

The board of trustees, which can have up to twelve members, administers the charity. The board meets quarterly and there is a finance sub-committee which oversees the procurement of the long-lasting insecticidal nets (LLINs). A Chief Executive Officer is appointed by the trustees to manage the day to day operations of the charity.

Risk management

Whilst confident that risks associated with the operation of the charity are identified and manageable, the trustees are currently developing a formal risk management strategy which will comprise:

- An annual review of the risks the charity may face
- The establishment of systems and procedures to mitigate those risks identified in the strategy
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Objectives and activities

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.

In order to achieve its objects the charity procures and arranges the distribution of the LLINs.

The trustees are happy to state publicly on the website and elsewhere that all public donations, i.e. 100% of funds received through sponsored swims and other fundraising activities, are used to buy the LLINs. The ability to allocate 100% of funds raised to buy the LLINs is possible because of the very generous pro bono support received from many individuals and organisations.

Achievements and performance

The charity held its first global swim in December 2005 and approximately 250,000 people from locations all around the world swam and raised money to buy LLINs for distribution in Africa and elsewhere. The trustees are very pleased that in excess of £700,000 was raised from this initial international effort. This will allow the purchase of over 270,000 LLINs which will protect more than 540,000 (mainly) children when they sleep at night (on average 2 people sleep under each net) and help save the lives of 13,500 of them. Statistics indicate one life is saved for every 20 LLINs installed (<http://www.againstmalaria.com/en/onechild.aspx>)

Distribution partnerships have been signed with a number of organisations with significant experience of managing successful bednet distributions, including the Red Cross, UNICEF and Population Services International (PSI). The charity funds the procurement of nets and our distribution partners cover all costs of distribution.

Many organisations and individuals have and are helping the charity pro bono. Significant assistance has helped establish our technological and administrative infrastructure, now largely in place. The ongoing support asked of many organisations is therefore small, and by being so, is expected to continue. This support helps minimise the cash costs of running the charity. A group of private donors contribute relatively modest funds required to meet unavoidable cash costs.

The World Swim for Malaria Foundation

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Achievements and performance (cont)

This combination of support, and the large number of companies prepared to help, allows us to achieve 100% of funds from fundraising activities buying long-lasting insecticidal nets.

Additional fundraising activities have followed the swim, web: www.WorldSwimAgainstMalaria.com, each with their own website. A fast, www.FastAgainstMalaria.com; an online fundraising tournament based on the US basketball 'March Madness' tournament, www.MadnessAgainstMalaria.com; an invitation for people to donate one bednet each once, www.MyBednet.com; an Australian schoolchildren centred site, www.AuzzieMozzie.com.au; and an umbrella website www.AgainstMalaria.com all share a common theme of being a focus of participation offline and fundraising online.

Our websites are a key communication mechanism. They show participation and list individual sponsorships and donations received. We show, with supporting documentation, pictures and video of each bednet distribution programme we fund. This allows us to be completely transparent with funds in and out and show we achieve our aims: 100% of funds we receive buy nets; the nets end up over heads and beds; and we demonstrate that has happened.

We are now seeing the benefits of the investment in our technology and websites. Participants and donors are repeat-fundraising and we are approached by, and are entering into fundraising partnerships with, a variety of groups and organisations wishing to raise funds for purchasing bednets. By allowing partners to use our technology and charity infrastructure, they can raise funds very efficiently. We benefit by others fundraising on our platform and helping us to make progress towards our target of '3 million people 'doing something' in the fight against malaria.

Financial review

As mentioned above, the charity held a very successful first event to raise over £700,000. Given the success of this first event and the level of pro bono support generated, the trustees are confident that holding subsequent events of this kind will achieve even greater success. However, the trustees are also in agreement that the funds generated from this first event should be invested in the LLINs before any further serious fundraising efforts are made.

Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit. In practice, and as indicated above, 100% of the funds received through fundraising activities are used to buy LLINs.

Invested funds are held on deposit at a premium rate of interest.

Reserves policy

Public donations

The level of reserves in respect of public donations stands at £648,842 (2005 : nil). All (100%) funds received from people donating to the charity go toward buying LLINs. The trustees take advice from a group of experts as to when and where these funds should be used to buy LLINs for distribution in Africa and elsewhere. At 30 June 2006, the level of reserves is relatively high as the relevant net distribution programmes were still to be committed to. These reserves are held with our bankers in immediate access premium rate deposit accounts. The trustees are pleased to report that all of these reserves have been used since the year end and replaced by further public donations. Due to the very simple nature of the business (ie money received and LLINs purchased with that money) there are no potential funding gaps between income and expenditure. The trustees will not commit to the purchase of LLINs beyond the amount of reserves held.

The World Swim for Malaria Foundation

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Financial review (cont)

Reserves policy (cont)

Private funding

Other private funding is received to cover those expenses which cannot be covered out of pro bono support (donated services) and the level of reserves in respect of private funding stands at £3 479 (2005 £11,673) Public and private donations are managed separately via different financial institutions The trustees will not commit to cover these expenses beyond the amount of reserves held

The business model of the charity is such that the trustees are confident that the charity does not need to maintain free reserves to cover funding gaps The trustees have been able to reach this decision due to the high level of committed pro bono support enjoyed by the charity The trustees review the reserves policy on a quarterly basis at their regular meetings

Plans for future periods

World Swim Against Malara, with the small name change, will take place again on 5 April 2008 and will coincide with the 2008 World Swimming Championships The objective is to have 1 million people all around the world swimming on or around that date

To reflect the growth of the charity and our fundraising initiatives the name of the charity is in the process of being changed to 'The Against Malaria Foundation'

The trustees are pleased with the current developments and look forward to continuing to contribute to the fight against malara and to helping save lives in Africa and elsewhere

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

The trustees who held office at the date of approval of this trustees report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware, and each trustee has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

A resolution has been proposed at the Annual General Meeting that KPMG llp be re-appointed as auditors to the charity for the ensuing year

Robert Mather (Director and Secretary)

19 November 2007

The World Swim for Malaria Foundation

Charity No: 1105319

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WORLD SWIM FOR MALARIA FOUNDATION

We have audited the charity financial statements of The World Swim for Malaria Foundation for the year ended 30 June 2006 which comprise the statement of financial activities including the income and expenditure account, the charity balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described in the statement of trustees responsibilities on page 6, the charity trustees, who are also the directors of The World Swim for Malaria Foundation for the purposes of company law, are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

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 whether in our opinion the information given in the Annual Report is consistent with the financial statements.

In addition we report to you if in our opinion the Charity 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 Annual Report and consider the implications for our report if we become aware of any apparent misstatement within it.

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 charity'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.

The World Swim for Malaria Foundation

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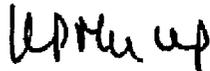
Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 June 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Annual Report is consistent with the financial statements.

Emphasis of Matter – Prior period financial statements

In forming our opinion, which is not qualified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditors to state that the corresponding figures contained within these financial statements are unaudited.



KPMG LLP
Chartered Accountants
Registered Auditor
Gatwick
19 November 2007

The World Swim for Malaria Foundation

Charity No: 1105919

Statement of Financial Activities (including an Income and Expenditure Account) for the financial year ended 30 June 2006

	Notes	2006 Unrestricted Funds £	2005 Unrestricted Funds £
Incoming resources-			
Incoming resources from generated funds			
Voluntary income	2		
Public sponsorship and donations		719,641	-
Donated services (pro bono support)		537,709	12,500
Private funding for central costs		111,525	73,856
Investment income	3	8,996	95
Total incoming resources		1,377,871	86,451
Resources expended			
Resources expended	2		
Charitable activities		616,264	49,584
Governance costs		110,880	25,194
Total resources expended		727,144	74,778
Net incoming resources		650,727	11,673
Other recognised losses	4	10,079	-
Net movement of funds in year		640,648	11,673
Total funds brought forward		11,673	-
Total funds carried forward	9	652,321	11,673

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

All incoming resources and resources expended derive from continuing activities.

The World Swim for Malaria Foundation

Charity No: 1105319

Balance Sheet as at 30 June 2006

	Notes	2006 £	2005 £
Current Assets			
Cash at bank		639,283	11,673
Debtors	7	<u>18,037</u>	<u>22,043</u>
		657,320	33,716
Creditors:			
Amounts falling due within one year	8	<u>4,999</u>	<u>22,043</u>
		<u>652,321</u>	<u>11,673</u>
Unrestricted Funds			
General	9	<u>652,321</u>	<u>11,673</u>
		<u>652,321</u>	<u>11,673</u>

Approved by the trustees on 19 November 2007 and signed on its behalf by:

Andrew Lewis-Pratt (Chairman)

The World Swim for Malaria Foundation

Charity No: 1105319

Notes forming part of the financial statements for the year ended 30 June 2006

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention and in accordance with the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985. Where appropriate, comparative figures for 2005 have been restated in accordance with the principles of the SORP 2005. This has no impact on the net result for the year.

Under the terms of the Companies Act 1985, the charity is entitled to claim exemption from the need to prepare a cash flow statement and accordingly, these financial statements have been prepared without that statement.

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

b) Incoming resources

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

Investment income is recognised on a receivable basis.

c) Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated into these financial statements. Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Donated services and facilities are analysed in note 2 on page 16.

d) Resources expended

Expenditure is recognised when a liability is incurred.

- Charitable activities include expenditure associated with the establishment and day-to-day running of the charity and include £537,709 (2005 : £12,500) costs matching the value placed upon the donated services.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

e) Foreign currencies

Transactions in foreign currencies are translated into sterling in the Statement of Financial Activities at average rates of exchange during the year. Assets and liabilities denominated in foreign currencies are retranslated at exchange rates ruling at the balance sheet date and any differences are taken to the profit and loss account.

The World Swim for Malaria Foundation

Charity No: 1105319

Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

1 Accounting policies (cont)

f) Fund accounting

Funds held by the charity are unrestricted and can be used in accordance with the charitable objects at the discretion of the trustees. The trustees commit to ensuring that all (100%) public funds received to buy LLINs will be used for that purpose. Any necessary private funding received to cover unavoidable expenditure is managed and administered separately from public donations.

2 Voluntary income and resources expended (Costs)

Voluntary income consists of:

Public donations are those funds received from the general public to be used to buy LLINs.

Donated services represent the significant pro bono support given to the charity and its value has been estimated. Much of this support does not need to be repeated as it helped with setting up the charity or with one-off activities.

Private funding is provided to the charity by philanthropic individuals and organisations in order to cover unavoidable charitable expenditure that is not met from donated services.

Resources expended consist of:

Where donated services or facilities are received, the equivalent matching cost is included in charitable expenditure. Significant pro bono support has been given to the charity and its value has been estimated at £537,709 – see table on page 16. Much of this support does not need to be repeated as it helped with setting up the charity or with one-off activities.

Private funding is provided to the charity by philanthropic individuals and organisations in order to cover unavoidable charitable expenditure that is not met from donated services or facilities.

The purchase of the first LLINs to be distributed occurred in the current year. This initial cost of £69,408 represents only a portion of the first significant LLIN purchase with the majority falling in the next financial year.

The charity allocates its support costs as shown in the table on page 16. Support costs are allocated on a basis consistent with the use of resources.

The World Swim for Malaria Foundation

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Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

2 Voluntary income and resources expended (Costs) (cont)

Resources expended may be summarised as follows:

	2006	2005
	£	£
Charitable activities		
Purchase of LLINs	69,408	-
Support costs (page 16)	546,856	49,584
	<u>616,264</u>	<u>49,584</u>
Governance costs		
Support costs (page 16)	<u>110,880</u>	<u>25,194</u>

Income and expenditure may be analysed across the three income streams as follows:

	2006	2005
	£	£
Public Donations (for LLIN purchases)		
Incoming resources:		
Sponsorship and donations	719,641	-
Investment income	8,688	-
Total income in year	<u>728,329</u>	<u>-</u>
Sponsorship and donations for nets brought forward	0	-
Total funds available for use	728,329	-
Expenditure:		
Purchase of LLINs	<u>(69,408)</u>	<u>-</u>
Total funds carried forward for purchase of LLINs	<u>658,921</u>	<u>-</u>

The carried forward funds for LLINs are large as payments for LLINs largely fell into the 2007 financial year

The World Swim for Malaria Foundation

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Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

2 Voluntary income and resources expended (Costs) (cont)

Income and expenditure may be analysed across the three income streams as follows (cont):

	2006 £	2005 £
Donated Services (estimated value of pro bono support)		
Incoming resources:		
Estimated value of donated services	537,709	12,500
Investment income	-	-
Total income in year	<u>537,709</u>	<u>12,500</u>
Estimated value of donated services brought forward	-	-
Total funds available for use	537,709	-
Expenditure:		
Estimated value of donated services	<u>(537,709)</u>	<u>(12,500)</u>
Total value carried forward of donated services	<u>-</u>	<u>-</u>

	2006 £	2005 £
Private Funding (for central costs)		
Incoming resources:		
Private funding for central costs	111,525	73,856
Investment income	308	95
Total income in year	<u>111,833</u>	<u>73,951</u>
Private funds for central costs brought forward	<u>11,673</u>	<u>-</u>
Total funds available for use	123,506	73,951
Expenditure:		
Central costs	<u>(120,027)</u>	<u>(62,278)</u>
Total funds carried forward for central costs	<u>3,479</u>	<u>11,673</u>

The World Swim for Malaria Foundation

Charity No: 1105319

Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

2 Voluntary income and resources expended (Costs) (cont)

In summary:

	2006	2005
	£	£
Summary		
Incoming resources (including investment income)		
Public donations	728,329	-
Donated services	537,709	12,500
Private funding	111,833	73,951
Total income in year	<u>1,377,871</u>	<u>86,451</u>
Total funds brought forward		
Private funding	11,673	-
Total funds available for use	<u>1,389,544</u>	<u>86,451</u>
Total costs in year		
Charitable activities	(616,264)	(49,584)
Governance costs	(110,880)	(25,194)
Other recognised losses	(10,079)	-
Total funds carried forward	<u>652,321</u>	<u>11,673</u>

The World Swim for Malaria Foundation

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Resources Expended (cont) - Allocation of support

	2006			2005		
	Charitable activities £	Governance £	Total £	Charitable activities £	Governance £	Total £
General office						
Donated services	55,950	10,000	65,950	-	-	-
Private funding	25,334	10,189	35,523	14,355	12,694	27,049
	81,284	20,189	101,473	14,355	12,694	27,049
Finance office						
Donated services	50,000	50,000	100,000	-	12,500	12,500
Private funding	-	-	-	-	-	-
	50,000	50,000	100,000	-	12,500	12,500
Information technology						
Donated services	90,800	-	90,800	-	-	-
Private funding	56,997	-	56,997	25,470	-	25,470
	147,797	-	147,797	25,470	-	25,470
Marketing						
Donated services	49,900	-	49,900	-	-	-
Private funding	25,375	-	25,375	9,759	-	9,759
	75,275	-	75,275	9,759	-	9,759
Banking support						
Donated services	42,500	-	42,500	-	-	-
Private funding	-	-	-	-	-	-
	42,500	-	42,500	-	-	-
Video Production						
Donated services	150,000	-	150,000	-	-	-
Private funding	-	-	-	-	-	-
	150,000	-	150,000	-	-	-
Legal/professional support						
Donated services	-	38,559	38,559	-	-	-
Private funding	-	2,132	2,132	-	-	-
	-	40,691	40,691	-	-	-
TOTALS						
Donated services	439,150	98,559	537,709	-	12,500	12,500
Private funding	107,706	12,321	120,027	49,584	12,694	62,278
	546,856	110,880	657,736	49,584	25,194	74,778

The World Swim for Malaria Foundation

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Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

3 Investment income

	2006	2005
	£	£
Interest earned	8,996	95

All investment income derives from premium interest bearing deposit accounts.

4 Other recognised losses

	2006	2005
	£	£
Foreign exchange translation loss	10,079	-

The loss on translation derives from the difference between the average rate of exchange used to translate foreign currency transactions in the Statement of Financial Activities and the closing rate of exchange used to translate foreign currency assets and liabilities in the Balance Sheet.

5 Staff costs

Staff costs cover the cost of the one individual employed by the charity (2005 : 1) and may be broken down as follows:

	2006	2005
	£	£
Salaries and wages	47,943	22,727
Social Security costs	9,054	4,030
	56,997	26,757

6 Related parties and trustee remuneration

During the year, the charity paid net fees of £30,000 (2005 : £18,000) out of private funding to Mr Robert Mather, one of the trustees, by way of fees due for services rendered.

In addition, and also out of private funding, the same trustee received reimbursable travel expenditure of £5,341 (2005 : £5,684). None of the other trustees received payments of any kind, either by way of fees or expenses, in respect of their services. No amounts were due to or from Mr Mather at the year end (2005 : nil).

7 Debtors

	2006	2005
	£	£
Accrued income	13,037	16,043
Other debtors	5,000	6,000
	18,037	22,043

The World Swim for Malaria Foundation

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Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

8 Creditors: amounts falling due within one year

	2006	2005
	£	£
Other taxes and Social Security costs	4,999	9,593
Other creditors	-	12,450
	<u>4,999</u>	<u>22,043</u>

Note 9 is shown on page 19.

The World Swim for Malaria Foundation

Charity No: 1105319

Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

9 Unrestricted funds of the charity

	2006				2005			
	Total	Public Donations (for LLIN purchases)	Private Funding (for central costs)	Donated Services (estimated value of pro bono)	Total	Public Donations (for LLIN purchases)	Private Funding (for central costs)	Donated Services (estimated value of pro bono)
	£	£	£	£	£	£	£	£
Total								
<u>Income resources:</u>								
Funding, sponsorship and donations	1,368,875	719,641	111,525	537,709	86,356	-	73,856	12,500
Investment income	8,996	8,688	308	-	95	-	95	-
Funding, sponsorship and donations brought forward	11,673	-	11,673	-	-	-	-	-
	1,389,544	728,329	123,506	537,709	86,451	-	73,951	12,500
<u>Expenditure:</u>								
Charitable activities	(616,264)	(69,408)	(107,706)	(439,150)	(62,278)	-	(62,278)	-
Governance	(110,880)	-	(12,321)	(98,559)	(12,500)	-	-	(12,500)
	(727,144)	(69,408)	(120,027)	(537,709)	(74,778)	-	(62,278)	(12,500)
Other recognised losses	(10,079)	(10,079)	-	-	-	-	-	-
Total funds carried forward	652,321	648,842	3,479	-	11,673	-	11,673	-

The World Swim for Malaria Foundation

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Notes forming part of the financial statements for the year ended 30 June 2006 (continued)

9 Unrestricted funds of the charity (cont)

Sterling is the functional currency of the charity but all public donations are converted into US dollars, the currency in which the long-lasting insecticidal nets are purchased.

Note that the financial statements for the period to 30 June 2005, the first set of financial statements to be submitted by the charity after its incorporation, recorded incoming resources as restricted. However, upon further reflection and after taking professional advice, the trustees agree that this income is more appropriately classified as unrestricted, and the 2005 comparatives have been adjusted accordingly.

The charity allocates its support costs, being the donated services and private funding, as shown in the table on page 16. Support costs are allocated on a basis consistent with the use of resources.

10 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.