

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 2021



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For the year ended 31 March 2021

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REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Prof P Wood	Chair
	Chair of Technical Scientific Advisory Committee
Dr W Amanfu	Vice-Chair
Prof M Gill	Chair of Impact, Monitoring & Evaluation Advisory Committee
Prof K Pathak	-
Dr I Dieuzy-Labayé	Chair of Commercial Development Advisory Committee
Dr J Maina	Chair of HR Committee
Mr S Jha	-
Mrs J Stevenson FCA	Appointed 15 September 2020
	Chair of Finance & Risk Committee
Dr A Banga	Appointed 15 September 2020
Dr F Kausche	Appointed 15 September 2020
Prof M Rweyemamu	Resigned 15 September 2020
Mr M J Ince FCA MBA	Resigned 15 September 2020

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 2021

INTRODUCTION

The Trustees have pleasure in presenting their report for the year ended 31 March 2021. 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 poor 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 small-holder 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; private bodies or institutions).

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

- understanding the constraints to animal health and how to overcome them;
- engaging 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 and Commercialisation programmes, supported by enabling environment and monitoring and evaluation activities, funded principally by the Bill and Melinda Gates Foundation (BMGF) and the UK Government through its Foreign, Commonwealth and Development Office (FCDO). 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 \$22.5m. 5 other programmes are also being operated, with values ranging from \$0.5m to \$4.9m (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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There has been a period of consolidation of the governance of the company following extensive strengthening of the governance framework and procedures in 2019-20.

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. Trustees serve a term of 3 years subject to a maximum of two consecutive terms and Board and AGM approval. Recruitment of Trustees is managed by a Trustee Selection Panel comprising 3 Trustees of which one is the HR Committee Chair. One Trustee retires in 2021. The replacement appointment is subject to AGM approval in September 2021.

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, although this did not take place in 2020 due to COVID-19.

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, normally with two virtual and two physical meetings, the same time at which Members' meetings are physically held. Due to COVID-19 all meetings in the year were, successfully, held virtually. The business of all meetings is minuted.

On 31 March 2021 there were 14 Members and 10 Trustees. In addition, observers from 5 organisations, including BMGF and FCDO, the company's major funders, are invited to attend the Members' meetings, with the funders also invited to meet separately with the Board.

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 also 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. Extensive work on GALVmed's 2030 Strategy and the implementation plan took place during the year and concluded with Board approval on 23 March 2021. Throughout the process there was invaluable collaboration with the Board, Members, funders and other key stakeholders. Communication, funding and execution of the Strategy will be the key focus of 2021-22.

In the year the company continued to implement 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 and has been redesigned in the year. Job evaluation and salary benchmarking exercises have also been completed this year.

Diversity

The diversity of the Trustees, GLT and staff at 31 March 2021 is:

	Gender		Ethnicity		
	Male	Female	African	Asian	Caucasian
Trustees	6	4	3	2	5
GLT	3	3	1	-	5
Staff	10	15	9	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. All Trustees, GLT and staff were trained, and no safeguarding issues were reported in the year.

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.

In addition, service level agreements have been established for all service-related functions, performance of which is assessed 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 2021 together with key achievements are:

Objective	Achievements
Strategic	
Finalise GALVmed 2030 organisational strategy and budget; and prepare and present VITAL mid-term review.	
	The GALVmed 2030 Strategy was expanded in close collaboration with funders, the Board, Members and partners. This was endorsed by the Board in September 2020, evolved and approved by the Board in March 2021. The VITAL mid-year review was expanded to include the entire portfolio of GALVmed's ongoing programmes and was delayed until after the approval of the Strategy. The exercise was formally started in January 2021 and is expected to be concluded in June 2021.
Tactical	
Deliver VITAL, AgResults, AAT 3, BI-Last-Mile, OSEA and M&E project outputs on plan and budget. Develop a Strategy Implementation Plan.	
	All programmes are progressing well, despite some COVID-19 related delays, to the satisfaction of partners and funders. The company successfully secured funding for one new programme and effectively resourced and integrated it into GALVmed's operations. A Performance Dashboard and new Project Management Framework was rolled out and applied to enhance delivery. The Strategy Implementation Plan was approved by the Board in March 2021.
Process	
Match GALVmed's future strategic ambitions with a comprehensive resource plan and organisational review and enhance Member recruitment process and GALVmed membership.	
	A New Performance Management system has been developed and rolled out. , A new organisational blueprint supporting delivery of GALVmed's 2030 Strategy has been designed and will be rolled out in June 2021. A succession plan for senior leaders has been evolved and junior management strengthened. A Member recruitment approach has been devised, with one new Member recruited in the year and the ongoing approach developed.
Outreach	
Strengthen animal health industry & project partner engagement to foster collaboration, delivery & impact, and develop new partner engagement processes.	
	Multiple industry partner consultations were conducted in support of the definition of GALVmed's 2030 strategic priorities, with unanimous partner approval of the Strategy. The partner selection and engagement process for R&D and Commercial Development was developed in the context of the GALVmed strategic exercise. An industry value chain approach was adopted to identify barriers to animal health investment and facilitate partnerships, with one new programme funded in the year in direct collaboration with a partner.
Development	
Develop new concept note process & portfolio and build a comprehensive forward looking Funder Relations Strategy.	
	This year two concept notes (an outline proposal for a project) have been developed and submitted, and one funding proposal submitted and approved. There are a further three concepts currently in development, and project descriptions developed for all priority projects, supporting delivery of GALVmed's 2030 Strategy. A Funder Relations strategy was developed and endorsed by the Board in March 2021, following a broad cross-functional approach. In addition a South Asia Strategy and an M&E Strategy were developed and approved.

The Impact of our Work

GALVmed's two principal activities, product development and commercialisation, are undertaken with the express purpose of providing small-scale livestock producers with improved animal health products and services. These new products and services enable improved livestock health and productivity, and this results in improved livelihoods for these

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farmers. The nature and timeframe of the resultant impact varies significantly from project to project, but typical project metrics will include:

- *Adoption Rates*: the proportion of small-scale producer households which are using/purchasing a new product or service;
- *Livestock Productivity Measures*: e.g. flock and herd size, litres of milk sold per day, chickens sold/consumed per month etc;
- *Economic Benefit*: the net economic benefit for the small-scale livestock producer households arising from the livestock productivity improvement;
- *Gender Effects*: the change in household dynamics with focus on women's participation in livestock management activities and investment decisions; and
- *Wider Livelihood Issues*: e.g. household nutrition, education, standard of housing etc.

GALVmed's Monitoring and Evaluation work, which assesses the resultant impact, is undertaken with a range of collaborating partners and in close conjunction with the funders of the projects.

Financial Review

Income in the year was £16.9m (2020: £12.4m) and total resources expended were £11.2m (2020: £11.4m).

Income

Restricted income of £15.8m (2020: £11.1m) includes £9.1m in respect of AAT 3 and £4.4m in respect of VITAL; funding for other programmes totalled £2.3m. Unrestricted income of £1.1m (2020: £1.3m) was received in 2020-21 from contributions from programmes to overheads, and from interest.

Expenditure

Expenditure remained broadly consistent at £11.2m (2020: £11.4m). VITAL costs of £5.6m continue to make up the largest proportion of expenditure (50%, 2020: 61%). Expenditure on AAT 3 has increased to £3.1m, 28% (2020: £1.6m, 14%). Unrestricted spend has remained broadly consistent at £0.7m (2020: £0.9m)

Unrealised Exchange Gains/Losses

An unrealised exchange loss of £1.6m has arisen in 2020-21 (2019-20: gain of £0.3m) on the conversion of foreign currency balances at year end exchange rates; the loss is a result of the strengthening of Sterling against the US Dollar, from 1.24 to 1.38 in the year, in which most 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 £10.3m to £14.2m in the year as a result of advanced AAT 3 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. The Company generated and offset only 3 tonnes of CO₂ emissions in the year (2019-20: 250 tonnes), a significant reduction due to COVID-19 related travel restrictions.

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Reserves

Reserves at 31 March 2021 total £14.0m (2020: £9.9m), of which available funds not tied up in fixed assets amount to £13.9m (2020: £9.8m). Reserves related to restricted funds of £11.5m (2020: £7.6m) mainly relate to advance funding for AAT 3. Unrestricted reserves are £2.5m (2020: £2.3m) as noted below.

Unrestricted Reserves Policy

Unrestricted reserves at 31 March 2021 amount to £2.5m (2020: £2.3m). From this amount, the Trustees have established a designated fund of £0.9m 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. Additional unrestricted reserves are currently held to ensure financial sustainability and to allow for the future investment in the 2030 Strategy. The unrestricted reserves policy is reviewed every 6 months to ensure that it reflects current circumstances.

Future Plans

Objectives

GALVmed is currently operating in accordance with the vision of the 2015-21 Strategy and Business Plan, with the execution of the 2030 Strategy due to start in 2021-22. 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 commercial development initiatives.

GALVmed has identified the following key objectives for 2021-22:

Objective	
Strategic	Execute GALVmed 2030 Strategy including the completion of the Strategy Execution Process Handbook and partner engagement process development. Conduct the BMGF VITAL mid-term evaluation, including consideration of a no-cost extension and a new funding mechanism.
Tactical	Deliver VITAL, AgResults, AAT 3, BI, TAHSSL, PREVENT and other programme outputs on plan and budget.
Process	Ensure strategy and project delivery is underpinned by appropriate human resourcing and efficient processes – including: implementing new organisational structure, including a replacement R&D Director; improving staff development processes, including training and coaching; and reviewing data management and storage processes and integrated project management systems.
Outreach	Expand GALVmed's engagement with external stakeholders including; communication approach reviewed and optimised; strategy communication plan defined; partner engagement goals defined; and Board actively supported to identify new Members and Trustees.
Development	Broaden GALVmed's funding base and secure fresh funding in line with GALVmed 2030 Strategy.

Financial

The 2021-22 expenditure budget is £17.3m, a 54% increase on 2020-21 actual expenditure. This increase is mainly because of the increased VITAL sub-award activity as the programme end, scheduled for September 2022, approaches.

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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. In 2020-21 risk (strategic and appetite) were key components of the development of GALVmed's 2030 Strategy and related strategy implementation plan. In addition, an internal Project Management Framework was devised and rolled out for adoption of which project risk is a key component. Given these and other related factors a comprehensive review of risk management will be undertaken in 2021-22.

The 6 highest key risks that GALVmed believes it faces are: failure to design and implement projects which achieve economic impact for small-scale livestock producers; a major public health crisis impacting on staff and partner health and productivity (currently COVID-19); failure to deliver by partners affecting the outcomes & impact, especially of Commercial Development projects; dependency on limited funding sources; barriers to product registration; and future funding being adversely impacted by failure to deliver on commitments or to align with funders' 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 and Funder Relations Strategy aims to address the limited funding sources issue.

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 over the past year and on an ongoing basis has been considered. All offices have been, and continue to remain closed during the pandemic, with staff successfully working from home during this time. Programme funding has not been impacted by COVID-19. To date, the majority of programmes have continued to deliver, despite COVID-19, and it is expected that all programmes will continue to be delivered in full, potentially with programme end extensions. We will continue to monitor the impact on our work, particularly across Africa and India where case numbers continue to rise.

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 FCDO in 2017, BMGF has awarded \$40m and FCDO \$10m for the 5 years to September 2022 for VITAL. This programme covers all direct operating costs, with sufficient contribution from this and all other current programmes to fully cover indirect costs.

The UK Government recently announced a temporary reduction in Official Development Assistance from a target of 0.7% to 0.5% GNI. As a result, the company was advised in April 2021 of a 17% (£410k) reduction in FCDO funding for 2021-22. The company do not believe it will have a significant impact on its operations nor delivery but is in discussions with both FCDO and BMGF to take all necessary steps to ensure so. The financial sustainability beyond the end of VITAL is being considered and discussed with our funders. The target in 2021-22 is to secure additional funding of \$9m. Other programmes are fully funded.

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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.

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
15 June 2021

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RESPONSIBILITIES OF THE TRUSTEES
For the year ended 31 March 2021

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.

Statement of Disclosure of Information to Auditors

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
15 June 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
For the year ended 31 March 2021

Opinion

We have audited the financial statements of Global Alliance for Livestock Veterinary Medicines (the 'charitable company') for the year ended 31 March 2021 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 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR and employment law, and fraud;
- Review of correspondence with regulators including OSCR, the Charities Commission for England and Wales and the Health & Safety Executive;
- Review of legal fee expenditure and board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
For the year ended 31 March 2021

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); GDPR; and compliance with the UK Companies Act and the Charities legislation

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. 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.

This report is made solely to the Members of Global Alliance for Livestock Veterinary Medicines, 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.

MHA Henderson Loggie

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

16 June 2021

MHA Henderson Loggie is a trading name of Henderson Loggie LLP

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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**INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF FINANCIAL ACTIVITIES**
For the year ended 31 March 2021

	Notes	Unrestricted	Restricted	Total 2021	Total 2020
		£	£	£	£
Income from:					
Charitable Activities	2	1,089,853	15,823,696	16,913,549	12,162,310
Investments		1,843	11,935	13,778	199,842
Total Income		<u>1,091,696</u>	<u>15,835,631</u>	<u>16,927,327</u>	<u>12,362,152</u>
Expenditure on:					
Charitable Activities	3	687,932	10,503,630	11,191,562	11,420,959
Total Expenditure		<u>687,932</u>	<u>10,503,630</u>	<u>11,191,562</u>	<u>11,420,959</u>
Net Income	5	403,764	5,332,001	5,735,765	941,193
Other Recognised (Loss)/Gains:					
Unrealised (Loss)/Gain on Foreign Exchange	6	(214,031)	(1,415,676)	(1,629,707)	260,902
Net Movement in Funds		189,733	3,916,325	4,106,058	1,202,095
Reconciliation of Funds					
Total Funds Brought Forward at 1 April 2020	12	2,302,496	7,593,095	9,895,591	8,693,496
Total Funds Carried Forward at 31 March 2021	12	<u>2,492,229</u>	<u>11,509,420</u>	<u>14,001,649</u>	<u>9,895,591</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 18 to 29 form part of these financial statements

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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BALANCE SHEET
As at 31 March 2021

	Notes	2021	2020
		£	£
Fixed Assets			
Tangible Assets	8	61,972	86,776
Current Assets			
Debtors	9	552,820	442,543
Bank and Cash Balances	10	14,151,954	10,298,963
		<u>14,704,774</u>	<u>10,741,506</u>
Liabilities:			
Creditors: Amounts Falling Due Within One Year	11	(765,097)	(932,691)
		<u></u>	<u></u>
Net Current Assets		13,939,677	9,808,815
Total Net Assets		<u>14,001,649</u>	<u>9,895,591</u>
Unrestricted Funds			
General Reserve	12	1,600,798	1,851,227
Designated Funds	12	891,431	451,269
Total Unrestricted Funds		<u>2,492,229</u>	<u>2,302,496</u>
Restricted Income Funds	12	11,509,420	7,593,095
Total Funds		<u>14,001,649</u>	<u>9,895,591</u>

The financial statements were authorised for issue and approved by the Trustees on 15 June 2021.



Prof. P Wood
Company No: 05393391

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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STATEMENT OF CASH FLOWS
For the year ended 31 March 2021

		2021	2020
	Notes	£	£
Cash Flows from Operating Activities:			
Net Cash Provided By Operating Activities	16	5,477,874	277,933
<i>Cash Flows from Investing Activities:</i>			
Interest from Investments		18,611	208,976
Purchase of Property, Plant and Equipment		(13,787)	(54,992)
Net Cash Received from Investing Activities		<u>4,824</u>	<u>153,984</u>
Change in Cash and Cash Equivalents in the Reporting Period		5,482,698	431,917
Cash and Cash Equivalents at the Beginning of the Reporting Period		10,298,963	9,606,144
Change in Cash and Cash Equivalents due to Exchange Rate Movements		<u>(1,629,707)</u>	<u>260,902</u>
Cash and Cash Equivalents at the End of the Reporting Period		<u><u>14,151,954</u></u>	<u><u>10,298,963</u></u>
 Analysis of Cash and Cash Equivalents			
Bank and Cash Balances		<u><u>14,151,954</u></u>	<u><u>10,298,963</u></u>

The notes on pages 18 to 29 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 2021

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 FCDO in 2017, BMGF has awarded \$40m and FCDO \$10m for the 5 years to September 2022 for VITAL. This programme covers all direct operating costs, with sufficient contribution from this and all other current programmes to fully cover indirect costs. 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.

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 funder-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
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

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 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 2021

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	2021	2020
	£	£	£	£
Restricted income				
AAT 3	983,826	8,143,694	9,127,520	1,083,263
VITAL	1,312,423	3,054,813	4,367,236	7,944,332
AgResults Brucellosis	-	286,944	286,944	308,650
PREVENT	-	1,058,127	1,058,127	-
AgResults FMD	-	419,452	419,452	525,219
Boehringer Ingelheim	-	507,012	507,012	678,392
TAHSSL	-	92,088	92,088	106,412
AAT Ethiopia	(40,000)	-	(40,000)	-
Royal Veterinary College	5,317	-	5,317	6,982
AAT 2	-	-	-	254,966
Project Mesha	-	-	-	9,106
Other	-	-	-	1,000
Total restricted income	2,261,566	13,562,130	15,823,696	10,918,322
Unrestricted income	176,602	913,251	1,089,853	1,243,988
Total income	2,438,168	14,475,381	16,913,549	12,162,310

There is negative income in the AAT Ethiopia fund because income was returned to the Universities of Edinburgh and Glasgow in the year because it was not required.

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

3. Analysis of Expenditure

	Support £	Governance £	Staff £	Direct Costs £	Total 2021 £	Total 2020 £
AAT 3	1,591	-	18,147	3,096,659	3,116,397	1,572,660
VITAL	249,506	-	994,018	4,346,264	5,589,788	6,953,545
AgResults Brucellosis	1,556	-	6,173	86,313	94,042	81,356
PREVENT	-	-	-	641,875	641,875	-
AgResults FMD	7,979	-	79,809	240,539	328,327	278,176
Boehringer Ingelheim	-	-	-	433,928	433,928	653,336
PLSHL 2	-	-	-	183,356	183,356	237,132
TAHSSL	943	-	83,830	25,827	110,600	23,798
Royal Veterinary College	-	-	499	4,818	5,317	6,982
AAT 2	-	-	-	-	-	730,698
Project Mesha	-	-	-	-	-	8,928
Other	-	-	-	-	-	1,000
Unrestricted	66,966	(20,321)	529,842	111,445	687,932	873,348
Total 2021	328,541	(20,321)	1,712,318	9,171,024	11,191,562	11,420,959
Total 2020	388,828	86,284	1,802,757	9,143,090	11,420,959	

Negative Governance costs of £20,321 have been incurred because of refunds received for the March 2020 Board meeting, which was cancelled because of COVID-19. Governance costs, excluding these refunds of £24,082, are £3,761.

Analysis of Support Costs

	Professional Fees £	Office Costs £	Information Technology £	Audit Fees £	Total 2021 £	Total 2020 £
AAT 3	-	343	1,248	-	1,591	1,220
VITAL	49,351	133,884	64,489	1,782	249,506	290,784
AgResults Brucellosis	-	-	1,556	-	1,556	1,464
AgResults FMD	-	27	7,952	-	7,979	2,374
PLSHL 2	-	-	-	-	-	494
TAHSSL	-	57	886	-	943	212
AAT 2	-	-	-	-	-	348
Other	-	-	-	-	-	1,000
Unrestricted	1,499	31,826	21,481	12,160	66,966	90,932
Total 2021	50,850	166,137	97,612	13,942	328,541	388,828
Total 2020	80,821	174,374	119,970	13,663	388,828	

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

4. Staff Costs

	2021	2020
	£	£
Total staff costs were as follows:		
Salaries	1,458,427	1,540,724
Social security costs	110,322	126,618
Pension contributions	98,066	103,877
Other employee benefits	45,503	31,538
	<u>1,712,318</u>	<u>1,802,757</u>

The average number of employees during the year was:

	Number	Number
Management	5	6
Project staff	13	13
Support staff	11	12
	<u>29</u>	<u>31</u>

During the year the company incurred expenses of £240 on behalf of, or reimbursed expenses to, 4 Trustees in connection with their governance responsibilities (2020: £43,547, 11 Trustees). All Board meetings in 2020-21 were held virtually due to COVID-19. No expenses were incurred for persons or entities connected with the Trustees (2020: £nil). One Trustee received remuneration of £73 in relation to consultancy services provided (2020: no remuneration).

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. Total employer contributions in the year were £60,205 (2020: £70,492). The total number of members in the scheme at 31 March 2021 was 19 (2020: 20). 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 £38,051 (2020: £33,385).

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

	2021	2020
£60,000 - £69,999	-	2
£70,000 - £79,999	2	1
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1
£100,000 - £109,999	1	1
£110,000 - £119,999	-	-
£130,000 - £139,999	-	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	-
	<u>1</u>	<u>-</u>

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

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 £540,377 (2020: £634,943), with a further £89,584 (2020: £nil) paid to one consultant. Employer pension contributions for key management totalled £30,573 (2020: £34,940).

Redundancy costs of £nil were incurred during the year (2020: £10,703).

5. Net Incoming Resources

	2021	2020
	£	£
This is stated after charging:		
- Auditor's remuneration – audit fees	13,942	13,663
- Depreciation	36,266	30,207
- Loss on Disposal of Fixed Assets	2,325	-
- Operating leases		
Land and buildings	118,702	109,049
Equipment	1,701	1,353

Auditors remuneration includes £1,852 (2020: £1,927) for audit fees payable in India and £12,090 (2020: £11,736) for audit fees in the UK.

6. Unrealised Exchange Gains and Losses

Unrealised losses on foreign exchange relate to the revaluation of GALVmed's net current assets at 31 March 2021 (see note 12 for unrealised exchange gains/losses by programme). The losses predominantly relate to advance funding in US Dollars from BMGF and a strengthening of Sterling against the US Dollar.

In addition, a realised gain of £5,312 (2020: £11,621 gain) 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
(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

8. Tangible Assets

	Leasehold improvements £	Office equipment £	Computer equipment & software £	Total £
Cost				
At 1 April 2020	45,019	7,267	267,475	319,761
Additions	1,191	-	12,596	13,787
Disposals	(33,780)	-	(9,566)	(43,346)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	12,430	7,267	270,505	290,202
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2020	30,496	7,267	195,222	232,985
Charge for year	4,166	-	32,100	36,266
Eliminated on disposal	(31,455)	-	(9,566)	(41,021)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	3,207	7,267	217,756	228,230
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2021	9,223	-	52,749	61,972
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020	14,523	-	72,253	86,776
	<hr/>	<hr/>	<hr/>	<hr/>

9. Debtors

	2021 £	2020 £
Prepayments and accrued income	527,890	402,530
Other debtors	24,930	40,013
	<hr/>	<hr/>
	552,820	442,543
	<hr/>	<hr/>

Prepayments and accrued income includes £90,460 (2020: £140,380) of accrued income in relation to the AgResults FMD Disease programme; £70,003 (2020: £84,961) in relation to the AgResults Brucellosis programme; £293,491 in relation to the VITAL programme (2020: £nil); £nil (2020: £109,982) in relation to the TAHSSL programme; £nil (2020: £766) in relation to the Project Mesha Programme; £nil (2020: £734) in relation to the Royal Veterinary College programme; and other debtors include accrued investment income of £142 (2020: £4,975).

GLOBAL ALLIANCE FOR LIVESTOCK VETERINARY MEDICINES
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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

10. Bank and Cash Balances

2021	GBP £	USD £	Other currencies £	Total £
Lloyds Bank	668,030	3,695,610	5,118	4,368,758
Bank of Scotland	1,000,000	3,773,708	-	4,773,708
NatWest	-	4,989,922	-	4,989,922
Standard Chartered	-	-	14,341	14,341
Cash	234	3,281	1,710	5,225
	<u>1,668,264</u>	<u>12,462,521</u>	<u>21,169</u>	<u>14,151,954</u>

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>

11. Creditors: Amounts Falling Due Within One Year

	2021 £	2020 £
Trade creditors	610,286	143,031
Accruals	153,433	747,035
Other creditors	1,378	4,441
Deferred income	-	38,184
	<u>765,097</u>	<u>932,691</u>

Creditors includes £nil (2020: £38,184) 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 2021

12. Funds Movement

2021	31 March 2020	Incoming resources	Resources expended	Exchange (losses)	Transfers	31 March 2021
	£	£	£	£	£	£
Restricted funds:						
AAT 3	1,340,656	9,130,126	(3,116,397)	(483,938)	-	6,870,447
VITAL	4,443,169	4,374,654	(5,589,788)	(651,094)	-	2,576,941
AgResults Brucellosis	922,252	287,861	(94,042)	(100,799)	-	1,015,272
PREVENT	-	1,058,127	(641,875)	-	-	416,252
AgResults FMD	249,450	419,452	(328,327)	(30,762)	-	309,813
Boehringer Ingelheim	221,795	507,716	(433,928)	(125,142)	-	170,441
PLSHL 2	293,106	342	(183,356)	(23,941)	-	86,151
TAHSSL	82,615	92,088	(110,600)	-	-	64,103
AAT – Ethiopia	40,052	(40,052)	-	-	-	-
Royal Veterinary College	-	5,317	(5,317)	-	-	-
Total restricted funds	7,593,095	15,835,631	(10,503,630)	(1,415,676)	-	11,509,420
Unrestricted funds:						
General reserve	1,851,227	1,091,696	(687,932)	(214,031)	(440,162)	1,600,798
Designated funds:						
Indirect future costs	451,269	-	-	-	440,162	891,431
Total unrestricted funds	2,302,496	1,091,696	(687,932)	(214,031)	-	2,492,229
Total funds	9,895,591	16,927,327	(11,191,562)	(1,629,707)	-	14,001,649

2020	31 March 2019	Incoming resources	Resources expended	Exchange gains/ (losses)	Transfers	31 March 2020
	£	£	£	£	£	£
Restricted funds:						
AAT 3	1,705,614	1,119,039	(1,572,659)	88,662	-	1,340,656
VITAL	3,283,176	8,068,548	(6,953,545)	44,990	-	4,443,169
AgResults Brucellosis	650,465	316,067	(81,356)	37,076	-	922,252
AgResults FMD	-	525,219	(278,176)	2,407	-	249,450
Boehringer Ingelheim	180,309	683,908	(653,336)	10,914	-	221,795
PLSHL 2	505,042	7,997	(237,133)	17,200	-	293,106
TAHSSL	-	106,413	(23,798)	-	-	82,615
AAT – Ethiopia	40,000	52	-	-	-	40,052
Royal Veterinary College	-	6,982	(6,982)	-	-	-
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

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NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 March 2021

12. Funds Movement (continued)

Programme Objectives and Funding

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 AAT 3 programme, Boehringer Ingelheim. This programme is funded by both BMGF (\$19m) and FCDO (\$3.5m)

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 FCDO (20%). This programme ends on 30 September 2022.

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 PREVENT programme is fully funded by BMGF, with a sub-award to Ceva Santé Animale through GALVmed, whose aim is to create an efficient sector of medium-sized African hatcheries applying hatchery vaccination and proactive marketing methods to initiate and increase vaccinated chick sales to poultry small scale producers.

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 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 CCPP, which were previously feasibility studies under PLSHL 1. The programme was jointly funded by BMGF (80%) and FCDO (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 at 31 March 2021 are fully committed.

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 is 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).

Other restricted funds represent income received from funders with a specific use of programme identified. There is negative income in the AAT Ethiopia fund because income was returned to the Universities of Edinburgh and Glasgow in the year because it was not required.

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For the year to 31 March 2021

12. Funds Movement (continued)

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 2021 to fund future indirect costs to September 2022.

13. Total Assets – Analysed Between Funds

2021	Fixed assets £	Net current assets £	Total £
Restricted funds			
AAT 3	733	6,869,714	6,870,447
VITAL	8,117	2,568,824	2,576,941
AgResults Brucellosis	733	1,014,539	1,015,272
PREVENT	-	416,252	416,252
AgResults FMD	2,264	307,549	309,813
Boehringer Ingelheim	-	170,441	170,441
PLSHL 2	-	86,151	86,151
TAHSSL	1,847	62,256	64,103
	<hr/>	<hr/>	<hr/>
	13,694	11,495,726	11,509,420
Unrestricted funds			
General reserve	48,278	1,552,520	1,600,798
Designated funds	-	891,431	891,431
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	61,972	13,939,677	14,001,649
2020	Fixed assets £	Net current assets £	Total £
Restricted funds			
AAT 3	1,173	1,339,483	1,340,656
VITAL	11,238	4,431,931	4,443,169
AgResults Brucellosis	1,173	921,079	922,252
AgResults FMD	3,930	245,520	249,450
Boehringer Ingelheim	-	221,795	221,795
PLSHL 2	32,864	260,242	293,106
TAHSSL	962	81,653	82,615
AAT – Ethiopia	-	40,052	40,052
	<hr/>	<hr/>	<hr/>
	51,340	7,541,755	7,593,095
Unrestricted funds			
General reserve	35,436	1,815,791	1,851,227
Designated funds	-	451,269	451,269
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	86,776	9,808,815	9,895,591

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NOTES TO THE FINANCIAL STATEMENTS
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14. Operating Lease Commitments

At 31 March 2021 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:

	2021	2020
	£	£
Not later than one year	116,539	95,604
Later than one year and not later than five years	156,978	70,200

15. Share Capital

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

16. Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2021	2020
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	5,735,765	941,193
Adjustments for:		
Depreciation charges	36,266	30,207
Loss on sale of assets	2,325	-
Interest from investments	(13,778)	(199,842)
(Increase) in debtors	(115,110)	(200,357)
(Decrease) in creditors	(167,594)	(293,268)
Net cash provided by operating activities	<u>5,477,874</u>	<u>277,933</u>

Debtors contains accrued investment income of £142 (2020: £4,975). The movement on accrued investment income is included in investments within the cash flow statement.

17. Related Parties

One Trustee received remuneration of £73 in relation to consultancy services provided (2020: no remuneration).

18. Ultimate Controlling Party

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