

Financial Statements

IVCC

For the Year Ended 31 July 2024

Registered Charity Number: 1128437

Company No. 06719882

Company Registration Number:	06719882
Registered Charity Number:	1128437
Registered Office:	c/o Liverpool School of Tropical Medicine Pembroke Place Liverpool L3 5QA
Trustees:	S W Charles (Chair) J Schofield (Vice Chair) E Chizema A Court J E Lefroy K Malm S Russell (LSTM representative) P Welkhoff R Nishimoto Honorary lifetime president: Sir Mark Moody-Stuart
Secretary:	David Worrall
Bankers:	Royal Bank of Scotland Plc 1, Dale Street Liverpool L2 2PP
Solicitors:	Brabners LLP Horton House Exchange Flags Liverpool L2 3YL
External Auditor:	Crowe U.K. LLP 55, Ludgate Hill London EC4M 7JW
Internal Auditors:	RSM Risk Assurance Services LLP Internal Auditor Chartered Accountants 3 Hardman Street Manchester M3 3HF

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Report of the Trustees

The trustees, who are also the directors of the charitable company for the purposes of the Companies Act 2006, present their report together with the financial statements for the year ended 31 July 2024.

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 Trustees serving during the year and since the year end were as follows:

S W Charles (Chair)
J Schofield (Vice Chair)
E Chizema-Kawesha
A Court
P Housset (resigned 7 December 2023)
J E Lefroy
K Malm
R Nishimoto
S Russell (LSTM representative)
P Welkhoff

For more information: <https://www.ivcc.com/board-of-trustees/>.

The Board Chair, Sherwin Charles would like to thank his fellow Trustees for their ongoing engagement and input into Board matters over the past year. After a long period of commitment as a member of the Board, Pascal Housset stepped down in December and we warmly welcomed the wisdom of Ray Nishimoto as a new Board Member in June.

It has been a critically important year for IVCC in terms of setting a new strategy, recalibrating relationships with various partners and grant renewals. On behalf of the Trustees the Chair expresses appreciation for what the organisation has achieved and looks forward to seeing the work plan being delivered.

Structure, Governance and Management

IVCC is a not-for-profit company limited by guarantee with charitable status in the UK.

The organisation is overseen by a Board of Trustees with fiduciary responsibilities and financial and audit oversight. External Scientific Advisory committees (ESACs) advise IVCC Leadership on specific areas of technical expertise in relation to the direction and strategy related to product development. The IVCC Leadership Team is responsible for strategic and day to day management of the programme, high level project monitoring and stakeholder liaison. Justin McBeath, CEO of IVCC, has delegated day-to-day management responsibility of the charitable company on behalf of the Trustees. In addition to the UK, IVCC has staff located in several countries, including the USA, France, Germany and Ghana.

Group Structure

The Liverpool School of Tropical Medicine (LSTM) is the parent company of IVCC by virtue of it being the sole member of the company limited by guarantee.

Statement by the Trustees on performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Board of Trustees of IVCC consider, both individually and collectively, that they have acted in ways that they believe in good faith to be most likely to promote the success of the company for the benefits of its members as a whole (having regard to the stakeholders and other matters set out in s172(1) of the act) in the decisions they made during the year ended 31 July 2024.

The IVCC Board of Trustees comprises non-executive members, but the secretary is a staff member. There are a minimum of 2 full board meetings each year.

Trustees are not remunerated, and they join the IVCC Board to contribute their skill and expertise to help IVCC to achieve its vision and mission, as detailed elsewhere in this report. The Board of Trustees has a terms of reference that is reviewed annually and Board members receive regular external training on the duties of trustees of a charity. There is also a code of conduct and members are required to declare any conflicts of interest at every meeting.

The Board's key stakeholders have been identified as the following:

- Employees
- Funding partners
- Industry partners
- External scientific advisors
- Local, national governments
- National Malaria Control Programs
- Donor agencies

The Board engages with each of these groups throughout the year through face-to-face meetings, surveys, seminars and written correspondence to promote IVCC's mission.

Key decisions made by the Board this year include:

- Approval of the 2024/25 annual budget
- Approval of updated strategy
- Conclusion of governance review

Employee engagement statement

Board engagement with employees is largely through the IVCC Leadership Team, and involvement of staff in particular focus task groups and projects.

Employees make presentations to Board members, where relevant, on product development, market shaping and organisational activities during Board of Trustee meetings, alongside discussions on finance and governance matters.

Statement on business relationships

The IVCC Board of Trustees and its committees comprise people with a variety of skills and backgrounds. Through their networks, Board members foster relationships with relevant stakeholders, that have an impact on delivering on the mission of IVCC.

Delivering our strategy requires strong, mutually beneficial relationships with suppliers, customers, industry and governments. IVCC continuously assesses its priorities related to its major funding partners, and the Board engages on this through the regular Board meetings.

Carbon reporting

IVCC occupies space provided by LSTM, its direct holding company. LSTM carbon reporting is included in the LSTM Group Trustees' Report.

Organogram & Organisation of IVCC

The organisation structure is reflected below.

Human Resources, IT, finance and certain other grant management functions are accessed through the parent organisation LSTM via a service level agreement. This provides IVCC with open access to these support services in a cost-effective manner.

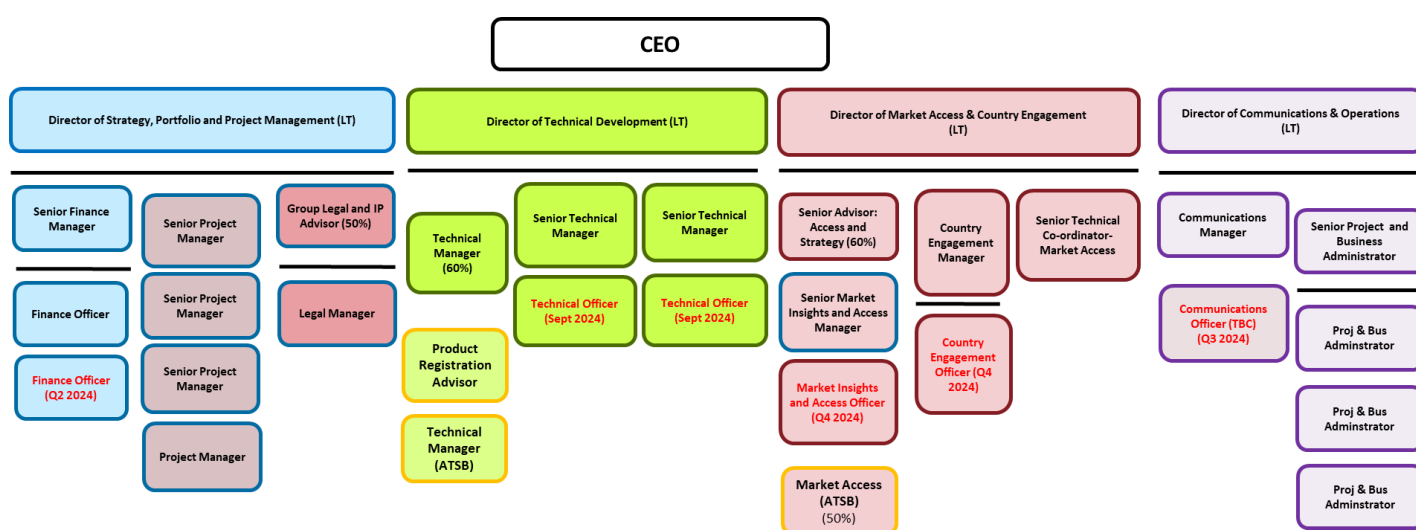


Figure 1: IVCC org chart

Pay Policy for Staff

The pay of staff consists of a basic pay element and a performance related pay element (discretionary pay element). IVCC recruits professionals with specialist private-sector expertise (Pharmaceutical, Agrochemical etc.) and therefore its remuneration framework needs to be competitive with the private sector to attract, incentivise and retain high quality employees.

Base salaries are benchmarked against the private sector as well as other Product Development Partnerships on a regular basis to ensure competitiveness. The framework for calculation of variable pay is based on a blend of organisational performance, individual performance and key competencies. The process for goal setting ensures that the total organisational pay-out is maintained within an acceptable range that is pre-defined by the IVCC Board of Trustees. While Management strives to define the most appropriate goals and metrics, unforeseen issues or opportunities may arise that change the feasibility or

value of the proposed metrics. Management's ability to capitalise on unforeseen opportunities and address unforeseen issues is also considered as a part of the Board's assessment of the organisation's performance. Should the performance of the individual, or the organisation be deemed insufficient by IVCC's management or the Board, there will be no obligation to pay the variable component.

The CEO's salary and performance related pay is proposed by the IVCC Remuneration Committee following a recommendation put forward from the relevant Board Members and the annual review is undertaken by The Chair of the Board of Trustees, as agreed by the Board.

Audit Committee

IVCC benefits from shared accounting and audit arrangements with its parent institution the Liverpool School of Tropical Medicine. External audit work is carried out by Crowe UK LLP, following the resignation of Grant Thornton UK LLP. All internal audit work is performed by RSM Risk Assurance Services LLP, whose remit is to provide independent and objective assurance to add value and improve the organisation's operations. This is carried out through the evaluation and improvement of risk management, governance and control processes.

The LSTM/IVCC Audit Committee acts as the review body for both internal and external audit oversight on all recommendations made. The current Chair of the Audit Committee is a serving IVCC and LSTM trustee and reports between both organisations on any matters that should be brought to the Board's attention for further discussion. A further IVCC trustee sits on the Audit Committee and the Committee produces minutes which are shared with the IVCC Board.

Governing Document and Objectives of the Charitable Company

The organisation is governed by the Memorandum and Articles of Association which were laid down at the incorporation of the company on 9 October 2008 and were mostly recently amended by special resolutions on 25 April 2024.

The objectives of the charity are:

The preservation and protection of good health and the relief of sickness by alleviating and preventing the spread of any type of tropical disease which is now or may hereafter become known in any part of the world where such disease either manifests itself or has effects by any means, and in particular but without prejudice to the generality of the foregoing by:

- Stimulating industry and academia to discover, develop and deliver new tools to better manage insects which transmit disease and to monitor and better direct the use of these tools.
- Promoting and encouraging the dissemination of new scientific information.
- Ensuring the products and systems developed are accessible to those in need of them in the developing countries of the world.
- Promoting and conducting research into issues concerning public health.

Appointment of Trustees

Any new appointments to the Board are a matter for consideration of the Board as a whole. The IVCC Board of Trustees has a Nominations Committee comprising the Chair, Vice-Chair and at least two other trustee members that is responsible for the selection and nomination of any new member for the Board's consideration. The Board of Trustees consists of at least seven and not more than fifteen individuals.

Members of the Board of Trustees are appointed for a term of office of three years. One third of the Board must retire at each AGM based on time in office. Retiring trustees shall be eligible for re-election subject to paragraph 23.3 of the Articles.

Trustee Induction and Training

New trustees undergo orientation training to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and to inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Strategic Report

As a registered charity, the strategic report is contained in the following sections:

- Risk management
- Financial risk management objectives and policies
- Objectives and activities for public benefit
- Achievements and performance
- Goals, future plans and developments
- Financial review

Risk Management

The Trustees have a risk management strategy in place which identifies the major first level risks to which the charitable company is exposed. The Trustees regularly review the systems established to mitigate those risks.

IVCC's Risk Register contains risks to all activities at a global, enterprise-level.

Risk assessments are carried out by management. The outcomes of the assessments are included in the Risk Register. The Leadership Team identifies new risks and monitors existing risks.

The risk register is regularly summarised and reviewed by the Leadership Team, and is reviewed by the Audit Committee and Board of Trustees at each meeting.

Going Concern

As detailed in the accounting policies, these financial statements are prepared on a going concern basis. The trustees are satisfied that the use of the going concern accounting principle remains applicable and further analysis of the going concern assessment is contained in the Reserves and Going Concern section of the Financial Review section of the Report of the Trustees.

Financial Risk Management Objectives and Policies

It is the charity's policy to minimise the risk relating to foreign currency received from overseas funders by employing the use of forward contracts where appropriate.

Short term surplus cash held is invested in high interest-bearing accounts as part of an overall cash pooling arrangement with the parent company to maximise potential returns and minimise risk. Medium to longer term cash is invested in low-risk company and government bonds.

The Finance and Investment Committee of LSTM acts as a review body for all finance and investment related activities. A member of the IVCC Board sits on the committee and reports between both organisations on any matters that should be brought to the Board's attention for further discussion.

Objectives and Activities for Public Benefit

IVCC facilitates the development of a portfolio of vector control tools (toolbox) supporting malaria and other mosquito borne disease eradication. IVCC supports product development as well as market uptake to ensure maximum impact. The Board confirms it has referred to the guidance contained in the Charity Commission's general guidance and The Advancement of Education for the Public Benefit when reviewing the Charity's aims and objectives in planning future activities for the year.

IVCC is a Product Development Partnership (PDP) and as such has an essential role within the malaria eradication agenda, and more broadly, in the control of many vector-borne diseases. IVCC will:

- Engage with industry to stimulate the development of new public health tools and interventions.
- Improve the cost-effectiveness and efficiency of the interventions through better formulation or alternative deployment strategies.
- Support establishment of new product classes addressing public health gaps (e.g. outdoor transmission, spatial emanators).
- Measure new tools impact to confirm and advise on their purpose and optimal use in the public health toolbox.

Achievements and Performance

IVCC was established in November 2005 to facilitate the development of improved public health pesticides and formulations and provide information, tools and diagnostics to enable the more effective use of malaria and dengue control measures.

Since then, through a mechanism of open calls, IVCC has been remarkably successful at engaging industry and delivering products: K-Othrine® Polyzone (Indoor Residual Spraying 'IRS'), Actellic® 300CS (IRS), Interceptor® G2 (dual Active Ingredient 'AI' Insecticide Treated Net 'ITN'), SumiShield® 50WG (IRS), Fludora® Fusion (IRS) and VECTRON™ T500 (IRS).

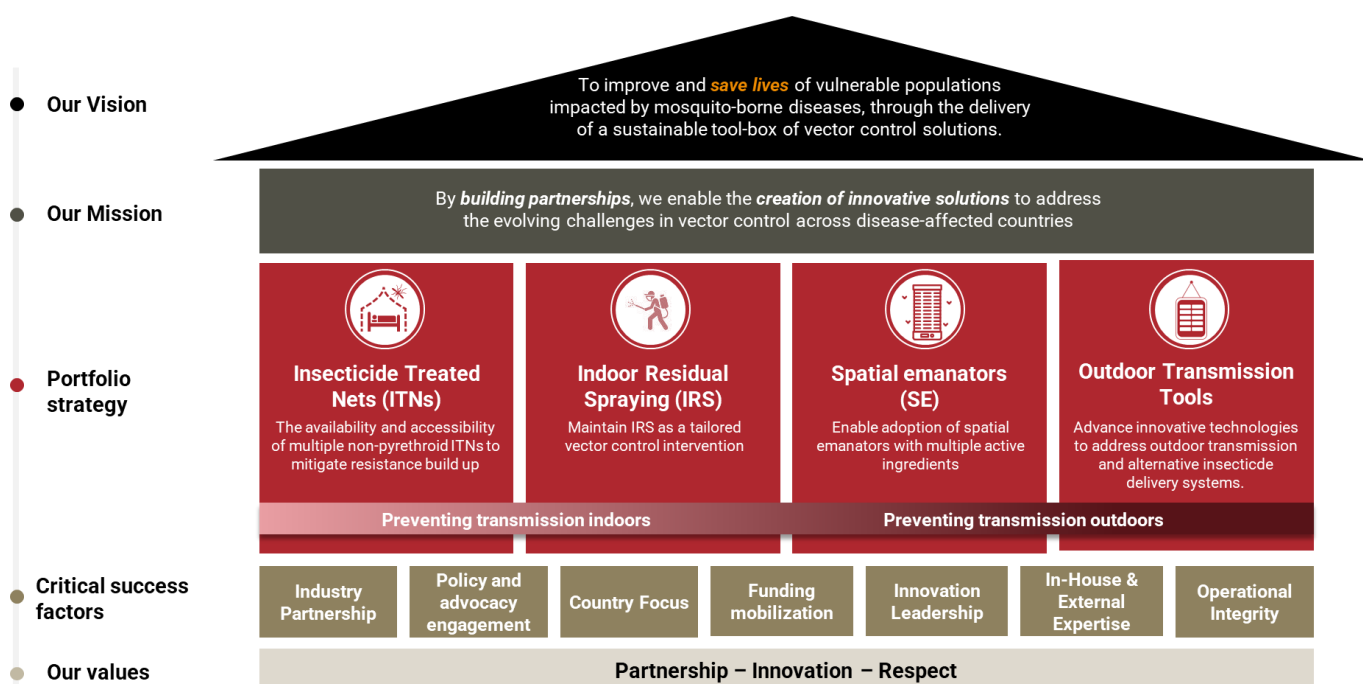


Figure 2: Diagram summarizing IVCC's Strategy

Product development portfolio

IVCC collaborates with industry and scientific leaders to develop a sustainable toolbox of solutions for vector control. This toolbox is designed to provide vector-borne disease control programs (particularly malaria) with the products to effectively and efficiently prevent disease transmission. Insecticide resistance is a particular driver of the need for new tools. Ultimately it is expected that this toolbox will contribute to malaria eradication.

- Novel active ingredients: Two compounds are in development, one class in optimization.
- VECTRON™ T500 (TENEBENAL™) was launched in Ghana in 2024.
- MCCLS and IVCC continues the collaboration for the development of a TENEBENAL™ net.
- Through a tender process, IVCC has identified a new ITN developer to continue the development of nets with a novel active ingredient and established agreements for the development of nets with repurposed active ingredients.
- Repurposing insecticides from agriculture and other uses: Interceptor® G2 (dual AI ITN), SumiShield® (IRS) and Fludora® Fusion (dual AI IRS) are now in use and allow National Malaria Control Programmes to build effective Insecticide Resistance Management ('IRM') programs.
- Preventing outdoor transmission: ATSB® epidemiological evaluation in Kenya, Zambia and Mali concluded in 2024. Results did not demonstrate public health value. IVCC and partners continue to analyse the results to identify determinants of efficacy and next steps.
- Several proof of concepts (biorationals, surveillance, attractant) concluded at the end of 2023 / beginning of 2024. Three have proven very successful and will continue through an alternative funding scheme. Three were partially successful. All results will be published.

Indo-Pacific and other initiatives

The Indo-Pacific Initiative (IPI) successfully concluded in December 2023. IVCC was awarded a follow up grant by DFAT to continue this platform. Partnerships are being established and projects will start in 2024/2025.

Testing sites GLP accreditation

The Good Laboratory Practice (GLP) accredited field and laboratory trial capabilities and capacity building initiative has supported the full certification of 7 sites throughout Africa. The first site was certified on 16 January 2019 and the seventh on 11 June 2024.

Vector Expedited Review Voucher (VERV)

VERV is an initiative to incentivise industry in developing new vector control products for challenged markets. VERV was signed into law in December 2022 and became formally established in December 2023 when the Environmental Protection Agency (EPA) published its 'Notice' which includes eligibility criteria and processes regarding how to apply and qualify for a voucher under the VERV Program.

The VERV rewards the registrant of a new public health insecticide with a voucher to receive an expedited registration review of a second, potentially more profitable product. Getting the second product to market faster generates value for the manufacturer which helps mitigate the investment costs typical in public health insecticide development. A registrant can also sell the awarded voucher.

Goals, Future Plans and Developments

IVCC's core objectives for the upcoming period are:

- Advance the portfolio of Novel Active Ingredient (AI) discovery and development programmes and in particular prioritise their formulation into new ITNs.
- Complete the development of the existing formulation and repurposing portfolio to deliver products that support effective malaria prevention in light of continued insecticide resistance pressure.
- Strengthen relationship with World Health Organization (WHO) in both the Global Malaria Program (GMP) and Prequalification (PQ) programmes to anticipate the impact of policies and recommendations on the product development pipeline.
- Launch a new call for proposal to identify technologies to prevent outdoor/residual transmission.
- Engage with industrial partners on spatial emanator use in public health.
- Update the AI screening cascade to maximise identification of potential chemistry for all the priority technologies (IRS, ITN, spatial emanators, outdoor transmission tools).
- Support the PQ listing (WHO accreditation of prequalified vector control products) of Sylando® (BASF) to expand the IRS toolbox.
- Use the outcome of the modelling work in our product development strategy and IVM platform.
- Support and leverage our expert platform (ESAC) for optimal project support.
- Renew grants with key funders to sustain IVCC's mission.

Financial Review

Income for the year of £20.3m (2023 : £33.4m) was £13.1m lower than in the previous year, with resources expended of £20.2m (2023 : £32.2m) down by £12m, generating a marginal surplus of £158k before other recognised gains and losses (2023 : £1,153k). The New Nets Project (NNP) concluded during the year which accounts for a £2.8m reduction in income. Grant income from NNP was £0.3m (2023: £3.1m). The first

award under the Indo-Pacific Initiative 'IPI' (DFAT grant) also concluded during the year. A second IPI award was granted in February 2024 and the early months of the new grant have focussed on establishing the project. The reduction in income arising on the DFAT awards amounts to £1.5m with grant income awarded through DFAT at £0.4m for the year (2023: £1.9m). A deficit budget of £1.7m was set for the year 2023/24, which reflected an underwriting by IVCC of planned project activities to the extent that the associated cost exceeded the income projection. Caution was exercised in entering into new contractual commitments during this year, whilst awaiting the outcome of renewal grant proposals, which resulted in certain activities being deferred until renewal funding had been secured.

A total of £15m was spent on direct charitable project activities (2023: £23.8m) with a further £0.8m paid out on project activities undertaken in-house (2023: £1.8m). General support costs, including Core administration, of £4.3m (2023: £6.8m) were also incurred in the year. The main driver of the lower level of direct charitable project activities is in relation to the evolving science plans of key projects.

The Bill & Melinda Gates Foundation (the Foundation) accounted for 55% of the charity's income in the year, down from 62% in 2023. The remaining income includes: 33% FCDO, 2% UNITAID, 2% DFAT, 3% USAID and 3% SDC.

It is budgeted that for 2024/25 income from charitable activities would increase to £25.2m (2023/24 : £19.6m), an expansion of 24%, which includes activities postponed during 2023/24 due to budget constraints and new activities linked to the revised IVCC strategy.

In July 2024, IVCC was awarded a core grant by the Foundation covering the period August 2024 – July 2029 and subject to a maximum budget allocation of \$85m, of which match funding conditions apply to \$20m. The second 14-month bridge grant of \$21m (July 2023 – August 2024) was awarded a no cost extension to February 2025. The utilisation of IVCC's core grant with the Foundation has been affected by evolving science plans prompted by scientific outcomes in respect of 2 major product development projects, coupled with the aforementioned cautious approach to new commitments that was maintained until the core grant was awarded at the end of July 2024.

The Foreign Commonwealth and Development Office (FCDO) awarded IVCC £6.1m of core funding during the year. The Memorandum of Understanding expired at the end of March 2024. In 2023/24, FCDO launched a competitive call for proposal. IVCC submitted a proposal and is awaiting the outcome of the process.

In July 2023, IVCC was awarded a new 5-year Cooperative Agreement commencing 1 October 2023, associated with a budget ceiling of \$10m against which \$2m has been obligated to date.

During the year, IVCC was awarded a grant by the Department of Foreign Affairs and Trade (DFAT), a department of the Australian Government, supporting follow-on activities under the Indo-Pacific Initiative. The award covers a 5-year term and is subject to a budget ceiling of 17m Australian Dollars, and an activity end date of January 2029.

During the year, the Swiss Corporation for Cooperation and Development (SDC) invited IVCC to submit a grant proposal which, if successful, would cover IVCC activities for a fourth phase. The third SDC award covered a maximum core contribution of \$4.4m for the period 14 December 2020 to 31 July 2024. IVCC submitted a proposal and is awaiting the outcome of the process.

Grant Making Policy

IVCC has established its grant making process to achieve its objects for the public benefit. The charity invites proposals from both the public and private sectors following the establishment of target product profiles for different types of intervention and new insecticide active ingredients as well as the furtherance of information systems and tools. All outline proposals are reviewed by an External Scientific Advisory Committee (ESAC) in terms of portfolio fit and likely success. Following a successful initial review, a more detailed application is submitted to the ESAC for a full scientific and budgetary review before proceeding to full implementation.

Reserves Policy

IVCC aligns with the group policy of ensuring that unrestricted reserves represent a minimum of 6 months' pay expenditure. Resources are managed and committed within a framework of financial planning that ensures it has both sufficient reserves and liquid resources to fulfil its contractual commitments. Total and free reserves are £11,204k (2023 : £11,045k)

No contract is entered into unless it can be resourced, including staffing, partner contracts and all contracts in the supply chain.

Going Concern

IVCC has a positive bank balance of £8.4m, investments of £16.8m and no loans outstanding. IVCC's strong asset base is representative of IVCC's significant year-end balance of deferred income on research grants £8.9m (2022/23 - £6.5m) and income and expenditure reserve of £11.2m.

In assessing going concern, the marginal surplus of £0.3m budgeted for 2024/25 should be looked at in conjunction with IVCC's strong balance sheet. IVCC continues to maintain sufficient reserves to cover 3 years of pay expenditure, considerably above the LSTM Board target of 6 months.

As noted in the Finance Review section to the Report of the Trustees, in July 2024, IVCC was awarded a core grant by the Bill & Melinda Gates Foundation covering the period August 2024 – July 2029 and subject to a maximum budget allocation of \$85m, of which match funding conditions apply to \$20m. This award provides IVCC with medium-term funding and resource planning visibility. The status of other grant proposals is covered in more detail in the Finance Review section.

The organisation benefits hugely from the synergistic relationship with LSTM in terms of high-quality shared services and scientific resources and knowledge.

The Board of Trustees therefore has a reasonable expectation that IVCC has adequate resources to continue in operation for the foreseeable future. Therefore it continues to adopt the going concern basis in preparing the financial statements.

Trustees' Responsibilities Statement

The trustees (who are also directors of IVCC for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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), including

'FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The auditor, Crowe UK LLP, was appointed in accordance with section 485 of the Companies Act 2006.

The trustee's sign off relates to the strategic report as well as the responsibilities per the regulations.

ON BEHALF OF THE BOARD



Sherwin Charles
Chairman

28 November 2024

Independent Auditor's Report to the Members of IVCC

Opinion

We have audited the financial statements of IVCC for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 July 2024 and of its incoming resources and application of resources, including 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.

Basis for 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's 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 charitable company'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; 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 set out on pages 10 & 11, 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jayne Rowe
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
29 November 2024

Principal Accounting Policies

Legal Status of the Charitable Company

IVCC is a registered charity and a company limited by guarantee incorporated in England and Wales and has no share capital. In the event of IVCC being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office of IVCC is Liverpool School of Tropical Medicine, Pembroke Place, Liverpool, Merseyside, L3 5QA.

Basis of Preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. IVCC is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of derivative financial instruments and investments).

The financial statements are presented in Sterling (£).

Going Concern

IVCC has a positive bank balance of £8.4m, investments of £16.8m and no loans outstanding. IVCC's strong asset base is representative of IVCC's significant year-end balance of deferred income on research grants £8.9m (2022/23 - £6.5m) and income and expenditure reserve of £11.2m.

In assessing going concern, the marginal surplus of £0.3m budgeted for 2024/25 should be looked at in conjunction with IVCC's strong balance sheet. IVCC continues to maintain sufficient reserves to cover 3 years of pay expenditure, considerably above the LSTM Board target of 6 months.

As noted in the Finance Review section to the Report of the Trustees, in July 2024, IVCC was awarded a core grant by the Bill & Melinda Gates Foundation covering the period August 2024 – July 2029 and subject to a maximum budget allocation of \$85m, of which match funding conditions apply to \$20m. This award provides IVCC with medium-term funding and resource planning visibility. The status of other grant proposals is covered in more detail in the Finance Review section.

The organisation benefits hugely from the synergistic relationship with LSTM in terms of high-quality shared services and scientific resources and knowledge.

The Board of Trustees therefore has a reasonable expectation that IVCC has adequate resources to continue in operation for the foreseeable future. Therefore it continues to adopt the going concern basis in preparing the financial statements.

Significant Judgements and Estimates

Preparation of the Financial Statements requires management to make significant judgements and estimates. The items in the Financial Statements where these judgements and estimates have been made include :

Judgements

Deferred balances : due to the nature of research grants, whereby in the majority of cases, projects span over several years, judgement is exercised in the decision over deferral of balances to ensure income and expenditure are accounted for in the appropriate and matching time period and also at the point performance conditions have been met.

Estimates

Financial Instruments : all derivatives are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. Where the market for a financial instrument is not active, fair value is established using a valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market based data.

Statement of Principal Accounting Policies

Revenue Recognition

Income from contracts and other services rendered is credited to the Statement of Financial Activities when the goods or services are supplied to the external customers or the terms of the contract, including performance related conditions, have been satisfied. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions to overhead costs. Any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by IVCC; this is normally upon notification of the interest paid or payable by the Bank.

Grant Funding

Grants (including research grants) from government and non-government sources are recognised in income when IVCC is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Expenditure and Irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of resources. Grants are reflected in the balance sheet when a constructive obligation exists, notwithstanding that they may be paid in future accounting periods.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of Support Costs

Support costs are those functions that assist the work of IVCC but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and government costs which support IVCC's research activities. These costs have been allocated to expenditure on charitable activities.

Governance Costs

Governance costs comprise of all costs involving the public accountability of a charity and its compliance with regulation and good practice. These costs include statutory audit, legal costs and board of trustee meeting costs. Included within this category are costs associated with the strategic as opposed to day-to-day management of the charity's activities.

Accounting for Retirement Benefits

The two pension schemes for IVCC's staff are the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF). ULPF is a defined benefit scheme and USS changed from a defined benefit scheme to a hybrid scheme on 1 October 2016, providing defined benefits (for all members) as well as contribution benefits. Both schemes are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

Both the USS and ULPF are multi-employer schemes for which it is not possible to identify the assets and liabilities related to IVCC's members due to the mutual nature of the scheme and therefore these schemes are accounted for as defined contribution retirement benefit schemes. A liability is recorded within the sponsoring employer LSTM, for the contractual commitment to fund past deficits within the USS.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the Charity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions in defined contribution pension plans are recognised as an expense in the Statement of Financial Activities in the periods during which services are rendered by employees.

The assets of the two IVCC pension schemes are held in separate trustee-administered funds. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. IVCC is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "employee benefits", IVCC therefore accounts for the schemes as if they were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes.

Employment Benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to IVCC. Any unused benefits are accrued and measured as the additional amount IVCC expects to pay as a result of the unused entitlement.

Foreign Currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated at the exchange rate ruling at the dates the fair value was determined.

Cash and Cash Equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors are recognised where IVCC has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Provisions

Provisions are recognised in the Financial Statements when: (a) IVCC has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Investments

Investments represent short term deposits that have a maturity in excess of 31 days and traded bonds. Traded bond investments are held as current investments and recognised in the balance sheet at market value, as they are available to be drawn down on demand.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the Statement of Financial Activities. Outstanding derivatives at the reporting date are included under the appropriate category depending on the nature of the derivative. The charity holds derivative financial instruments in the form of foreign currency sterling forward currency contracts. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the surplus or deficit as appropriate, unless they are included in a hedging arrangement.

Changes in the fair value of derivatives designated as cash flow hedges, and which are effective, are recognised directly in the charity's income funds. Any ineffectiveness in the hedging relationship (being excess of cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in surplus or deficit.

The gain or loss recognised in other comprehensive income is reclassified to the Statement of Financial Activities when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Taxation

VAT : Irrecoverable VAT is charged as a cost to the Statement of Financial Activities.

Taxation status : IVCC has charitable status and is exempt from corporation tax under the provision of s466 of the Income & Corporation Taxes Act 2010.

Fund Accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with an allocation of overheads as defined by the donor. The funds are not therefore available for the work performed by IVCC other than that specified by the donor. Unrestricted grant funding is recognised immediately in the month of receipt and can be expended without condition on activities in furtherance of IVCC's mission.

Operating Leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

Statement of Financial Activities

		Restricted	Unrestricted	Total	Total (Unrestricted Funds)
		funds	funds	2024	2023
Income	Note	£000	£000	£000	£000
Incoming Resources					
Income from charitable activities	1	18,191	1,431	19,622	33,053
Investment income		455	270	725	383
Total Incoming Resources		<u>18,646</u>	<u>1,701</u>	<u>20,347</u>	<u>33,436</u>
Resources Expended					
Expenditure on charitable activities	2	18,646	1,574	20,220	32,333
Other – change in fair value of financial instrument	6	-	(31)	(31)	(110)
Total Resources Expended		<u>18,646</u>	<u>1,543</u>	<u>20,189</u>	<u>32,223</u>
Net (loss) on investments	8	-	-	-	(61)
Net Incoming Resources for the Year		-	158	158	1,153
Net Movement in Funds		-	158	158	1,153
Total Funds Brought Forward at 1 August 2023		-	11,046	11,046	9,893
Total Funds Carried Forward at 31 July 2024	12	<u>-</u>	<u>11,204</u>	<u>11,204</u>	<u>11,046</u>

The results relate wholly to continuing activities.

The Statement of Financial Activities incorporates the Income and expenditure account.

Balance Sheet as at 31 July

	Note	2024 £000	2023 £000
Current Assets			
Debtors	7	1,741	3,678
Investments	8	16,813	4,696
Cash at bank and in hand		8,358	15,861
		<u>26,912</u>	<u>24,235</u>
Creditors: Amounts Falling Due within One Year	9	<u>(15,708)</u>	<u>(13,190)</u>
Net Current Assets		11,204	11,045
Net Assets		<u>11,204</u>	<u>11,045</u>
Income Funds			
Restricted funds		-	-
<i>Unrestricted funds:</i>			
Income and expenditure reserve - unrestricted		11,204	11,045
	12	<u>11,204</u>	<u>11,045</u>

Company Registered Number: 06719882

The Financial statements were approved by the Board of Trustees on 28 November 2024 and signed on its behalf by:



S W Charles
Chairman

Cash Flow Statement	2024	2023
	£000	£000
Net income for the reporting period	158	1,153
Adjustment for Non-Cash Items		
Interest received	(725)	(383)
Net gain on investments	-	25
Decrease/(increase) in debtors	1,937	(3,315)
Increase/(decrease) in creditors	2,517	(9,701)
Net Cash Flow from Operating Activities	3,887	(12,221)
Taxation paid	-	-
Cash Flows from Investing Activities		
(Purchase)/sale of investments	(12,117)	8,168
Interest received	725	383
Net Cash (used by)/generated from Investing Activities	(11,392)	8,551
Change in Cash in the Year	(7,505)	(3,670)
Cash at the beginning of the year	15,861	19,531
Cash at the end of the year	<u>8,356</u>	<u>15,861</u>
Analysis of Cash and Cash Equivalents		
Cash in hand	<u>8,356</u>	<u>15,861</u>

Notes to the Financial Statements

1 Income	2024 Total £000	2023 Total £000
Restricted		
Grant income - BMGF	10,033	19,981
Grant income - CHAI	106	139
Grant income - DFAT	442	1,863
Grant income - FCDO	6,072	5,242
Grant income - MedAccess	-	11
Grant income - SDC	618	694
Grant income - UNITAID	331	3,124
Grant income - USAID	589	990
	18,191	32,044
Unrestricted		
Overhead income	1,431	1,008
	1,431	1,008

2 Analysis of Expenditure on Charitable Activities

	Activities undertaken directly £000	Grants to institutions £000	Support costs £000	Governance £000	2024 Total £000
New & Repurposed AIs	551	9,026	2,946	115	12,638
Outdoor Transmission	292	5,531	397	70	6,290
I2I, Access & Regulatory and New Nets project	-	485	801	6	1,292
	843	15,042	4,144	191	20,220
	Activities undertaken directly £000	Grants to institutions £000	Support costs £000	Governance £000	2023 Total £000
New & Repurposed AIs	462	14,887	4,174	158	19,681
Outdoor Transmission	121	6,963	1,191	73	8,348
I2I, Access & Regulatory and New Nets project	1,193	1,933	1,146	32	4,304
	1,776	23,783	6,511	263	32,333

The total support and governance costs (note 3) attributable to charitable activities have been apportioned pro rata based on the overall value of each activity or directly attributed where possible.

Expenditure on charitable activities was £20,220,000 (2023: £32,333,000) of which £1,574,000 was unrestricted (2023: £568,000) and £18,464,000 was restricted (2023: £31,740,000).

Grants to institutions reflect payments to partners and other service providers on these projects who have specific relevant knowledge to deliver the research and consulting on behalf of IVCC.

3 Support Cost Allocation

	General support costs £000	Governance function £000	2024 Total £000	2023 Total £000
Core administration	535	11	546	3,910
Project related costs	2,942	60	3,002	2,225
ESAC meeting costs	143	3	145	196
Conferences & Events	142	3	146	11
Communications & Advocacy	382	8	390	302
Direct governance costs	-	106	106	130
	4,144	191	4,335	6,774

Notes to the Financial Statements

Basis of support costs allocation

General support costs have been allocated between Governance and Charitable Activities based on an estimated 2% of total support costs where appropriate.

4 Analysis of Governance Costs

	2024 £000	2023 £000
Financial statement auditor's remuneration		
Financial statements audit	46	42
	<u>46</u>	<u>42</u>
Meeting costs	31	27
Legal Costs	9	43
Trustee travel costs	14	9
Support costs allocation (note 3)	77	133
	<u>177</u>	<u>254</u>

5 Staff Costs

Staff costs recharged during the year were as follows:

	2024 £000	2023 £000
Salaries	1,959	2,135
Social security costs	309	285
Pension costs	236	367
LSTM Consulting USA staff costs recharge to IVCC	641	652
	<u>3,145</u>	<u>3,439</u>

All staff are paid by fellow group undertakings and a charge equal to their employment cost is made for their services provided to the charity on a monthly basis. IVCC staff are recharged from the immediate parent company Liverpool School of Tropical Medicine and from LSTM Consulting USA also part of the LSTM Group.

	2024 Number	2023 Number
Number of FTE's employed as at 31 July	<u>20</u>	<u>24</u>
The numbers of staff who received emoluments in the following ranges was:	2024 Number	2023 Number
£220,001 to £230,000	1	-
£120,001 to £130,000	1	-
£110,001 to £120,000	2	2
£ 100,001 to £110,000	-	1
£ 90,001 to £100,000	1	1
£ 80,001 to £ 90,000	4	3
£ 70,001 to £ 80,000	2	3
£ 60,001 to £ 70,000	-	1
	<u>11</u>	<u>11</u>

The pension contributions for these employees were £232,800 (2023: £190,240).

The CEO received remuneration in the year from the charity of £220,612 (2023: £113,900), excluding pension contributions of £34,849 (2023: £20,930). No trustees received remuneration during the year or the prior year.

The total employee remuneration of IVCC key management personnel (the CEO) including employer pension contributions was £255,461 (2023: £311,758). Nick Hamon who left on 31st December 2022, employee remuneration was £nil (2023 £176,298), replaced by Justin McBeath who started on 1st February 2023, employee remuneration was £255,461 (2023 £134,830).

Expenses reimbursed to and paid on behalf of the trustees during the year amounted to £14,340 (2023: £5,160).

Notes to the Financial Statements

6 Other

Other expenses relate to fair value movements on foreign currency contracts arising out of the requirement under FRS 102 to fair value forward foreign currency contracts at the balance sheet date. The gains or losses from fair value movements on foreign exchange all flow through the Statement of Financial Activities. The unrealised exchange loss is £18,000 (2023: £111,000 loss).

7 Debtors

	2024 £000	2023 £000
Trade debtors	46	54
Other debtors	19	-
Accrued income on research grants	1,676	3,624
	<u>1,741</u>	<u>3,678</u>

8 Investments

	2024 £000	2023 £000
Investments held for return:		
Listed investments	-	177
Cash on interest bearing accounts	16,813	4,519
	<u>16,813</u>	<u>4,696</u>

	2024 £000	2023 £000
Listed investments:		
Fair value brought forward	177	2,490
Additions to investments at cost	-	-
Disposal at carrying value	(177)	(2,288)
Changes in fair value	-	(25)
Fair value carried forward	<u>-</u>	<u>177</u>

	2024 £000	2023 £000
Investments by type:		
Traded bonds	-	177
Cash on interest bearing deposit	16,813	4,520
Total	<u>16,813</u>	<u>4,696</u>

9 Creditors : Amounts Falling Due Within One Year

	2024 £000	2023 £000
Trade creditors	21	123
Deferred income on research grants	8,853	6,453
Amounts owed to group undertakings	2,127	1,127
Accruals	4,703	5,449
Other taxation and social security	-	16
Forward currency contracts	4	22
	<u>15,708</u>	<u>13,190</u>

10 Deferred Income

Deferred income represents research funds received in advance in USD from BMGF and UNITAID and in AUD from DFAT for future work that has yet to be expended.

	2024 £000
Balance as at 1 August 2023	6,453
Amount released to income earned from charitable activities	(5,135)
Amount deferred in the year	7,535
Balance as at 31 July 2024	<u>8,853</u>

Notes to the Financial Statements

11 Financial Instruments

The carrying value of IVCC's financial assets and liabilities are summarised by category below

	2024 £000	2023 £000
Financial assets		
Financial assets that are measured at amortised cost	<u>26,894</u>	<u>24,058</u>
Financial asset measured at fair value through surplus or deficit	<u>-</u>	<u>177</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>6,851</u>	<u>6,699</u>
Financial liabilities measured at fair value through surplus or deficit	<u>4</u>	<u>22</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, cash held on deposit, amounts owed to group undertakings and balances due on research grants.

Financial assets measured at fair value through surplus of deficit comprise listed investments and foreign currency forward contracts.

Financial liabilities measured at amortised cost comprise trade creditors, balances due on research grants, amounts owed to group undertakings and accruals.

Cash flows on the US dollar research income and the foreign currency forward contracts are at regular intervals, based on predicted project related cash flows. The forward contracts had a mark to market valuation as at 31 July 2024 amounting to a net liability of £4,000 (2023: £22,000 liability). A fair value gain of £18,000 (2023: gain of £111,000) for the year has been recognised within unrestricted funds and income/expenditure for the year in respect of foreign currency forward contracts.

The foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates corresponding to the maturity of the contracts.

IVCC's income, expense, gains and losses in respect of financial instruments are summarised below :

	2024 £000	2023 £000
Financial assets		
Total interest income for financial assets at amortised cost	<u>725</u>	<u>383</u>
Fair value gains and (losses)		
On derivative financial assets and liabilities measured at fair value through income and expenditure	<u>31</u>	<u>110</u>
On derivative financial assets and liabilities measured at fair value through the hedge reserve	<u>-</u>	<u>-</u>
Release of the balance on the hedging reserve on cessation of hedge accounting	<u>-</u>	<u>-</u>

12 Income funds

Income funds are analysed as follows:

	Balance 31 July 2023 £000	Income £000	Expenditure £000	Other recognised gains and losses £000	Balance 31 July 2024 £000
Restricted					
Grant funded projects	-	18,646	18,646	-	-
Unrestricted					
Income and expenditure reserve	11,045	1,701	1,543	-	11,204
	<u>11,045</u>	<u>20,347</u>	<u>20,189</u>	<u>-</u>	<u>11,204</u>
	Balance 31 July 2022 £000	Income £000	Expenditure £000	Other recognised £000	Balance 31 July 2023 £000
Restricted					
Grant funded projects	-	31,770	31,770	-	-
Unrestricted					
Income and expenditure reserve	9,893	1,666	453	(61)	11,045
	<u>9,893</u>	<u>33,436</u>	<u>32,223</u>	<u>(61)</u>	<u>11,045</u>

Notes to the Financial Statements

The unrestricted funds of £11,045,000 reflects surpluses generated by IVCC through its grant activities following achievement of funder deliverables and donations received without performance restrictions.

13 Analysis of Net Assets Between Funds

	Restricted funds £000	Unrestricted funds £000	2024 Total £000
Current assets	15,712	11,200	26,912
Current liabilities	(15,712)	4	(15,708)
Total net assets	-	11,204	11,204

	Restricted funds £000	Unrestricted funds £000	2023 Total £000
Current assets	13,212	11,023	24,235
Current liabilities	(13,212)	22	(13,190)
Total net assets	-	11,045	11,045

14 Related Party Transactions

During 2024, charitable research grants totalling £2,180,000 (2023: £2,130,000) were passed to IVCC's parent company Liverpool School of Tropical Medicine (LSTM); all had performance conditions attached.

During 2024, charitable research grants totalling £1,218,000 (2023: £1,218,000) were passed to IVCC's sister company iiDiagnostics ; all had performance conditions attached.

As at 31 July 2024 there was an outstanding inter-company balance of £1,687,000 creditor (2023: £1,016,000 creditor) owed to LSTM relating to net of salary related costs, general supplies, investment revaluation reserve transfer and service level agreement charges.

As at 31 July 2024 there was an outstanding inter-company balance of £123,000 creditor (2023 : £86,000 creditor) owed to LSTM Consulting USA Inc, relating to payroll recharges for US staff as detailed in note 6.

As at 31 July 2024 there was an outstanding inter-company balance of £12,000 creditor (2023 : £24,000 creditor) owed to LLSA, relating to Rental charges.

As at 31 July 2024 there was an outstanding inter-company balance of £304,000 creditor (2023 : £nil creditor) owed to iiDiagnostics, relating to research grants

There were no related party transactions involving the Trustees of IVCC as declared in the disclosure of interests.

15 Ultimate Controlling Party

The Trustees consider that the ultimate controlling party is Liverpool School of Tropical Medicine, a company registered in England and Wales (company no. 00083405), which is also a registered UK charity (charity no. 222655).

The group accounts are publicly available from Companies House.

16 Capital Commitments

The charity had no capital commitments as at 31 July 2024 or 31 July 2023.

17 Contingent Liabilities

A composite cross guarantee structure exists between Liverpool School of Tropical Medicine, IVCC, Well Travelled Clinics Limited, Liverpool International Health Ventures Limited, Liverpool International Health I.P. Limited, LSTM Consulting Limited, iiDiagnostics Limited and Liverpool Life Sciences Accelerator Limited in respect of bank overdrafts. The aggregate amount outstanding under this agreement at the balance sheet date was £4,413,792 (2023: £1,308,547).

18 Operating Lease Commitments

At 31 July 2024 the company had annual commitments expiring as follows:

	2024 £000	2023 £000
Amounts due in less than one year	16	16
Amounts due between one and five years	-	-
Amounts due in more than five years	-	-
	<u>16</u>	<u>16</u>

Lease payments due are in relation to space leased in the Liverpool Life Science Accelerator Building owned by sister company LLSA Limited

Notes to the Financial Statements

19 Consolidated reconciliation of net funds

	2024 £000	
Net funds 1 August 2023	15,861	
Movement in cash and cash equivalents	(7,503)	
Other non-cash changes	-	
Net funds 31 July 2024	8,358	
Change in net funds	(7,503)	
Analysis of net funds:	2024	2023
	£000	£000
Cash and cash equivalents	8,358	15,861
Net funds	8,358	15,861