

Médecins Sans Frontières
(Company limited by guarantee)

**Directors' report and
financial statements**

Year ended 31 December 2010

Registered number: 464033

Charity registration number: 18196

Médecins Sans Frontières

(Company limited by guarantee)

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' report	2 - 9
Statement of directors' responsibilities	10
Independent auditor's report	11 - 12
Income and expenditure account	13
Balance sheet	14
Cash flow statement	15
Notes forming part of the financial statements	16 - 29

Médecins Sans Frontières
(Company limited by guarantee)

Directors and other information

Directors	Dr Simon Collins (Chairman) M. Bernadette Orbinski Burke Mr Marc Dubois (United States of America)
Secretary	Ms Sophie Chaix
Registered office	9 - 11 Upper Baggot Street Dublin 4
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Bank of Ireland College Green Dublin 2
Solicitors	Kilroys Solicitors 69 Lower Lesson Street Dublin 2

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report

The directors present their directors' report, together with the audited financial statements of the company, for the year ended 31 December 2010.

Principal activities and business review

Médecins Sans Frontières (MSF) is the leading international non-governmental organisation for emergency medical aid. We provide independent medical relief to victims of war, disasters and epidemics in over 60 countries around the world. We work to provide medical care to those who need it most, regardless of ethnic origin, religion or political affiliation. To obtain access to, and care for the most vulnerable people, MSF's operational policies must remain independent of governments, as well as religious and economic influences. Therefore, we rely on private individuals for the majority of our funding.

In the field, we conduct our own assessments, manage projects directly and monitor the impact of our aid. We campaign locally and internationally for greater respect for humanitarian law and civilians' rights to impartial humanitarian assistance. We also campaign for more equitable access to medicines and health care for the world's poorest people. Each year, around 2,500 doctors, nurses and logistics specialists of all nationalities dedicate their time and skills to work with MSF in our field projects. They work closely with thousands of locally-recruited staff.

The MSF Ireland office was set up in April 2006 and functions as a satellite office of MSF (UK). The office is currently staffed with 3 full-time posts of Head of Office, Fundraising Officer and Press Officer. In addition, several office and field volunteers support activities with communications, administration, lectures, presentations and recruitment.

MSF Ireland supports MSF's field work through recruiting suitably qualified people to volunteer overseas, raising vital funds and through raising awareness of humanitarian crises among the general public and key decision makers in Ireland. MSF Ireland works closely with the MSF UK office where a specialist medical team known as the Manson Unit works directly with the field projects to help solve urgent clinical problems. In addition, experienced personnel from both offices regularly provide direct support to field teams in their area of expertise.

Philosophy and practice

Constitution

The Irish office, established in April 2006, became an incorporated body in Ireland on 6 November 2008. Médecins Sans Frontières (Ireland) was set-up as a company limited by guarantee (Company number 464033). A three-person Irish Board of Directors was established with Dr Simon Collins appointed as Chairman. MSF (Ireland) is recognised by the Revenue Commissioners as having registered charity status, registration number CHY 18196.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

Constitution *(continued)*

THE CHARTER OF MEDECINS SANS FRONTIERES

- Médecins Sans Frontières offers assistance to populations in distress, to victims of natural or man-made disasters and to victims of armed conflict, without discrimination and irrespective of race, religion, creed or political affiliation.
- Médecins Sans Frontières observes strict neutrality and impartiality in the name of universal medical ethics and the right to humanitarian assistance and demands full and unhindered freedom in the exercise of its functions.
- Médecins Sans Frontières' volunteers undertake to respect their professional code of ethics and to maintain complete independence from all political, economic and religious powers.
- As volunteers, members are aware of the risks and dangers of missions they undertake, and have no right to compensation for themselves or their beneficiaries other than that which Médecins Sans Frontières is able to afford them.

The governing document of the company is the Memorandum & Articles of Association, where the objective is set out as: 'to relieve and promote the relief of sickness and to provide medical aid to the injured and to protect and preserve good health by the provision of medical supplies, personnel and procedures calculated to overcome disease, injury or malnutrition in any part of the world and in accordance with the principles espoused by the International Council of Médecins Sans Frontières in October 1990'.

Directors

The Médecins Sans Frontières directors in office during the year and at the date of this report are set out on page 1. The directors and secretary were appointed when the company was incorporated.

International Organisational Structure

Initially founded in Paris in 1971, Médecins Sans Frontières (MSF) has become an international organisation. MSF has 'sections' in Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, Holland, Hong Kong, Italy, Japan, Luxemburg, Norway, Spain, Sweden, Switzerland, UK and USA. It also has 'offices' in Brazil, India, South Africa, UAE, the Republic of Ireland and the Czech Republic. The "International Office" is based in Geneva, Switzerland. Management of MSF projects is shared via five 'operational centres' in Amsterdam, Barcelona, Brussels, Geneva and Paris.

All the MSF sections and offices agree to abide by the principles of the International Charter of MSF.

The MSF sections and offices work in collaboration with one another and meet regularly through various fora to discuss operational issues. Resource provision between the entities is at arm's-length and all the sections are separate legal entities.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

International Organisational Structure *(continued)*

Médecins Sans Frontières (Ireland) exists to save lives, alleviate suffering and protect human dignity among populations in crisis throughout the world. MSF (Ireland) aims to contribute directly to that mission by effectively and efficiently contributing to the resource requirements, financial, human and programmatic of the Operational Centre Amsterdam (OCA).

Risk Management

The Directors of MSF (Ireland) have responsibility for and are aware of the risks which the organisation faces. They are confident that adequate and sufficient systems of internal control are in place to minimise financial risk. We also believe that, due to the small size of the Irish organisation, a separate internal audit programme is unnecessary.

Other operational and business risks were also reviewed; particularly, bearing in mind the unavoidable dangers that volunteers recruited by MSF Ireland to work overseas may be exposed to. All possible safeguards are put in place in the field to avoid any security incidents. The Board of Directors is responsible for reviewing the risks highlighted on the risk register on a regular basis.

Fundraising

During the year, the charity had total incoming resources of €2,300,000 (2009: €1,795,000) from the general public, Irish Aid grants and supply of staff to the field.

Raising private donations is critical to MSF's operational capacity, flexibility, and independence. In 2010, MSF Ireland raised a total of €1,096,000 (2009: €459,000) in private income. A significant proportion of this increase over the 2009 total comprises donations received for our Haiti Earthquake and Cholera emergency response and for our Pakistan emergency response.

Regular gifts by standing order are the core of MSF Ireland's financial growth and security as they deliver a regular flow of funds, which can be used according to need, ensuring that MSF's operations in the field are not reliant on media coverage. Committed giving is the bedrock of MSF's financial independence and in 2010, amounted to €317,000 (2009: €323,000).

Building on the trust and goodwill of our supporters is a key goal of our fundraising work and, in 2010, MSF Ireland maintained our commitment to send relevant and timely information to our supporters, providing reports on how funds are spent. This is part of our Supporter Promise, which includes commitments not to share the personal data of supporters with other organisations, or to send constant fundraising appeals to our donors.

In November 2010, MSF secured the Sunday Times Christmas Appeal for fundraising for the second year in succession, which focused on MSF's work with children who have been injured or whose lives have been damaged by conflict.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

Fundraising *(continued)*

MSF Ireland would like to take this opportunity to thank our supporters in Ireland who, by donating to MSF in 2010, entrusted the organisation to provide emergency medical care and humanitarian relief, on their behalf, to vulnerable people in over 60 countries worldwide. MSF greatly values this trust and ongoing support.

In 2010, MSF Ireland gratefully received a total of €1,325,000 in grants from Irish Aid. Of this amount, we spent €997,000 on our projects in 2010, and the balance of €328,000 will be spent in 2011. This was spent by MSF operational sections on emergency work in Sri Lanka, South Sudan, the Democratic Republic of Congo and Niger.

Grant making policy: The allocation of grants from unrestricted income is decided on the basis of needs identified by the operational sections, MSF Holland and MSF Belgium. In certain cases, grants from unrestricted income are allocated according to specific requests made by other MSF operational sections.

Restricted funds: Restricted funds represent grants, donations and legacies, which can only be used for particular purposes specified by donors. Grants derived from non-institutional restricted income are allocated to MSF operational sections according to the requests of the donors.

Project review and progress during 2010 of the work of the five MSF Operational Centres

This section provides an overview of the work of all five MSF operational centres. In 2010, MSF's programmes continued to provide essential medical services, free-of-charge, to vulnerable people in some of the world's most remote and fragile areas. These programmes include responding to natural disasters and epidemics, treating the victims of war violence, providing HIV and TB treatment, running feeding centres in areas of malnutrition, and lobbying for more funding and research into neglected tropical diseases.

Crises such as the earthquake in Haiti, the floods in Pakistan, mass lead poisoning in Nigeria and malnutrition in the Sahel region of Africa all prompted emergency responses. In the Democratic Republic of Congo, violent conflict and insecurity continued to have a negative impact on the health of the population, while sexual violence was increasingly used as a weapon of war. Security remained a complex issue in many parts of the world and, in countries where MSF international staff were put at unacceptably high risk, such as in Iraq, we adopted new practices including running programmes 'remotely' from neighbouring countries. A major new challenge of the past year was how to deliver aid in countries like Afghanistan and Pakistan, where the environment is highly politicised and militarised, and where our independence, impartiality and neutrality is more vital than ever in allowing us to provide medical relief to the most vulnerable people.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

Emergency response: Haiti earthquake

The earthquake which struck Haiti in January caused an unprecedented degree of devastation, in a country where MSF has been running programmes since 1991. The earthquake led MSF to launch its largest ever emergency response effort. Within minutes of the quake, MSF teams already working on projects in Haiti were treating the wounded; within hours, experienced MSF volunteers were en route to the island; and by the following day, MSF sections around the world were receiving spontaneous donations from the public. MSF donors around the world would eventually pledge more than €104 million, of which €4 million was raised from donors in the UK and Ireland.

By the end of the year, MSF staff had performed more than 16,000 surgical operations and treated more than 350,000 patients in Haiti.

Cholera outbreak: Haiti

Towards the end of the year, international attention returned to Haiti when a cholera outbreak occurred. MSF led the medical aid response, and treated 120,000 patients, as many as 60% of the total number of people treated in 47 specialised cholera treatment centres throughout Haiti. Almost 99% of these patients made a full recovery.

Disaster response: Pakistan floods

In late July, Pakistan was hit by severe flooding which provoked a humanitarian crisis as crops, homes and whole villages were destroyed. An estimated twenty million people were affected by the disaster. MSF was the first international emergency organisation to respond to the disaster in many flood-hit areas and, as in Haiti, was able to react immediately because it already had medical staff on the ground, having worked in the country since 1988. The flood response was particularly challenging, both in terms of the scale of adversity faced by the Pakistani people, and in terms of the difficulties of delivering humanitarian aid in a highly politicised and insecure environment. MSF staff provided more than a million litres of clean water every day, 68,903 relief kits and more than 17,000 tents. Our medical staff performed an extra 96,656 consultations, and treated more than 5,000 malnourished children.

Aid in a military setting: Afghanistan

Following a detailed security analysis and risk assessment, MSF returned to Afghanistan in late 2009 after a five-year absence due to the murder of five members of staff in 2004. MSF's return was prompted by the overall deterioration of healthcare provision in Afghanistan in the intervening years. Through engaging in direct and transparent negotiations with all parties to the conflict, and by ensuring MSF's financial independence from all government sources, we quickly managed to re-establish our presence in the south of Afghanistan. The most visible outcome of our agreement with all warring parties is MSF's strict 'no weapons' policy: for the safety of patients, it is crucial that no armed people are in or near the hospitals, as the presence of anyone who is armed means the facility becomes a target of war. By the end of 2010, MSF teams were supporting hospitals in the capital city Kabul, in Helmand province, and were in negotiations to set up a project in Kunduz province in northern Afghanistan.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

Violent conflict: Somalia

After twenty years of conflict, the plight of Somalis remains catastrophic. In the area around Mogadishu, more than 250,000 displaced people are living in an insecure environment, exposed to violence on a daily basis. Water supplies are unreliable, food distributions irregular and access to healthcare extremely limited. Across the country, millions of people urgently require health care. In 2010, MSF worked in ten regions of Somalia, with more than 1,300 Somali staff providing medical care on the ground. Due to serious threats and acts of violence against international staff, MSF expatriates are not present in Somalia on a permanent basis and most projects are managed from Kenya. Somalis who have managed to flee the country also receive medical care and psychological support from MSF teams, be they in camps in Northern Kenya, Yemen, Malta, Greece or other areas.

Neglected diseases and affordable medicines

The continued neglect of widespread and deadly diseases such as Chagas, Kala azar (visceral leishmaniasis), sleeping sickness and Buruli ulcer remain a major cause for concern. Over a decade since MSF first raised its voice about the lack of drugs for neglected diseases, there are still very few international commitments to start research for new or more effective drugs to combat such diseases or to increase access for patients to treatments that are already available. In 2010, MSF's Campaign for Access to Essential Medicines pushed hard for increased funding and the development of better tests and drugs to treat these and other diseases, bringing the issues to the attention of international decision-makers and helping to change policy.

The past year was marked by a major setback over international commitments to treat people with HIV/AIDS in developing countries. Flying in the face of mounting evidence that early treatment with better drugs is the best way to tackle the pandemic, international donors started to turn their backs on investment, causing funding to stagnate and threatening to destroy the advances made in the past decade. To make the situation worse, in 2010, the European Commission launched aggressive trade policies that threatened to severely restrict peoples' access to lifesaving medicines by stopping companies from producing low-cost 'generic' drugs, including most of those used to treat HIV/AIDS patients in the developing world. MSF launched a global campaign "Europe! Hands off our medicine!" to challenge these measures and help ensure that medicines are available and affordable to those who need them.

However, it is not all bad news: a new vaccine developed in 2010 could prevent the worst meningitis epidemics in Africa and a new test for tuberculosis will reduce the time it take to diagnose drug-resistant forms of the disease from nearly three months to less than two hours.

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report *(continued)*

Childhood malnutrition

Globally, we estimate that there are 195 million children under five affected by malnutrition, 90 percent of whom are in Africa. Most of the damage caused by malnutrition occurs before children reach their second birthday. This is the critical window of opportunity, when the quality of a child's diet has a profound, sustained impact on health, as well as on physical and mental development. MSF increased the number of its malnutrition programmes to 120 programmes across 36 countries and treated a total of 250,000 children. The Access Campaign also had major success in influencing policy on food aid, helping to ensure that the quality of food aid being provided to malnourished children meets their nutritional needs.

Vaccination programmes

2010 saw outbreaks of measles in many sub-Saharan countries of Africa. These came as a surprise, particularly because many of the epidemics occurred in stable countries where vaccination programmes run by the national authorities have been in place for years. This suggests that something is amiss with the way measles is being tackled by national health authorities and means that measles must, once again, become a priority for health services and attract political and financial support. Ironically, the US\$1 cost of vaccinating a child makes measles control one of the most cost-effective health interventions available. MSF's vaccination programme for measles, as well as other diseases, was one of its key operational priorities in 2010.

The new low-cost vaccine against Meningitis A received a formal stamp of approval from the World Health Organisation (WHO) in 2010. At just 40 US cents a dose, and offering protection of 10 years instead of the previous 3 years offered by the older vaccines, this vaccine could prevent future outbreaks of the most fatal form of meningitis in Africa. MSF began rolling out the vaccine in Mali, Burkina Faso and Niger in December of 2010.

Drug-resistant tuberculosis

Tuberculosis has re-emerged in recent years as a global health threat, in particular, those strains of the disease which are resistant to conventional TB medicines. The problem is particularly acute in the former Soviet states of Central Asia. In 2010, MSF set up new programmes for patients with drug-resistant TB and developed ways of integrating their care within existing health services. MSF also continued to push for greater understanding of how to treat the disease and stop it from spreading further, among health services, as well as among the public at large.

The future for MSF Ireland

We have produced a three-year strategic plan to cover the period 2010 – 2012. The 2011 annual plan will capitalise on the progress on the progress made in 2010, and focus on improving our fundraising, awareness-raising and advocacy programme and recruitment efforts in Ireland to serve the needs of the international MSF movement, while maintaining proven cost-effectiveness of MSF Ireland. Activities will continue to be consolidated with MSF UK and the Operational Centre in Amsterdam.

Médecins Sans Frontières (Company limited by guarantee)

Directors' report *(continued)*

Message from the Directors of MSF (Ireland)

The Directors are particularly grateful to the personnel that we sent out to field projects during the year. We could not continue to work without them.

We are also grateful to the many volunteers who gave their time to help out in the Dublin office. We are extremely grateful for all their support and willingness to help.

Results

The surplus for the year is set out in the Income and Expenditure account on page 13.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account are maintained at 9-11 Baggot Street, Dublin 4.

Post balance sheet events

There were no significant post balance sheet events which affect the financial statements.

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants will continue in office.

On behalf of the board



M. Bernadette Orbinski Burke
Director



Dr. Simon Collins
Director

21 April 2011

Médecins Sans Frontières

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable company law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The company's financial statements are required by law to give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period.

In preparing these financial statements, the directors are required to:

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

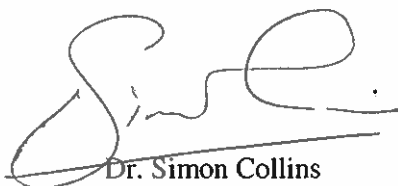
The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009.

On behalf of the board



M. Bernadette Orbinski Burke
Director



Dr. Simon Collins
Director

Independent auditor's report to the members of Médecins Sans Frontières

We have audited the financial statements of Médecins Sans Frontières for the year ended 31 December 2010 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Statement of Directors' Responsibilities on page 10 sets out the directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to: whether proper books of account have been kept by the company and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Independent auditor's report to the members of Médecins Sans Frontières *(continued)*

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs at 31 December 2010 and of its surplus for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other matters

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

KPMG
KPMG
Chartered Accountants
Registered Auditor

28 April 2011

Médecins Sans Frontières

Income and expenditure account for the year ended 31 December 2010

		Year ended 31 December		14 month period ended 31 December	
	Notes	Unrestricted funds €'000	Restricted funds €'000	2010 Total €'000	2009 Total €'000
Incoming resources					
Donations, legacies and similar income	2	586	510	1,096	459
Grants for operational programmes	3	-	997	997	1,215
Supply of staff to overseas projects	4	207	-	207	121
Total incoming resources		793	1,503	2,300	1,795
Resources expended					
Costs of generating funds	5	246	-	246	130
Charitable activities	6	382	1,529	1,911	1,531
Governance costs	7	18	-	18	10
Total resources expended		646	1,529	2,175	1,671
Net incoming resources before taxation	8	147	(22)	125	124
Taxation	11	-	-	-	-
Net incoming resources after taxation	15/16	147	(22)	125	124

The company had no recognised gains or losses in the financial year or preceding financial period other than those dealt with in the income and expenditure account.

On behalf of the board

M. Bernadette Orbinski Burke
Director

Dr. Simon Collins
Director

Médecins Sans Frontières

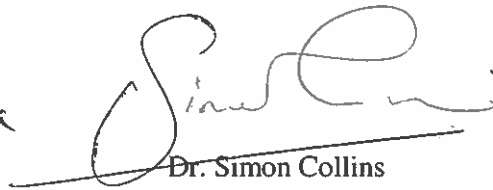
Balance sheet at 31 December 2010

	<i>Notes</i>	2010 €'000	2009 €'000
Fixed assets			
Tangible assets	<i>12</i>	8	11
		<hr/>	<hr/>
Current assets			
Debtors	<i>13</i>	539	47
Cash at bank and in hand	<i>20</i>	151	91
		<hr/>	<hr/>
		690	138
Creditors: amounts falling due within one year	<i>14</i>	(449)	(25)
		<hr/>	<hr/>
Net current assets		241	113
		<hr/>	<hr/>
Net assets	<i>17</i>	249	124
		<hr/> <hr/>	<hr/> <hr/>
Funds			
Unrestricted funds	<i>15</i>	244	97
Restricted funds	<i>16</i>	5	27
		<hr/>	<hr/>
Net funds	<i>17</i>	249	124
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the board



M. Bernadette Orbinski Burke
Director



Dr. Simon Collins
Director

Médecins Sans Frontières

Cash flow statement for the year ended 31 December 2010

	<i>Notes</i>	Year ended 31 December 2010 €'000	14 month period ended 31 December 2009 €'000
Cash flow from operating activities	<i>19</i>	62	106
Capital expenditure	<i>12</i>	(2)	(15)
		<hr/>	<hr/>
Increase in cash in the period	<i>20</i>	60	91
		<hr/> <hr/>	<hr/> <hr/>

Médecins Sans Frontières

Notes

forming part of the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

Income recognition

Income is reflected in the income and expenditure account when the effect of the transaction or other event results in an increase in the charity's assets.

When the charity provides services in accordance with agreements, the income is recognised when the service is provided. Income due but not yet received at the year end is included in debtors on the balance sheet and funds already received in relation to future years but not yet expended are shown in creditors as deferred income. All statutory grants are treated as restricted grants.

Non-statutory grants and donations are recognised when there is evidence of entitlement. Voluntary income is recognised when the income is received.

Donated services, goods and facilities are not quantified in the income and expenditure account.

Cost allocation

Expenditure is analysed between resources expended on charitable activities, governance costs and the cost of generating funds. Resources expended on charitable activities comprise all the resources applied in undertaking work to meet charitable objectives. These costs include the direct costs of undertaking these, together with the support costs incurred to enable these activities to be undertaken.

Receivables

Receivables comprise the value of donations and grants receivable at the end of the accounting period.

Legacies

Legacy income is recognised on a receivable basis when the company can reliably estimate the amount due, is certain of receipt and has confirmation of entitlement. The recognition of legacy income in the accounts is dependent on the type of legacy; pecuniary legacies are recognised upon notification of impending distribution, residuary legacies are recognised on the earlier of cash received or agreement of the final estate accounts. Legacies subject to the life interest of another party are not recognised.

Médecins Sans Frontières

Notes (continued)

1 Accounting policies (continued)

Income from supply of staff to overseas projects

Income associated with the invoicing of other MSF sections for the costs of recruitment and remuneration of personnel working on our overseas projects are accounted for on a receivable basis.

Cost of generating funds

Fundraising costs include expenses incurred in attracting donations, legacies and similar incoming resources, both private and institutional, and the costs of activities for income generation. They also include costs associated with raising the profile of the charity.

Restricted funds

Restricted funds represent donations received which can only be used for particular purposes.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, on a straight line basis over their expected useful lives, as follows:

Computer equipment	-	3 years
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Pensions

Pension benefits are met by payments to an external defined contribution scheme administered by a third party. Contributions are charged to the profit and loss in the period in which they fall due.

Taxation

No taxation is provided as the company enjoys charitable status.

Foreign currencies

Trading activities denominated in foreign currencies are recorded in euro at actual exchange rates as of the date of the transaction. Current monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Médecins Sans Frontières

Notes (continued)

2 Incoming resources from generated funds - donations, legacies and similar income

			Year ended 31 December 2010 Total €'000	14 month period ended 31 December 2009 Total €'000
	Unrestricted funds €'000	Restricted funds €'000		
Appeals income	161	227	388	42
Legacies	4	-	4	2
Corporate	15	48	63	7
Trust	-	39	39	10
Committed giving	317	-	317	323
Other donations	89	196	285	75
	<hr/>	<hr/>	<hr/>	<hr/>
Total voluntary income	586	510	1,096	459
	<hr/>	<hr/>	<hr/>	<hr/>

3 Incoming resources from generated funds – grants for operational programmes

	Year ended 2010 €'000	14 month period ended 2009 €'000
Irish aid		
Sri Lanka	136	170
South Sudan	255	275
Democratic Republic of Congo	261	275
Niger	345	-
Burundi	-	275
Sudan	-	220
	<hr/>	<hr/>
	997	1,215
	<hr/>	<hr/>

4 Incoming resources from other activities

			Year ended 2010 Total €'000	14 month period ended 2009 Total €'000
	Unrestricted funds €'000	Restricted funds €'000		
Income from supply of staff to overseas projects	207	-	207	121
	<hr/>	<hr/>	<hr/>	<hr/>

Médecins Sans Frontières

Notes (continued)

5 Costs of generating funds

	Year ended 31 December		14 month period ended 31 December
	Unrestricted funds €'000	Restricted funds €'000	2010 Total €'000
Salaries and pensions	49	-	49
Travel and subsistence	3	-	3
Other personnel costs	2	-	2
Office costs (including depreciation)	12	-	12
Professional fees	1	-	1
Fundraising	179	-	179
	<u>246</u>	<u>-</u>	<u>246</u>
			<u>130</u>

6 Expenditure on charitable activities - operational programmes

	Year ended 31 December		14 month period ended 31 December
	Unrestricted funds €'000	Restricted funds €'000	2010 Total €'000
Institutional funds transferred to operational programmes			
Sri Lanka	-	136	136
South Sudan	-	255	255
Democratic Republic of Congo	-	261	261
Niger	-	345	345
Burundi	-	-	-
Sudan	-	-	-
	<u>-</u>	<u>997</u>	<u>997</u>
			<u>1,215</u>

Médecins Sans Frontières

Notes (continued)

6 Expenditure on charitable activities - operational programmes (continued)

	Year ended 31 December		14 month period ended 31 December
	Unrestricted funds €'000	Restricted funds €'000	2010 Total €'000
			2009 Total €'000
Private grants transferred to operational programmes			
Democratic Republic of Congo – Kivu	-	1	1
Niger	-	1	1
Sudan	-	1	1
South Africa	-	7	7
Zimbabwe	-	2	2
Iraq	-	30	30
Haiti	-	430	430
Pakistan	-	60	60
	-	532	532
Medical and programme support			
Salaries and pensions	16	-	16
Travel and subsistence	2	-	2
Other personnel costs	1	-	1
Office costs (including depreciation)	12	-	12
Professional fees	1	-	1
	32	-	32
			37

Médecins Sans Frontières

Notes *(continued)*

6 Expenditure on charitable activities - operational programmes *(continued)*

	Unrestricted funds €'000	Restricted funds €'000	Year ended 31 December 2010 Total €'000	14 month period ended 31 December 2009 Total €'000
Recruitment for overseas projects				
Salaries and pensions	13	-	13	20
Travel and subsistence	1	-	1	3
Other personnel costs	5	-	5	2
Office costs (including depreciation)	12	-	12	14
Professional fees	-	-	-	1
	<u>31</u>	<u>-</u>	<u>31</u>	<u>40</u>
Temoignage & advocacy				
Salaries and pensions	62	-	62	58
Travel and subsistence	3	-	3	4
Other personnel costs	1	-	1	2
Office costs (including depreciation)	12	-	12	14
Professional fees	1	-	1	1
	<u>79</u>	<u>-</u>	<u>79</u>	<u>79</u>
International staff				
Costs of employing field staff overseas	207	-	207	121

Médecins Sans Frontières

Notes (continued)

6 Expenditure on charitable activities – operational programmes (continued)

	Year ended 31 December 2010			14 month period ended 31 December 2009
	Unrestricted funds €'000	Restricted funds €'000	Total €'000	Total €'000
Support costs				
Salaries and pensions	17	-	17	18
Travel and subsistence	1	-	1	3
Other personnel costs	2	-	2	2
Office costs (including depreciation)	12	-	12	15
Professional fees	1	-	1	1
	<u>33</u>	<u>-</u>	<u>33</u>	<u>39</u>
Total expenditure – operational programmes	<u>382</u>	<u>1,529</u>	<u>1,911</u>	<u>1,531</u>

7 Governance costs

	Year ended 31 December 2010			14 month period ended 31 December 2009
	Unrestricted funds €'000	Restricted funds €'000	Total €'000	Total €'000
Auditor's remuneration	10	-	10	10
Professional fees	8	-	8	-
	<u>18</u>	<u>-</u>	<u>18</u>	<u>10</u>

Médecins Sans Frontières

Notes (continued)

8 Net incoming resources

Year ended 31 December 2010 €'000	14 month period ended 2009 €'000
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Net incoming resources is stated after charging:

Depreciation	5	4
Auditor's remuneration	10	10
	<u> </u>	<u> </u>

9 Directors' remuneration

None of the directors received any remuneration during the year or prior period.

10 Staff numbers and costs

The average number of contracted employees throughout the period, calculated on a full-time equivalent basis, was:

	Year ended 31 December 2010 Number of employees	14 month period ended 31 December 2009 Number of employees
Private and institutional fundraising	1	1
Temoignage & advocacy	1	1
Management & administration	1	1
Irish staff on overseas projects	10	4
	<u> </u>	<u> </u>
	13	7
	<u> </u>	<u> </u>

Médecins Sans Frontières

Notes (continued)

10 Staff numbers and costs (continued)	2010	2009
	€'000	€'000
The costs of employing those staff was		
Wages and salaries	320	251
Social security costs	32	26
Pension costs	12	1
	<hr/>	<hr/>
	364	278
	<hr/> <hr/>	<hr/> <hr/>

In addition to the above, approximately 468 days (equivalent of 1.8 full time employees for the year) of time has been given to the company during 2010 by more than 15 office volunteers.

MSF operates a pay policy whereby the highest paid employee never earns more than 3 times the lowest paid employee. In 2010, no employee earned over €60,000.

Included in total staff costs is an amount of €206,572, relating to the costs of field staff overseas reimbursed by other MSF sections. These staff costs, together with associated expenses, are shown as income in the financial statements (see note 3).

11 Taxation

No taxation is payable as the company enjoys charitable status.

Médecins Sans Frontières

Notes (continued)

12 Tangible fixed assets	Computer equipment	
	2010 €'000	2009 €'000
Cost		
At beginning of year	15	-
Additions	2	15
	<hr/>	<hr/>
At end of year	17	15
	<hr/>	<hr/>
Depreciation		
At beginning of year	4	-
Charge for the year	5	4
	<hr/>	<hr/>
At end of year	9	4
	<hr/>	<hr/>
Net book value		
At end of year	8	11
	<hr/>	<hr/>
At beginning of year	11	-
	<hr/>	<hr/>
13 Debtors	2010	2009
	€'000	€'000
Amounts due from other MSF sections in relation to Irish Aid (see below)	328	-
Amounts due from MSF UK	169	-
Amounts due from other MSF sections (see below)	39	45
Other debtors	3	2
	<hr/>	<hr/>
	539	47
	<hr/>	<hr/>

During 2010, MSF received total funds of €1,325,000 from Irish Aid, on a contract by contract basis, for specific projects. The projects are run by MSF operational sections on a contract basis with MSF Ireland. In cases where the project spanned the financial year end, unutilised funds of €328,000 are shown as a debtor. These funds will be spent in 2011 on the specific projects contracted by Irish Aid.

During the year, €206,572 (2009: €120,959) was billed to other MSF sections and €38,735 (2009: €45,063) is outstanding as at 31 December 2010.

Médecins Sans Frontières

Notes (continued)

14 Creditors: amounts falling due within one year	2010	2009
	€'000	€'000
Amounts received in advance from Irish Aid (see note 13)	328	-
Amounts due to MSF UK	-	3
Grants payable to other MSF sections	98	-
PAYE/PRSI	9	6
Other creditors	-	6
Accruals	14	10
	<hr/>	<hr/>
	449	25
	<hr/>	<hr/>
15 Unrestricted funds		14 month
	Year ended	period ended
	31 December	31 December
	2010	2009
	€'000	€'000
At beginning of period	97	-
Surplus for the period	147	97
	<hr/>	<hr/>
At end of period	244	97
	<hr/>	<hr/>

Médecins Sans Frontières

Notes *(continued)*

16 Restricted funds

Incoming funds include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes:

	At beginning of year €'000	Incoming resources €'000	Resources expended €'000	At end of year €'000
DRC Kivu	1	-	(1)	-
Niger	-	1	(1)	-
Sudan	-	1	(1)	-
South Africa	-	7	(7)	-
Zimbabwe	-	2	(2)	-
Iraq	26	9	(30)	5
Haiti	-	430	(430)	-
Pakistan	-	60	(60)	-
Irish Aid (Note 4)	-	997	(997)	-
	<u>27</u>	<u>1,507</u>	<u>(1,529)</u>	<u>5</u>

All restricted funds are for specific humanitarian projects in particular areas of the world.

17 Analysis of net assets

	Unrestricted funds €'000	Restricted funds €'000	2010 Total €'000	2009 Total €'000
Tangible fixed assets	8	-	8	11
Other net assets	236	5	241	113
	<u>244</u>	<u>5</u>	<u>249</u>	<u>124</u>

Médecins Sans Frontières

Notes (continued)

18 Commitments

There were no commitments, contracted or otherwise, at 31 December 2010, other than lease commitments. Annual commitments under non cancellable operating leases are as follows:

	Land and buildings 2010 €'000	Other 2010 €'000	2010 Total €'000	Land and buildings 2009 €'000	Other 2009 €'000	2009 Total €'000
Payable on leases in which the commitment expires within:						
- two to five years	38	1	39	38	1	39
	<u>38</u>	<u>1</u>	<u>39</u>	<u>38</u>	<u>1</u>	<u>39</u>

The amounts charged to the income and expenditure account with respect to these contracts in 2010 was €39,000 (2009: €41,968).

19 Reconciliation of net incoming resources to cash flows from operating activities

	2010 €'000	2009 €'000
Net incoming resources	125	124
Depreciation	5	4
Increase in debtors	(492)	(47)
Increase in creditors	424	25
	<u>62</u>	<u>106</u>
Cash flows from operating activities	62	106

20 Analysis of net cash resources

	At beginning of year €'000	Net cash flows €'000	At end of year €'000
Cash in hand and in bank	91	60	151
	<u>91</u>	<u>60</u>	<u>151</u>

21 Related parties

MSF (Ireland) works in close collaboration with MSF (UK) on a number of issues. The Head of Office of MSF (Ireland) is a member of the MSF (UK) management team and the operational and financial planning for the two entities is done jointly for the purposes of presentation to the International Office.

Médecins Sans Frontières

Notes (continued)

22 Other MSF sections

MSF Australia	PO Box 847, Broadway, NSW 2007, AUSTRALIA
MSF Austria	Josefstadter Strasse 19, Postfach 53, A-1082 Vienna, AUSTRIA
MSF Belgium	Duprestreet 94, B-1090 Brussels-Jette, BELGIUM
MSF Canada	720 Spadina Avenue, Suite 402, M5S 2T9 Toronto ON, CANADA
MSF Denmark	Bernstorffsvej 20, 2900 Hellerup, DENMARK
MSF France	8 rue Saint Sabin, F-75011 Paris, FRANCE
MSF Germany	Am Kollnischen Park 1, 10179 Berlin, GERMANY
MSF Holland	Plantage Middenlaan 14, PO Box 10014, 1001 EA Amsterdam, THE NETHERLANDS
MSF Hong Kong	Shop 5 B, Lai Chi Kok Bay Garden, 272 Lai King Hill Road, Kowloon, HONG KONG
MSF International	Rue de Lausanne 78, Case Postale, 116, 1211 Geneve 21, SWITZERLAND
MSF Italy	Via Voltorno 58, 00185 Rome, ITALY
MSF Japan	2-4-10 Shimo-Ochial, Shinjuku, Tokyo 161-0033, JAPAN
MSF Luxembourg	70 Rue de Gasperich, L-1617 Luxembourg, LUXEMBOURG
MSF Norway	Raadhusgata 30A, 0151 Oslo, NORWAY
MSF Spain	Nou de la Rambla 26, 08001 Barcelona, SPAIN
MSF Sweden	Hogbergsgaten 59B, Box 4262, SE-10266 Stockholm, SWEDEN
MSF Switzerland	Rue de Lausanne 78, Case Postale, 116, 1211 Geneve 6, SWITZERLAND
MSF UK	67-74 Saffron Hill, London EC1N 8QX, UNITED KINGDOM
MSF USA	333 7 th Avenue, 2 nd Floor, New York NY 10001, USA

Transactions with the other MSF sections consist of the following:

- Institutional funds transferred for operational programmes (see note 6).
- Expense recharges (see note 10 Staff numbers & costs and note 13 Debtors)

22 Legal status of company

In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word 'limited' in its name. The company is limited by guarantee and has no share capital. At 31 December 2010, there were 7 members whose guarantee is limited to €1 each. This guarantee continues for one year after individual membership ceases.

The company, as a charity, is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986.

23 Approval of financial statements

The directors approved the financial statements on 21 April 2011.